

# Boosting community business London – application guidance

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## About the programme

Are you based in Greater London? Are you a new or existing community business? Are you looking for help with developing a community share offer?

The Mayor of London has partnered with Co-operatives UK and Power to Change to support community businesses in Greater London. We want to grow the social economy and support community businesses looking to take community ownership of local public assets.

Find out how to apply for support from [Boosting Community Business London](#), and what support is on offer.

## About this guidance

Download all the questions asked in the [application form](#)

You can read through the guidance using the menu at the bottom of this page, or use the download button at the top of this page to save a pdf copy.

## What support was available?

There are two types of support available:

### Track 1: Start-up support

Professional support to the value of £4,000 to access business planning, legal and governance advice and expertise.

New and existing community businesses will receive up to eight days of bespoke business support, mentoring and training. £100,000 is available to support up to 25 organisations.

We can help you to quickly set up your community business, develop your business idea and become a sustainable and growing business.

We can also support existing businesses to convert to a community business to utilise community shares to support the sustainable development of the community business.

Track 1 start up support applications closed on 12 March 2021.

### Track 2: Development grants

Grants of up to £10,000 to support the development of your community share offer, such as costs associated with the Standard Mark assessment (the quality assurance mark for community share offers) and promotional spend for the share offer campaign itself.

Up to five community businesses will be awarded a grant of up to £10,000 to help raise capital via a community share offer. The grant is intended to fund specialist advice to help you:

- Create high quality share offer documents.
- Undertaking a Standard Mark assessment, the quality assurance mark for community shares.
- Develop a promotional campaign (to reach potential community shares investors).
- Select the right web platform and cover costs of hosting the share offer online.

Track 2 development grant applications are still open for a short time – as of 18 May 2021.

### **Types of businesses / projects we are looking to support**

We are supporting new and existing community businesses that are planning to launch a community share offer by the end of December 2021.

Community businesses are run by local people for local people. 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.

We are keen to support groups looking to:

- Revive and take ownership of local assets. This could be to create community hubs or projects helping to revive high streets.
- Protect the services in their local area that people rely on, and address local needs.

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# What are community shares?

## What are community shares?

- 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 2012, £155 million has been raised by 104,203 people supporting more than 440 vital businesses – an impressive 92% of which are still trading.
- Community shares are non-transferrable, withdrawable share capital that provide community businesses much needed money to start, grow, and 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.
- 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](#).

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## Eligibility criteria

To be considered for funding through the Boosting Community Business London programme your business must be registered or operating within a Greater London borough.

You will need to clearly evidence how you meet each of our criteria below.

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.

### Criteria 1: Demonstrate 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.
- 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.
- 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.
- Broad community impact. They engage with a variety of different groups in their community and deliver impact against a range of different community needs.

Not sure if your organisations is eligible? [Watch the video](#) explaining the key features of a community business:

Note: 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.

### Criteria 2: Operate for 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 provides more [guidance on public benefit](#).

### Criteria 3: 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.

## **Criteria 4: You must be registered as a society**

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:

1. Community benefit society
2. Co-operative society
3. Charitable community benefit society

## **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 the only legal form available for businesses wishing to raise capital from the public in the form of community shares.

[More information about societies and how to register:](#)

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## Introductory workshops

Two online workshops, hosted by Power to Change and Co-operatives UK were held in February. Recordings of the webinars are now available.

### Workshop 1: Welcome to Community Business

This hour-long session introduced the concept of community business and community shares, showcased case studies and research, before introducing the pilot and how it works, including:

- The application process.
- How we'll decide what to support.
- Drawing down of the development grant.
- Working with specialist advisors.

**Listen to a recording of the  
webinar: Welcome to community  
business**

**Listen now**

### Workshop 2: What makes a successful community business?

A breakout session was held for potential applicants to meet other community businesses working in the same sectors, areas or facing similar challenges. The workshop featured:

- Testimonials from existing community businesses
- Peer to peer discussions providing time to ask questions and share experiences
- Networking to develop relationships with other community businesses across London

**Listen to a recording of the  
webinar: What makes a  
successful community business?**

**Listen now**

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# How to apply – Track 1

## Track 1: Start-up support

- Apply for up to eight 8 days of business development support, up to a value of £4,000.
- Applications opened on 29 January 2021 and closed on 12 March (deadline was extended).
- Applicants will be advised if their application has been successful within 8 weeks of submission.
- Depending on demand and if full capacity is not reached, we may run a second round later in the year. All support will need to be delivered by the end of December 2021.

Applicants needed to complete the online form. Applications to Track 1 are now closed.

- Once we receive your completed application, groups will be contacted by Co-operatives UK to explore your ideas and ensure that you are eligible and if not you will signposted to other support. This call is an essential part of helping groups to identify the type and level of support required to give you the best chance of securing the right type of support. The application is shared with assessors.
- Successful applicants will receive up to 8 days of development support and will be matched with one of our expert business development advisers who are contracted to deliver one-to-one advice.
- Applicants will be offered the opportunity to request one of our existing providers, for example if they have worked with them before. [You can view a list here.](#)
- One-to-one support is currently limited to phone/video calls and email due to Covid-19, but does not impact the quality of support.

## Useful resources

If you are in the early stage of setting up your community business, check out our online resources and [start a new co-op step by step](#):

- Test your business idea ([see step 1](#))
- How you will finance your community business ([see step 3](#))
- Developing your business plan ([see step 4](#))

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## Preview of the application questions

In this section you will find all the questions from the Track 1: Start-up support application form and the Track 2 Development grant application form.

This includes 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.

### Track 1: Start-up support application form

View and/or download a pdf of the application questions. Please note this download refers to the old application deadlines. The Track 1 application deadline was extended to 12 March 2021 and applications to Track 1 are now closed.

**Application questions preview**

**View/download pdf**

### Track 2: Development grant application form

Applications opened on 29 March 2021 and are still open for a short time – as of 18 May 2021.

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## How to apply – Track 2

### Track 2: Development grants

- Apply for a grant of up to £10,000 to support the development costs of your community share offer.
- Applications opened on 29 March 2021 and are still open for a short time – as of 18 May 2021.
- This is open to all groups that meet the criteria outlined above, including groups who have applied under Track 1 for Start-up support.
- Community businesses will need to demonstrate that they are planning to launch a community share offer before the end of December 2021.

#### How to apply to Track 2

- Applicants will be asked to provide an item breakdown of their grant request and have the option to attach supporting documents, such as background information, community engagement plans and governing documents. Five community businesses will be awarded a grant of up to £10,000.
- Organisations participating in the pilot programme who have developed an share offer that is awarded the Standard Mark (the quality assurance mark for community share offers) may be eligible for equity investment from the Booster Programme, which is currently funded by Power to Change and the Architectural Heritage Fund.
- Track 2 participants are expected to engage with community shares licensed practitioners to undertake the Standard Mark assessment. The grant can help cover these costs, or this can be funded independently.

**Apply to Track 2**

**Next step**

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# How we make decisions

## Track 1: Business development support applications

- All final decisions relating to applications to the Boosting Community Business London programme for business development support and grants are made by our assessment panel.
- Applications are appraised by the panel, hosted by Co-operatives UK.
- The first panel was hosted at the end of February 2021.
- Appraisal criteria is against key eligibility criteria for community businesses.

Assessment was also based on the:

- Viability and sustainability of the business model.
- Social impact of the community business.

## Track 2: Development grant applications

- All final decisions relating to applications to the Boosting Community Business London programme for business development support and grants are made by our assessment panel.
- Applications will be appraised by the panel, hosted by Co-operatives UK.
- The first panel will be hosted in mid June.
- Appraisal criteria will be against key eligibility criteria for community businesses and registered as a society:

Assessment will also be based on the:

- Viability and sustainability of the business model.
- Social impact of the community business.

Applications will also be assessed on:

- How their grant request meets their expected plans.
- Whether financial forecasts and business plans are robust.
- Relative deprivation of target community.
- Willingness to engage with the programme and comply with best practice standards.
- Availability of alternative sources of development finance, equity or loan.

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## Support and resources

### Co-operatives UK

#### Other funding

We have compiled a list of funding sources and resources that you could explore when looking to set up your co-op or community business. [Find out more here.](#)

#### Step-by-step guide

You can also access our [step by step guide to starting a co-op](#), which takes you through feasibility planning, choosing a legal structure, preparing a business plan and registering your organisation.

#### About community shares

Find out more [about community shares.](#)

### Power to Change

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

#### Twine

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

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

Successful applicants who subscribe to Twine will receive dedicated training and support, as well as tips and best practice from the data gathered through Twine by other 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 invests in are invited to our Power Up! events. There you'll find out how to maximise your relationship with Power to Change, and build connections with other community businesses across England.

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

#### Policy and research

Our in-house Research Institute commissions research about how community businesses work

and often look to our grantees for best practice. Our research can also help you make the case to other funders and investors.

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

### **Events, media and podcast**

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

We also have a monthly podcast, [Then One Day](#) and regularly feature our grantees.

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# Grant administration and contracting with recipients

## Track 1: Start-up support

Groups being awarded business development support will not need to sign any contracts. Co-operatives UK will contract an agreed support package with one of its providers, who will then make contact to deliver the agreed support.

## Track 2: Development grants

Development grant applications. Once a grant is awarded by the panel, a Grant Offer Letter (GOL) is sent to the beneficiary via DocuSign. Once the beneficiary and Co-operatives UK signatories have completed this, a completed signed version is sent to all parties.

The grant recipient needs to return a certified bank statement.

**We'll explain how grants are administered on our free webinars**

**Listen again**

**Boosting Community Business London**

**Find out more**

<https://www.uk.coop/resources/boosting-community-business-london-application-guidance>

Last updated: Wednesday, May 19, 2021 - 13:08