



C-19 Emergency Trading Income Support Scheme

Guidelines for applicants



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This guidance will help you decide whether the C-19 Emergency Trading Income Support Scheme, funded by Power to Change, is right for you. It includes information about the criteria that will be used to assess applications, and additional support that is available for your community business.

Part one: Explores the programme criteria and will help you assess whether the C-19 Emergency Trading Income Support Scheme is right for you

Part two: Explains how to apply and the timeline

Part three: Provides a preview of the application form and guidance notes

Part four: Provides information about additional support that is available from Power to Change.

Part five: Answers some frequently asked questions.

If you require this guidance to be sent to you in large print, Braille or an audio transcript, please get in touch by email: <u>comms@powertochange.org.uk</u>

Get in touch

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

powertochange@sibgroup.org.uk

Find out more

Sign up to <u>Power to Change's newsletter</u> for information about the support available for community businesses, updates from the sector and inspirational community business stories.

Welcome About the support scheme

The C-19 Emergency Trading Income Support Scheme provides emergency finance in the form of small grants to community businesses in England, as a contribution towards trading income lost as a result of COVID-19. We have dedicated £5 million to this scheme to support current and past grantees of Power to Change, and community businesses who are members of Locality, Co-operatives UK, and Plunkett Foundation, our core strategic partners.

Now more than ever, Power to Change is here to support you as you face this unprecedented global crisis at a local level. We're really pleased to be working in partnership with Cooperatives UK, Locality and Plunkett Foundation to offer support beyond our own grantees to their community business members.

We're also really pleased to be working with Social Investment Business (SIB) which will deliver the C-19 Emergency Trading Income Support Scheme.

On average, community businesses get 57% of their income from trading. More importantly given social distancing, we estimate that on average 43% of community businesses' income comes from venue-based activities such as cafés, shops, hiring out meeting space. Much of this income is drying up as people stay home. We know many of you are adapting your business models to continue providing services and to offer new ones as needs change within your communities. Others are moving community activities like exercise classes, and wellbeing support, online. But for all this creativity and innovation, we understand that in many cases COVID-19 has brought a huge financial shock to community business like yours.

This programme aims to support your organisation through this crisis by providing:

- » A grant of up to £25,000, to contribute towards trading income lost between April to June 2020 as a result of COVID-19. The grant size will be calculated based on your trading income from April 2019 – March 2020, and will be equal to 25% of your trading income for that period, or £25,000 whichever is lower.
- » Clear guidance, minimal paperwork, and a quick decision on your application at this difficult time.

We want to make sure that as many of you as possible can survive this period of crisis, so that you have the best possible chance not only to survive, but also to reinvigorate and reshape the work you do to provide vital training and employment opportunities, services, activities and support so valued by your communities.

Kate Stewart, Director of Programmes, Power to Change

Important information

We expect to only be able to support 250 community businesses through this scheme so it's important that you read these guidance notes thoroughly to understand if it's right for you.

Rationale for inclusion/exclusion of grantees from the eligibility list

The programmes selected for notification about the opportunity to apply are those where grantees were exclusively Community Businesses, and where grantees are very likely to be at a stage where they are established and trading. We have also prioritised grantees which are not currently benefiting from another Power to Change grant/support programme tailored to C-19 support.

What can you spend the money on?

How you spend the grant funding can be flexible depending on the needs of your community business during this difficult time. However it is essential that the grant is spent on wholly charitable activities, purposes or outcomes. For more details see criteria 7 on page 6.

You may spend the grant on revenue and/or capital costs.

We would like to know what you plan to spend the funding on, but we also appreciate you may not know the answer at this stage.

We're here for you

Without doubt, the COVID-19 pandemic means your community organisation will be encountering the most unusual and challenging circumstances. As well as this emergency financial support, Power to Change and our trusted partners, Co-operatives UK, Locality and the Plunkett Foundation are working together to provide the most up-to-date advice and information to help you navigate the ever-changing rules, regulations and emergency measures. Our partners are providing free business support at this time and we encourage you to get in touch with their teams with any questions, business support needs or concerns you might have.

Every day we hear how community organisations like yours are stepping up to look after vulnerable people who are struggling to access essential supplies and suffering from loneliness due to self-isolation. Please continue to share these inspiring stories with us so that we can be the voice of the sector when it matters the most.

Just as you are there for your communities during this crisis, we are here for you and your members.



<u>Co-operatives UK</u> is a national organisation supporting member-owned enterprises including community-owned buildings, services and spaces. Their <u>coronavirus</u> <u>advice pages</u> include COVID-19 related HR and governance advice and a quick <u>guide</u> to accessing the government's support for business and charities. They are keen to hear from cooperatives that are missing out on support so that they can lobby policy makers on your behalf.

Email: <u>membership@uk.coop</u> Phone: 0161 214 1750



Locality is the national membership network supporting local community organisations to be strong and successful. Their coronavirus information and support hub helps Locality members and community organisations during the COVID-19 outbreak with useful resources, guidance and practical support including 1-2-1 advice and legal and HR advice They're also working with members to campaign to make sure government support and funding works for community organisations.

Email: <u>members@locality.org.uk</u> Phone: 0207 336 9494



<u>The Plunkett Foundation</u> is a national charity supporting rural community businesses across the UK. Plunkett are updating their <u>COVID-19 Live page</u> daily with the latest sector guidance and announcements as well as videos sharing the ideas and experiences from other community businesses. If you're a running a community pub, community shop, woodland, or any other rural community business, you will find plenty of helpful information on their website and in their Facebook groups for community businesses.

Email: <u>info@plunkett.co.uk</u> Phone: 01993 810730

Part One | Can you apply?

To be considered for C-19 Emergency Trading Income Support from Power to Change, you must be based in England and you must demonstrate how you meet each of the following 9 criteria:

1. Be a current or past grantee of Power to Change, or a member of one of our strategic partner organisations

This scheme is only open to community businesses who have received or are receiving an investment from Power to Change. However, not all of our grantees are eligible for this support scheme and will be contacted about separate support available to them. Find out more in the FAQs on the last page.

This support scheme is also for community businesses who are already members of either Cooperatives UK, Locality or Plunkett Foundation.

2. Meet the four key features of a community business

Power to Change only supports existing community businesses through this scheme. <u>Here are some examples of a community</u> <u>business.</u> To meet our definition of a community business, you must be able to answer yes to the following questions:

Are you locally rooted?

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

Are you accountable to the 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.

Are you trading for the benefit of the local community?

Community businesses 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.

Do you have a broad community impact?

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

3. Experiencing losses to your trading income due to COVID-19

This programme aims to help community businesses facing a reduction in trading income due to COVID-19. We need to understand the current and future impact of COVID-19 on your trading income from April to June 2020. By 'trading income' we mean your income from trading with the public, or with other businesses, for example: trading income from room hire for community events and activities. Trading income also includes the provision of goods and services under contract, and income from property such as or rental income (excluding investment income).

4. Can evidence stable cashflow in the 12 months prior to March 2020

This Power To Change funding can only be used to support organisations whose cashflow issues are specifically as a result of COVID-19. To demonstrate this, we will need to see your organisation's cashflow or equivalent financial information to demonstrate your position for the 12 months leading up to March 2020. If you haven't been trading for 12 months, you can send us your cashflow or financial information for as many months as possible. We will also need to see your latest management accounts or equivalent

documents.

We will use this information to calculate your grant size, which will be equivalent to 25% of your trading income from April 2019 – March 2020 or £25,000, whichever is lower.

Part One | Can you apply?

5. Your organisation would benefit from a grant of up to £25,000

We'll need you to describe how funding will enable your community business to continue to operate, and the charitable purpose/s the funding will be used to further.

6. Able to spend the funds over a 3–6 month timeframe

The period for this funding is a contribution to cover the loss of trading income April - June 2020. Any funding must be spent within 6 months of being awarded.

You will need to describe what other measures you have explored, applied for and put in place to mitigate the impact of COVID-19 on your operations. For example, furloughing staff, accessing Government or other funding or financing, accessing other Government support programmes and/or slowing down or halting some of your operations.

Please note that if you have other sources of support this does not mean you aren't eligible for Power to Change support.

7. Charitable purpose

The funds we invest through this programme must not be used purely for commercial purposes. The funds we award must support charitable purposes, charitable activities and/ or deliver charitable outcomes, and you must be able to clearly describe how the funding will help you to do this.

Power to Change will fund the following charitable purposes:

- the prevention or relief of poverty
- the advancement of education
- the advancement of health or the saving of lives
- the advancement of citizenship or community development
- the advancement of the arts, culture, heritage or science
- the advancement of environmental protection or improvement
- the relief of those in need because of youth, age, ill-health, disability, financial hardship or other disadvantage
- the relief of unemployment
- the promotion of urban and rural regeneration (subheading under citizenship or community development)
- the promotion of social inclusion (subheading under relief of poverty)

We cannot support activities that promote the advancement of religion or that are party political in nature. This does not prevent faith groups from applying for funding for an existing community business which has a charitable purpose other than the advancement of religion.

8. For public benefit

For a proposal to be charitable, it needs to have both a charitable purpose and to be for public benefit. This means that your proposal must create benefits for a sufficient section of your community, including people who are experiencing disadvantage.

If your activities are for private benefit (see the next page for more info) and will only 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 invest in your organisation.

Part One | Can you apply?

9. State Aid

State Aid relates to certain EU regulations around competition, which Power to Change must abide by. Unlawful State Aid will have to be repaid. Our application process will help us identify the State Aid position of your application. We recommend that you take independent advice on this matter.

Why would State Aid affect your application?

Power to Change grants qualify within the European Union definition of State Aid. State Aid refers to forms of assistance given on a discretionary basis to provide an activity or service, which may distort competition in the European Union market by favouring one provider over another.

State Aid rules are complex, but as a general guide applications involving trading activities are unlikely to breach State Aid rules if they are: small scale; delivered in a defined local area; are for charitable, social, cultural or educational purposes and do not affect trade between member states of the European Union. We recommend you take independent advice on this matter. Find our more about State Aid: www.gov.uk/guidance/state-aid/guidance

More info

WHAT DO WE MEAN BY CHARITABLE PURPOSE?

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

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/examples-ofpersonal-benefit

Part Two | Application process How to apply

The C-19 Emergency Trading Income Support scheme will open for applications in two rounds in May across two weeks:

Round 1 opens 12 May 10am - The round will close when it reaches 150 applications. We aim to award around \pounds 3 million in this round.

Round 2 opens 19 May 10am - We aim to award around £2 million in this round

How to apply

Eligible grantees and Cooperatives UK, Locality and Plunkett Foundation members will be sent a unique link to an eligibility checker. If you meet the criteria, you will then have access to the online application form.

Please make sure you have read these guidance notes thoroughly to decide if this scheme is right for you.

Unfortunately we are unable to support all eligible community businesses, so our funding rounds will be operated on a first come, first served basis.

Data protection

Confidential information you provide, such as commercially sensitive data, will not be made public in any way, except as required by law. We may use non-sensitive data about awarded grants, including statistical data about applications, to promote the programme.

Please note that the details captured via this application are deemed necessary in order to complete our review of your application for grant funds. Your personal details and those of your colleagues that you have shared here, will be stored and processed online with the GDPR regulations.

We will only store your information for as long as is necessary and will delete your information if there is no further legitimate, legal or contractual reason to keep it.

For more information and to understand your rights under the GDPR with regards to the information you supply as part of your application, please visit our <u>website</u>.

Disability and Inclusion

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

Across all our funding activities, we encourage and welcome applications from community businesses which meet our eligibility criteria and which can clearly demonstrate how their work promotes inclusion.

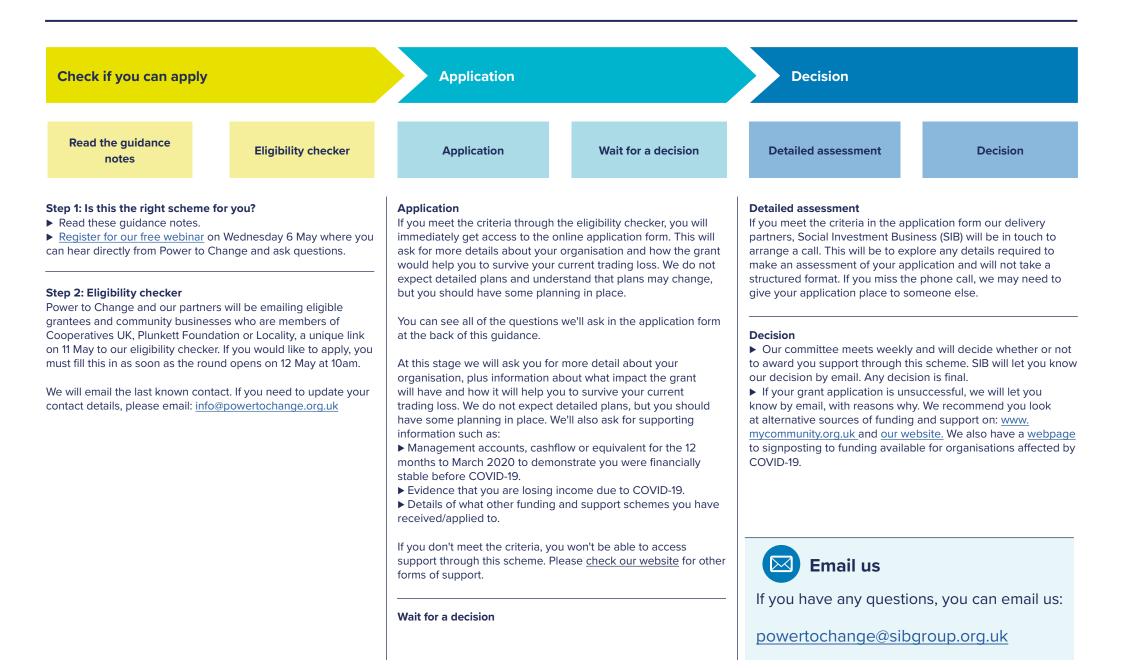
To learn more about making your community business more accessible and inclusive for people with disabilities, please read our Accessibility and Inclusion Guidance.

Please let us know by email

<u>comms@powertochange.org.uk</u> if you need this guidance in large print, Braille or audio transcript.

Part Two | Application process

How we assess applications and make decisions



A preview of the application form and guidance notes

In this section, you can see the questions we will ask in the application form.

If you get through to the detailed assessment stage, we'll ask you for more information. We have given some examples of the information and supporting documents we may require below.

About your organisation	
Organisation Name	
Company/society number	
Charity number	
What is your organisation's legal structure. Please select one.	
Please provide the year the organisation was first registered.	This will help us understand how new or mature your organisation is
What is the primary sector you operate in? Please select one.	
What are the main aims of your organisation?	This is so we can get a more detailed understanding of what your organisation does.
Who are primary beneficiaries targeted by your organisation? Please select up to three.	
Address Street	
Address City	
Address County	
Address Postcode	

Region	
Organisational phone	
Organisational email	This is a generic organisation email as opposed to an individual's email, for instance: info@organisation.org or contact@organisation.org
Organisation website, If you have one	
Organisation Facebook account, if you have one	
Organisation Twitter handle, if you have one	
Key contact	
Salutation	
First name	
Last name	
Job title	
Work phone	
Work mobile phone number	
Email address	

Community business status	
Is your organisation a community business?	 Power to Change only funds community businesses based in England that meet the following four criteria. A community business: Is locally rooted Generates income through trading Is accountable to its local community Has broad community impact At the application stage you declared that your organisation meets the four community business criteria. Please describe how it does that.
Locally rooted: Please describe how your organisation is locally rooted. Tell us a little bit about your community, how your organisation started and how it serves this community's needs. (Maximum 300 words)	By locally rooted, we mean a business started by local people that will benefit the immediate community around it. In a town, that could be a neighbourhood. In the countryside, that could be several villages. This is the area your community business benefits. A majority of your staff, volunteers and other stakeholders should be drawn from this area and reflect its diversity. Please make sure you describe briefly how your community business started. When responding to this, think about whether the following statements are true about your community businesses: • My business exists to meet a local need

Trading: Please describe how your organisation generates income through trading. This can be goods or services, or a combination of the two. If you generate a profit/surplus from trading activity, what is this used for? Please include the proportion of your annual income that is generated through trading. For instance; renting rooms, contracted services, trading at a cafe.	A community business makes money by trading products and services. Your organisation must have a clear trading model, selling services or products to people in your local area, with profits used to deliver local benefit. Your community business may choose to trade across a broader area than your local community in order to create a sustainable business model. The profit from trading is then reinvested to deliver more activities/services that benefit local people. All or part of your income will come from community activities such as delivering a service for vulnerable people, running community transport, hiring out your space for community activities, providing housing or selling the produce you grow. If you generate a profit/surplus from trading activity, what is this used for? Please include the proportion of your annual income that is generated through trading. For instance; renting rooms, contracted services, trading at a cafe.
Accountable to the local community: Please describe how your community business is accountable to the local community. How do you involve the local community in decisions about how the community business operates? Do you have local board members, volunteers and staff?	You will be able to demonstrate how you give local people real, ongoing opportunities to shape what you do, through your organisation and project's governance. Ways you could demonstrate accountability to the local community include having open membership, regularly consulting with local people about your activities and plans or involving local people through a community share issue. You may want to consider things such as how you involve the local community in decisions about how the community business operates? Or if you have local board members, volunteers and staff? When thinking about responding to this question consider how true the following statements are for your community business: • My business was started by members of the local community • My business is led by members of the local community

A preview of the application form and guidance notes

Please describe how your community business benefits and supports a broad range of members of the local community. This could be through different services and activities or ensuring you include groups which may, in the absence of such effort, be excluded from participation.	Community businesses are set up to address local needs and contribute to a broader sense of confidence and pride in a place. They run events, activities or services to meet community needs. Broad community impact is about being open to a range of members of your local community and having multiple impacts. This could be through different services and activities and/or ensuring you include groups which may, in the absence of such effort, be excluded from participation. You will be able to demonstrate how your organisation is inclusive and gives opportunities for people with different abilities and backgrounds
	to get involved.

Emergency funding viability

organisation's cashflow. Please describe the current and future impact of Covid-19 on your cashflow, include both financial figures and a brief description e.g. reduction in rental income from meeting rooms over the next three months of £5,000. If you have a prepared cashflow projection document that illustrates this you will have the opportunity to upload it with supporting documents. Please describe both the short and medium term impact.
Please ensure this is the estimated net reduction in trading income, this includes both the gross reduction in trading income offset by any reduction in costs related to Covid-19, for instance through reducing or halting some service provision.
C C C V T C V T T T T

How long will your available cash reserves cover your essential operating costs?	
Please describe what other measures you have explored, applied for and put in place to mitigate the impact of Covid-19 on your operations. For example, furloughing staff, accessing Government or other financing, seeking repayment holidays or rent reductions, slowing down or halting some of your operations.	We want to understand the broad range of measures you have explored, applied for and/or put in place to mitigate the impact of Covid-19. This could be accessing Government or other financing, utilising the furlough scheme (where possible), seeking rent reductions or repayment holidays, changing or slowing down some operations or prioritising aspects of your business that are essential over those which are not.
Funding ask	
What funding are you requesting (maximum £25,000 or 25% of your annual trading income, whichever is lower). Please split between revenue and capital.	Please note funding available through this scheme is capped at maximum of £25,000 or up to 25% of your annual trading income, whichever is smaller. We will cross check this against your submitted financial documents.
What is this funding likely to cover and how will it enable your community business to continue to operate? We understand that this may change during the grant period.	Please keep this to headline information. Please also explain broadly what key functions and activities will continue and what the purpose is of any goods or services purchased.
Over what period will the requested funding be used? (Funding is available for a minimum of 3 and maximum of 6 months)	This is the time period over which the requested funding will be spent.
Supporting documents	
Please upload your most recent annual accounts	Upload your latest annual accounts, independently audited version if available

Please upload your latest management information or equivalent financial statements, including your most recent profit & loss account and balance sheet	Your latest management information or equivalent financial statements must include your most recent profit & loss account and balance sheet. These do not need to be signed off.
If you have a prepared 13-week forward cashflow projection or similar that shows the estimated impact of Covid-19 on your trading income, please upload it here.	Please upload any documents you have that show how you have estimated the impact of Covid-19 on your current and future trading income for at least 13-weeks. This is not a requirement, but it would be helpful for us to understand how you worked out your funding needs.
Charitable purpose	
What charitable purpose will this funding be used towards?	"We cannot support activities that promote the advancement of religion or that are party political in nature. This does not prevent faith groups from applying for funding for a community business which has a charitable purpose other than the advancement of religion.
Any other charitable purposes, specify	If you are not a charity you will still need to select a charitable purpose for this requested grant.
Additional	documents
Please upload your organisation's current governing documents	To assess your application and complete due diligence checks e.g. Constitution, Memorandum & Articles, Rules,
Please upload a list of all your current directors/trustees, including full names and dates of birth	
You may upload up to 2 additional documents in support of your application	If you have other prepared documentation you think would help our assessors make a decision on your application please upload them here

Authorised signatories	
Please confirm two individuals who are authorised to enter into legal agreements (including deeds) for, and accept grants on behalf of, your organisation.	Please confirm two individuals who are authorised to enter into legal agreements (including deeds) for, and accept grants on behalf of, your organisation.
Signatory 1	Please enter their full name, job title and email address. For a company or community interest company or CIO*, this should be a trustee/director (as the case may be). For a registered society (co-operative society or community benefit society) this should be a member of the management committee.
Signatory 2	Please enter their full name, job title and email address. For a company or community interest company or CIO*, this should be a trustee/director (as the case may be) who is also an authorised account signatory. For a registered society (co-operative society or community benefit society) this should be a member of the management committee who is also an authorised account signatory. For companies or community interest companies, the second signature could be a witness, provided the organisation's constitution does not prohibit this.

Part Four | Additional support from Power to Change

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

Get our insight on COVID-19

Find out more about our emergency response, what Government support we think is relevant for community businesses, and other sector support on our dedicated COVID-19 page.

Sign up to regular updates from Power to Change

Our newsletter is filled with information and advice for community businesses. Each edition signposts to sector support, webinars, inspirational stories and more.

Get a clear financial picture for free

Use the <u>Twine Benchmark tool</u> to assess your community business' financial health. It is powered by financial data from 650+ community businesses, gathered over 5 years, making it easier to understand how you compare to others in the community business market. It will help you to understand where you can cut costs and use the data to make the case to funders, test new business plans and forecast their results

Join the Community Business Mutual Aid Group

Community business leaders across England are joining a weekly Zoom call to share experiences and practical tips on how to face the crisis. Do you have an experience worth sharing? Power to Change will pay you a small fee for writing a case study or hosting a discussion on the weekly call. Join the network.

Free advice to adapt your business

Power to Change and our trusted partners, Cooperatives UK, Locality and the Plunkett Foundation are working together so that you can have quick and efficient access to the most up-to-date advice and information to help you navigate your way through these challenging circumstances. Support includes free webinars on everything from furloughing staff to setting up an online shop. Watch them again or check our newsletter for upcoming and information. We encourage you to get in touch with our partner organisations with any questions, business support needs or concerns you might have.

Part Five | FAQs

1. We don't know how long COVID-19 restrictions will go on for. What if I need funding for longer than the grant period?

At the moment we are likely to disburse funding between June to October 2020. However Power To Change is committed to supporting community businesses through and beyond the crisis and we will continue to review and adapt the immediate, medium and longer term support we provide.

2. The scheme offers up to £25,000 but my organisation stands to lose much more than this as a result of COVID-19. Where else can I get financial help for my organisation?

There are various support packages, including funding, available for community businesses listed on <u>powertochange.org.uk</u> with updates and information via the weekly <u>Power to Change newsletter</u>. Locality, Plunkett Foundation and Cooperatives UK also have specific COVID-19 pages on their websites where you can find links to funding and support offered to the sector.

3. I'm struggling to understand all the complex regulations and support coming out about COVID-19. Where can I get support to understand what else is available?

As support from the Government is announced, we will be updating <u>our blog</u> that digests the information and picks out the relevant support available for community businesses.

4. My organisation is an existing Power to Change grantee and we require a change to the grant we've already been awarded.

If you are an existing Power to Change grant holder requiring a change to either your grant amount, or your grant time period, you should not apply to this fund. Instead you should seek to arrange a grant variation through your primary contact for your existing grant.

5. Can my organisation apply again to the C-19 Emergency Trading Income Support Scheme if we've already applied?

No. We do not accept repeat applications from successful or unsuccessful applicants.

6. I am a grantee of Community Business Fund (CBF), Empowering Places or Bright Ideas. Where do I access support?

Community Business Fund: If you're a CBF grantee you will have already been invited to apply to the C-19 Emergency Trading Income Support Scheme for Community Business Fund grantees and applicants. You should apply for support through this channel. However, if you have spent your grant and submitted your final grant report, you are eligible to apply for the this support scheme and will have received an email invitation.

Bright Ideas: Former grantees of Bright Ideas may apply to this scheme as described in these guidance notes. However if you are a live Bright Ideas grantee and have not yet submitted your end of grant report you will be invited to apply for a separate support scheme via Locality later on in May.

Empowering Places: If you are an Empowering Places catalyst organisation please speak to Co-operatives UK, our delivery partner, and/or your Power to Change Programme Manager about the best way to access support.

