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business in
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hands



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COMMUNITY
FUND

Community Business Crowdmatch Applicant Guidance

How to make your application stronger



November 2020

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About this guidance

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

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

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

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

Part four: Provides information about the support offered from Power to Change and additional sources.

If you require this guidance to be sent to you in large print, braille or an audio transcript, please get in touch: comms@powertochange.org.uk

Get in touch

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



Email Crowdfunder

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

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



Keep in touch

Sign up to Power to Change's [newsletter](#) and follow on social media for inspiration and other sources of support.



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Introduction

What is Community Business Crowdmatch?

In the face of the ongoing Covid-19 pandemic, Power to Change has teamed up with Crowdfunder UK to help local communities raise much needed funds for new community business ideas that are helping the most vulnerable in their community through the crisis. The Community Business Crowdmatch programme will provide match funding to incentivise your crowdfunding activity and help build your network of supporters. Crowdmatch will support new community businesses as well as existing community businesses that are launching or incubating a new idea that supports local people.

The scheme is aimed at organisations delivering services in their local community to support those who have been most affected by the Covid-19 crisis. The fund will give particular priority to applications that are: in areas of England facing high levels of deprivation, organisations that are supporting and led by disabled people, and Black, Asian and Minority Ethnic (BAME)-led* or BAME-supporting community businesses.

Crowdfunder has helped community, charity and business projects across the UK raise over £100million so far, and through its partnerships with funders has over £5million in match funding available to help projects reach their targets. Community Business Crowdmatch is part of a package of support for the community business sector to recover from the Covid-19 crisis. Find out more about the Community Business Renewal Initiative on page 10.

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

Community Business Crowdmatch will help communities to develop, test or grow an existing community business or a new community business idea.

The programme will launch in November 2020 and be open until June 2021, or all of the £85,000 grant funding is awarded. The fund is designed to help you:

- 1. Raise funding and find support for your project to help your local community through Covid-19.** Local communities across England are responding to the crisis in innovative and powerful ways. By match funding your crowdfunding project, and with coaching support from Crowdfunder we hope to incentivise it to succeed.
- 2. Build your network of supporters.** Crowdfunding is a great way to raise money and attract new members and volunteers from your local community. This will also help you demonstrate to other funders that local people are engaged in your project and want it to succeed. You'll need to demonstrate a minimum level of support from your local community to unlock the support and match funding, see page 9 for more.

- 3. Benefit from match funding.** Power to Change will match fund up to 50% of your target, up to a maximum of £10,000, as long as you can raise the rest through crowdfunding. We will also coordinate with other match funders on the Crowdfunder platform if your project qualifies for multiple funding pots.

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

We are expecting a high number of enquiries to this programme, so please make sure you have read this guidance thoroughly before contacting us as the answer you need may be in this document.

*Please note, we are going through a process of reviewing our terminology, including the use of the term 'BAME', as we aim to be a more inclusive organisation.

Part One | Can you apply?

Are you a community business?

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

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

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

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

The four key features of a community business

Locally rooted

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



[Read the case study](#)

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

Accountable to local community

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



[Read the case study](#)

Highfields Centre serves one of the most diverse communities in England with over 200 members, each of whom are encouraged to volunteer and get involved in governance of the organisation.

Trading for the benefit of the local community

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



[Read the case study](#)

Bromley by Bow Centre generates income through many different ways, including its social enterprise café and hiring out its spaces for different activities.

Broad community impact

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



[Read the case study](#)

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

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

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

Part One | Can you apply?

Are you a community business?

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

The Community Business Crowdfunder is not for individuals wanting to set up their own business. We expect you have at least three unrelated local individuals involved.

Examples of incorporated organisations include:

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

If you are unincorporated at the time of application, we would expect your application to include a request for support and advice to incorporate. Please note, we cannot make grant awards to unincorporated organisations. In such circumstances an incorporated fundholder must be nominated. This could include a local Voluntary and Community Sector organisation or a Parish Council.

Email Crowdfunder if you need support with this or are unsure, email:
support@crowdfunder.co.uk

3. Charitable purpose

You must have a charitable purpose at the heart of what you are asking us to fund, which meets charitable needs in your community. This does not mean that you have to be a charity as we will fund a variety of legal structures, but we cannot fund activities which don't further a charitable purpose.

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
- ▶ The promotion of social inclusion

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.

4. Public benefit

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

5. Share our impact goals

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

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

Part One | Can you apply?

Other important information

What do we mean by charitable purpose?

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

What do we mean by private benefit?

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

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

What about data protection?

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

Diversity, Equity and Inclusion

Power to Change and Crowdfunder are committed to equity and diversity and recognise that funding does not always reach community groups fairly. As such, we are making particular efforts this year to reach organisations that are led by or support BAME* (Black, Asian and Minority-Ethnic) people, disabled people and other marginalised groups.

We are also increasing our efforts to reach community businesses working in areas of high deprivation, particularly those in the bottom 30% of the indices of multiple deprivation. If your organisation meets any of these criteria, we strongly encourage you to apply.

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

*Please note, we are going through a process of reviewing our terminology, including the use of the term 'BAME', as we aim to be a more inclusive organisation.

Please let us know by emailing comms@powertochange.org.uk if you need this guidance in large print, braille or audio transcript.

Part Two | What can you apply for?

Support for new community businesses

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

Testing demand for a new community business

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



Help with key costs to start a new community business

Friends of the Admirals Head Pub formed off the back of over 80 local people wanting to bring the pub back to life after it had closed. Their vision is for it to become 'more than a pub' providing services for the whole community. They needed funding for: legal registration costs, a feasibility study, developing a business plan and preparing a community bid and raising finance to purchase the pub. In October 2019, they launched a successful crowdfunder campaign and raised £3,514 with 38 supporters in 56 days in 2019 to raise money to get started (including £1500 match funding from Power to Change Community Business Crowdmatch). [Read more here.](#)



Green Living Chorley was started in October 2018 by friends who then started a Facebook group for a handful of local people who cared about doing their bit for the environment. With over 860 members in their Facebook group and following monthly meet ups and outreach events, the group decide to seek out premises to take their emerging community business to the next level. In December 2019, they successfully raised £6,239 with 196 supporters in 47 days. The funds raised will help them set up an eco-shop and cafe/event space for everyone to feel welcome. [Read more here.](#)

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

Support for existing community businesses

Supporting existing community businesses

The Community Business Crowdfunder Fund can also support existing community businesses that have launched a new service or pivoted their business model in order to meet emerging community needs during the Covid-19 pandemic.

Crowdfunder is about delivering emergency help for an activity that will really ramp up into 2021, so we will match fund any costs that are associated with the necessary renewal activities that your community business needs to best serve your local community.

Existing community business raising funds for a new enterprise

Kirkstall Valley Development Trust is a community business set up in 2016 to develop a learning and leisure park over 200 acres of inner Leeds and to refurbish Abbey Mills for housing and community use. Having been granted a lease on a 16-acre community farm supply fresh veg to local residents, host community and education projects and be a social focus for the whole of Kirkstall Valley, they needed to raise funds. Their Crowdfunder campaign raised £25,748 with 302 supporters in 65 days, including match funding from Power to Change. The funding is for a tractor, equipment, polytunnels, green manure seed, toilets, a collection hut and social area, and making the site secure. [Read more here.](#)



The Bevy is already a community business - a community owned pub located on a housing estate in Brighton that is also a community hub hosting weekly social lunches for older people, an Art and Crafts Group, a Dementia Cafe, free cookery classes, adult education courses and more. In September 2020 they launched a campaign called 'Bevy Bites' to make great lunches from surplus food, to deliver tasty nutritious affordable food locally to people who can't get to the pub. Their crowdfunder campaign, with match funding from Power to Change, raised £17,130 with 148 supporters. The funding was for new kitchen equipment, a vehicle, and to pay a driver. The scheme launched just as the covid-19 pandemic hit. The service quickly focused on providing 150 meals per week to isolated people and people shielding. [Find out more.](#)

Part Three | How to apply

Application process

1. Start your Crowdfunder project

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

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

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

2. Launch your project

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

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

If your grant application is successful, we will let you know by email. We aim to make these decisions in no less than 5 working days to minimise delay to your project.

If you haven't already launched your campaign, you must launch within 4 weeks, if your application is approved.

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

3. Boost your project

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

To receive a pledge you will need to raise at least 25% of your initial target, and raise this from a minimum number of supporters. The minimum number of supporters needed varies based on the crowdfunding target as below:

- ▶ 25 supporters if the target is up to £5,000
- ▶ 50 supporters if the target is between £5,001 and £10,000
- ▶ 75 supporters if the target is between £10,001 and £15,000
- ▶ 100 supporters if the target is between £15,001 and £20,000

If these two conditions are met, Power to Change will pledge up to 50% of the target (unless your target is over £20,000, or you have been notified differently). You must then go on to raise at least 100% of your funding target to receive the Power to Change funds.

4. Promote your project

When you've raised enough to unlock the match funding, use this as great way to shout out about your project again as every £1 invested will help unlock another £1 from Power to Change, until you reach your target, or up to a maximum of £10,000.

If the project fails to reach 100% of its target the Power to Change pledge will be cancelled. The project owner will be encouraged to review what went wrong and, if appropriate, to attempt to crowdfund again.

Power to Change reserves the right to vary these pledge criteria; projects will be notified if their pledge criteria will vary from the stated terms above.

Part Four | Help and support

Additional support available for community businesses

We want to make it easier for community businesses to recover from this crisis and continue to deliver the vital services needed by local people. Here's some of the additional support available for community businesses.

The Community Business Renewal Initiative

In October 2020, Power to Change launched the Community Business Renewal Initiative, a package of support for community businesses, in response to the Covid-19 crisis. This package includes the Crowdmatch programme and others. [Find out more.](#)

How to write effective emergency funding applications

The Ubele Initiative provide fundraising and organisational development support to BAME organisations who have been affected by the Covid-19 crisis via webinars and 1:1 support calls. [Find out more.](#)

MyCommunity

[MyCommunity](#) is a platform that brings together all the latest tools, tips and ideas to make your community an even better place to live.

Get a clear financial picture for free

Use the [Twine Benchmark tool](#) 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.

Policy and research

We commission high quality research, promote rigorous analysis and stimulate debate in order to shape both policy and practice. We publish an annual survey to understand what we are doing well, what we could do better and the impact our programmes are having. We also publish success guides for running a community business. Find out more about the [Research Institute](#).

Events, media and podcast

Power to Change tells the story of community business regionally and nationally, in the press, online and at events. We also have new monthly podcast, [Then One Day](#), which explores the moment when communities come together.

Community Business Mutual Aid

The Community Business Mutual Aid group was created in response to Covid-19, and exists to provide practical peer support, solidarity and inspiration to all members. You can join the network and find out when the next themed online meeting is here: <https://cbmutualaid.co.uk>.

Community owned asset protection

Working with our partners, Cooperatives UK, Plunkett Foundation and Locality, we have identified organisations running community-owned assets that have been most affected by the Covid-19 crisis. For eligible organisations, we will be providing tailored information, advice and guidance to support community businesses to protect their assets.

Other funding available

Government, councils, social investors and trusts are offering various grant and loan schemes, including Social Investment Business's Resilience and Recovery Loan Fund.

Free advice to adapt your business

In collaboration with our strategic partners, Power to Change launched a support package for community businesses as we move forward into the new normal. This support package includes a range of activities, from webinars to short intensive programmes for community business leaders to hone their skills and develop peer networks, helping them to continue to play a vital role in their communities. For updates, check our [newsletter](#).