

# Community Business ReBoost Fund Guidance for applicants



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## About this guidance

This guidance will help you decide whether the Community Business ReBoost fund is right for you. It includes information about the criteria that will be used to assess applications, and also provides information that will help you complete the application form.

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## 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 | Introduction to the ReBoost fund

## About the fund

**Power to Change, working alongside key partners, is supporting community businesses that have been affected by the Covid-19 crisis. Many businesses have suffered decreased trading income and additional costs, leading to strains on cash reserves and liquidity. ReBoost is part of Community Business Renewal Initiative, a [£5m support package](#) to community businesses and enable them to evolve and adapt to the changing circumstances and promote the long-term viability of the sector.**

ReBoost aims to support community businesses to raise community shares capital that can support their recovery, pivot or expand the business in response to Covid-19.

Power to Change has allocated £375,000 to support community businesses to raise capital via community shares. The ReBoost fund provides grant funding and matched equity investment.

The fund 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.

The fund builds on the success of the existing [Community Shares Booster Programme](#) which has already invested over £2m in 32 community businesses, matching over £5m of investment from 7,000 people (some investing as little as £20).

*“Community shares give community businesses additional solvency, compared with other businesses that are more reliant on debt finance. Members have a vested interest in the purpose of their societies, and will support measures to protect its employees, volunteers, assets and share capital.”*

## 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 2009, over 150,000 people have invested over £150 million through community shares to support over 500 community businesses throughout the UK.

- Community Shares capital can only be issued by co-operative societies, community benefit societies and charitable community benefit societies.
- Community shares are not like company 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.
- 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.
- Shareholders have only one vote, regardless of the size of their shareholding, so the society is democratic.

**Find out more about community shares at:**  
[www.communityshares.org.uk](http://www.communityshares.org.uk)

# Part Two | Can you apply?

## Application criteria

**To be considered for ReBoost investment, your organisation must be based in England and meet the following criteria:**

### 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.

Power to Change only supports existing community businesses through this scheme. To meet our definition of a community business, you must be locally rooted, accountable to the local community, trading for the benefit of the local community and have a broad community impact.

### 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.

### 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.

### 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.

### 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. You may have a specific focus on a disadvantaged group, for example, Black Asian Minority Ethnic (BAME)\* people or people with disabilities, where this fits into the context of you also supporting the local community more widely. The services and products should respond to community needs.

### Here are some examples of a community business.

*“We have already received equity investment from the Community Shares Booster Programme; can we apply to ReBoost?”*

**Yes, we can accept applications from organisations into which we have already invested through the Community Shares Booster Programme.**

### Place-based funding

The ReBoost fund welcomes strong applications from across England. However, we are particularly interested in applications from the following areas, especially if they involve community businesses working in:

- ▶ **Bradford**
- ▶ **Grimsby**
- ▶ **Hartlepool**
- ▶ **Leicester**
- ▶ **Plymouth**
- ▶ **Wigan**
- ▶ **Liverpool City Region**
- ▶ **Bristol**

### Heritage funding

As the ReBoost fund is part funded by the [Architectural Heritage Fund](#), we are also interested in heritage projects that are working with a listed building/a building in a conservation area and are focussed on high street revival and economic resilience.

\* Please note, we are going through a process of reviewing our terminology, including the use of the term ‘BAME’, and will complete this review in 2021.

## Part Two | 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

If you are looking for support to convert to a society, please contact us to discuss your application. It may be that another Power to Change programme is more suitable to meet your needs.

#### 3. Charitable purpose

You must be able to show how what you do 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.

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 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. Solvent community business

It's important to check your community business is already or soon to be insolvent. If you're not sure,

we recommend checking the [guidance on Societies Facing Financial Strife](#) from Co-operatives UK. This guidance explains solvency and liquidity, the first steps to take, two quick indicators of financial strife, ways to respond and other governance issues to address during this time of crisis.

It is paramount that you act early by anticipating problems that may threaten the survival of your business and involving your members in your response to these problems. This means continuously assessing the business's "going concern" status and protecting against the dangers of insolvency which could result in a need to wind up the organisation. Check out the useful resources section on page 14 for support.

#### 6. Impacted by Covid-19

The ReBoost fund is aimed at community businesses who have been affected by Covid-19, and those who are supporting communities that are disproportionately affected negatively by the virus. With this in mind, we are also aiming to spend 40% of the funding on community businesses located within neighbourhoods in the top 30% on the indices of multiple deprivation (IMD 1-3) and/or those led by and supporting BAME\* communities and those led by and supporting disabled people.

\* Please note, we are going through a process of reviewing our terminology, including the use of the term 'BAME', and will complete this review in 2021.

## Part Three | What can you apply for?

**Faced with a crisis, such as Covid-19, or some other major financial challenge, existing members of the business can protect their investment by investing more, as long as the business has a realistic plan for recovery and renewal. ReBoost aims to support community businesses to raise community shares capital that can support their recovery, pivot or expand the business in response to Covid-19.**

ReBoost will support smaller, and quick interventions focused on raising working capital for community businesses via community shares offers between November 2020 and April 2021. The Re-Boost fund provides grant funding and matched equity investment:

- **Development grants** – between £3-5k to prepare a recovery community share offer and be awarded the Community Shares Standard Mark
- **Match equity investment** – typically matching pound for pound up to £25,000 invested by the ReBoost fund.

Additional business development support may also be provided where required, and will be prioritised to help community businesses operating in deprived neighbourhoods, or those led by and supporting BAME\* communities and those led by and supporting disabled people.

\* Please note, we are going through a process of reviewing our terminology, including the use of the term 'BAME', and will complete this review in 2021.

The ReBoost equity investment can be made into community share offers that are:

- Raising working capital, to support with cash flow and liquidity issues as a result of reduced trading income
- Re-floating the balance sheet, such as where reserves have been run down or short-term borrowings have increased during Covid-19. This can be one way of improving the solvency of a community business, as well as mitigating the threat of closure. This is known as a '[Recovery Share Offer](#).'
- Pivoting business trading activities, to diversify the business model or scale up new services
- Supporting societies to utilise community share capital for the first time
- Rescuing independent businesses or other vital services, by supporting legal conversion to a community-owned business that can utilise community share capital
- Growing a society's membership to harness emerging community networks
- Supporting societies to move to open community shares offers.

Please note, the ReBoost fund has an 'action research' focus. We're keen to 'learn whilst doing' so any community business receiving support is expected to also commit to sharing their experience and provide feedback.



Local people like the idea of their investment triggering further investment through the match funding. For every pound we raised through the share offer, the Community Shares Booster Programme matched it.

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

## Part Three | What can you apply for?

### Development grants

To help community businesses plan and quickly launch a share offer, you can apply for a grant of up to £5,000. We expect the grant to be approximately 10% of the community share offer target e.g. if you need to raise £30,000 the grant will be around £3,000.

It is strongly recommended to use part of the grant to obtain the Community Shares Standard Mark for the share offer.

The full amount of grant will be paid in one payment once it has been awarded and the paperwork has been completed. The grant can be used to fund:

- Financial planning, reviewing the current financial health of your community business, producing financial forecasts and identifying resource needs
- Legal or governance costs
- Accountancy costs (e.g. for producing a liquidity plan)
- Producing a share offer document; this will outline the current position of the community business, the aims and details of the funding you need to raise and how it will be spent, plus details of the return on investment for investors and risks (see resources section on pg 13 for links to guidance)
- Marketing and promotional activities, to engage with existing and/or potential investors

- Obtaining the Community Shares Standard Mark. We expect you to engage with the Standard Mark for your community share offer. See page 11 for more information on the Standard Mark.

### Equity investments

We are expecting to:

- Support at least 12 share offers between November 2020 and April 2021
- Invest between £5,000 and £25,000 equity investment in each share offer, typically on £1 to £1 match basis.

For example if local people invest £25,000 in your community share offer, the ReBoost fund can provide match funding £1 to £1 up to £25,000. In exceptional circumstances we may match more than £25,000 or offer a match of £2 for each £1 invested from the community.

The match will be made provided that the share offer reaches the minimum share offer target.

You can apply for just the equity investment and/or the development grant.

### 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

- The ReBoost fund is 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 held by Co-operatives UK must not exceed 50% of the society's overall withdrawable share capital
- 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
- ReBoost 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
- Additional terms and conditions may be attached on a case by case basis.

## Part Three | What can you apply for?

### 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 this fund 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 ReBoost fund.

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.

### Jubilee Pool Penzance

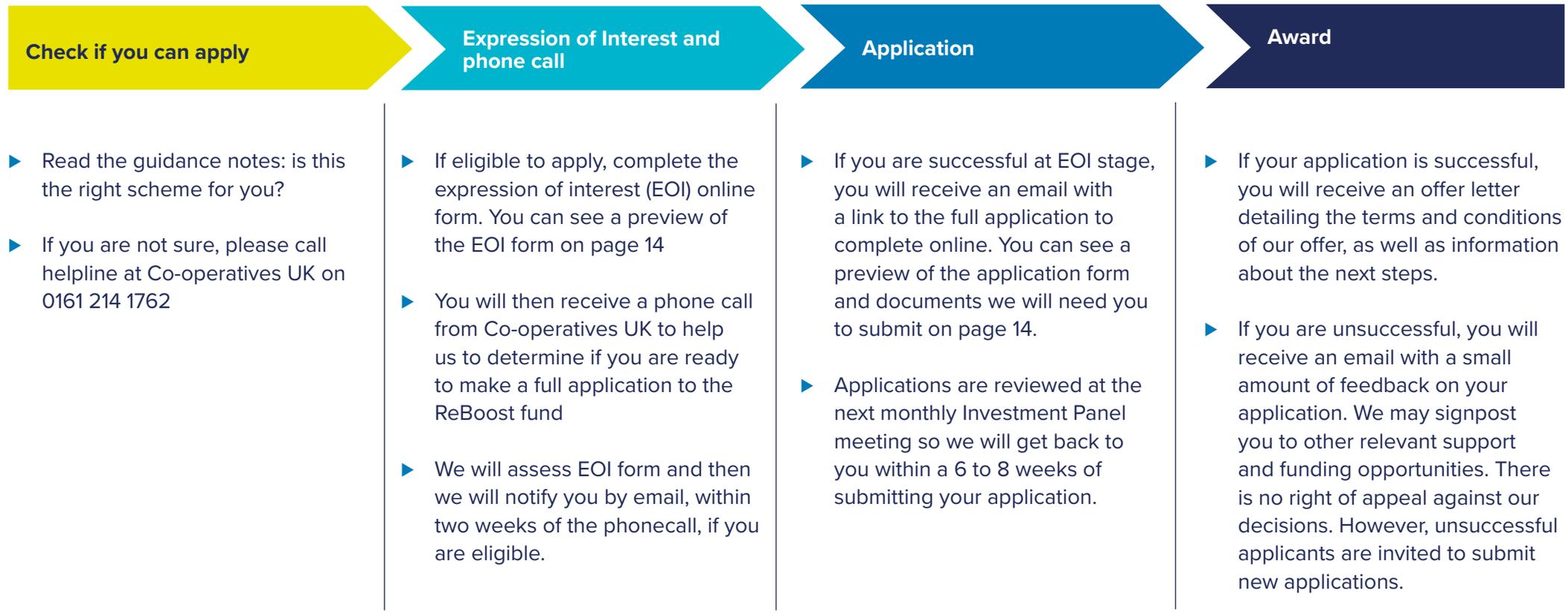
[Jubilee Pool Penzance](#) (JPP) is a Community Benefit Society that operates Jubilee Pool, which is widely considered to be the best example of a pre-war lido in the world. It's a remarkable facility providing safe seawater bathing for all ages; a unique modernist building of international architectural 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 equity investment, through the Community Shares Booster programme. 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.



## Part Four | How to apply

### The application and decision making process



#### Deadlines for applications:

4 August 2021

8 September 2021

We welcome applications in advance of this deadline.

Please note that an Expression of Interest (EOI) must be completed in order to be invited to full application.

Apply here: <https://communitysharesbooster.org.uk/apply>

## Part Four | How to apply

### 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 in accordance with GDPR regulations.

We will only store your information for as long as it is necessary and will delete your information when 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 [website](#).

### Diversity, Equity and Inclusion

Power to Change is committed to the advancement of equity, diversity and inclusion. We seek to be a genuinely inclusive organisations by taking an equitable approach to how we design and implement our policies and practices.

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

Inclusive practices are designed to promote participation by people with a wide range of human experience including different race/ethnicity, genders, sexualities, ages, religions and disabilities or lack thereof. To learn more about making your community business more accessible and inclusive for people with disabilities, please read our [Accessibility and Inclusion Guidance](#).



## Part Five | The Community Shares 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 140 Standard Marks have been awarded to community share offers.

**All groups receiving support from the ReBoost programme are expected to engage with the Standard Mark assessment process.**

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)



Undertaking the Standard Mark assessment lent credibility and reassurance to our share offer document and gave confidence to investors in the robustness of our plans and projections - this was invaluable.

**Sutton Community Farm, supported by the Community Shares Booster Programme**



## Part Six | Additional support for community businesses

### The Community Business Renewal Initiative

**We want to support the sector to recover and rebuild, and are proud to launch the Community Business Renewal Initiative, which includes the ReBoost fund.**

For the latest information, including how to access any of the Community Business Renewal Initiative, please [sign up to receive our newsletter](#) and [check our website](#) for updates.

#### **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.

There are regular newsletters, monthly Zoom meetings and the opportunity to share your practical and inspirational stories with the community business sector. Funded by Power to Change, the Mutual Aid group was set up by Practical Governance.

You can join the network and find out when the next themed online meeting is, by visiting: <https://cbmutualaid.co.uk/>

#### **Powering Up! Support for community business leaders**

We know that each community business is different, and will need a variety of support to rebuild and renew. After an informal session with a link worker, your community

business will receive a tailored support package to increase your knowledge, assist with your wellbeing and equip you with the skills to boost your community business. Activities may include: peer-to-peer support, access to technical support and resources such as HR and digital, wellbeing support, depending on your needs.

#### **Community Business Renewal Fund**

The Community Business Renewal Fund provides grants to community businesses in England affected by the Covid-19 crisis to adapt, renew and rebuild their business so they can remain financially viable. The fund is aimed at organisations delivering services in their local community to support those who have been most affected by the Covid-19 crisis.

#### **Community Business Crowdmatch**

Community Business Crowdmatch helps communities to develop, test or grow your community business. The fund is designed to help you raise funds to cover key costs, help you build your network of supporters and provide match funding.

Working with Crowdfunder, Power to Change will offer an investment, up to £10,000, to match the amount raised by your supporters.

#### **Community owned asset protection**

Working with our partners, Co-operatives 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.

#### **Making the case for community business**

Power to Change continue to make the case for community businesses playing a crucial role in the economic and social recovery of the country.

To do this, we need your help – if you have a great story that demonstrates the impact your community business has had on the recovery of your local area, please share it with us by emailing: [comms@powertochange.org.uk](mailto:comms@powertochange.org.uk)

## Part Six | Additional support 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:**

### **Co-operatives UK has produced the following guidance:**

- [Coronavirus \(Covid-19\) advice](#) - a range of practical guides and guidance for co-operative businesses.
- [Societies facing up to Financial Strife](#) - guidance for societies facing financial strife clearly outlines the steps societies should take when experiencing financial difficulties. It explains solvency and liquidity, the first steps you should take, two quick indicators of financial strife, ways that you can respond, and other governance issues that you should address during this time of crisis.
- [Recovery Share Offers](#) - Guidance in response to the Covid-19 crisis: Community shares give community businesses additional solvency, compared with other businesses that are more reliant on debt finance. Your community and your members have a vested interest in the purpose of their societies, and will support measures to protect its employees, volunteers, assets and share capital. The purpose of this guidance is to support societies to use community shares to improve their solvency as part of their response and recovery to the current crisis.

### **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.](#)

### **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

### **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.](#)

### **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.](#)

### **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.

### **Power Up! Grantee events**

A [series of events](#) designed to revive, recharge and most importantly, reconnect our grantees with other community businesses in your region. Join us online for an interactive, fun and inspiring session where you will have the chance to share your challenges, creative solutions and get advice from other Power to Change grantees who have faced and overcome similar hurdles in recent months.

# Part Seven | Preview of the forms

## The Expression of Interest form

The information you provide will be used to check that you are eligible for the ReBoost Fund.

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 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>▶ How has your organization and community it serves been affected by covid-19?</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> <p>Please describe what the money raised from the share offer will do (and include information if relevant on how it will assist communities with the impact of covid-19)?</p>

## Part Seven | 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
- ▶ Who are your beneficiaries?
- ▶ 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.

We would like to know more about your beneficiaries i.e. who your community business is trying to help? Select from the dropdown menu of 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 5 for information on Power to Change's charitable purposes.

## Part Seven | 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 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 for a development grant, can you give an indication of the amount you will be requesting from ReBoost?
- ▶ Can you provide a rough estimate of the amount of equity you will be requesting from ReBoost?

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 a development grant, you can apply for up to £5,000 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 £25,000 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 Seven | Preview of the forms

### The Expression of Interest form (continued)

<p><b>7. 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>8. Your Timetable</b></p> <p>Please outline any key development milestones linked to your community share offer plans e.g. planning permission approval, purchase completions:</p> <p>Do you have an intended community share launch offer date? Is there any flexibility with this date?</p>	<p>Please provide details of the key activities and when they will happen, linked to the preparation of your community share offer.</p> <p>Please let us know when you intend to launch your share offer and if there is any flexibility with this date.</p>

## Part Seven | Preview of the forms

### The application form for development grants

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> <li>▶ Recovery share offer</li> <li>▶ Don't know yet</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 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>

## Part Seven | Preview of the forms

### The application form for development grants (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

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 £5,000. 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). Practitioners can be found via the Directory: <http://communityshares.org.uk/support/practitioner-directory>

**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.](#)

## Part Seven | Preview of the forms

### The application form for development grants (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 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 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 Eight | 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 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.

## Part Eight | 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 investor:** An institutional investor invests money on behalf of funders, clients or members.

**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:** ReBoost 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.

**Liquidity plan:** a plan to make sure there is enough cash to pay bills and other key costs over a period of time.

**Match funding:** ReBoost fund 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 ReBoost fund, 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>**