



power to
change

business in
community
hands



C-19 Emergency Trading Income Support Scheme

Guidelines for applicants



April 2020

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About this guidance

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

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

Part two: Explains how to apply and the timeline

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

Part four: Answers some frequently asked questions.

If you require this guidance to be sent to you in large print, Braille or an audio transcript, please get in touch by email:

comms@powertochange.org.uk

Get in touch

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

powertochange@sibgroup.org.uk

Find out more

Sign up to [Power to Change's newsletter](#) for information about the support available for community businesses, updates from the sector and inspirational community business stories.

Welcome

About the support scheme

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

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

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

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

But for all this creativity and innovation, we understand that in many cases COVID-19 has brought a huge financial shock to community business like yours.

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

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

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

**Kate Stewart, Director of Programmes,
Power to Change**

Important information

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

What can you spend the money on?

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

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

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

We're here for you

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

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

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



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

Email: membership@uk.coop
Phone: 0161 214 1750



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

Email: members@locality.org.uk
Phone: 0207 336 9494



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

Email: info@plunkett.co.uk
Phone: 01993 810730

Part One | Can you apply?

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

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

This scheme is only open to community businesses who have received or are receiving an investment from Power to Change. However, if you've received investment through the Community Business Fund or our Bright Ideas programme, we will be in touch about separate support. Find out more in the FAQs on page 17.

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

2. Meet the four key features of a community business

Power to Change only supports existing community businesses through this scheme. [Here are some examples of a community business.](#) To meet our definition of a community business, you must be able to answer yes to the following questions:

Are you locally rooted?

Is your business defined by its link to its local area? Was it started by members of the local community to meet a local need? You must be able to demonstrate that your organisation is rooted in a particular geographic place and responds to its needs.

Are you accountable to the local community?

Is your business currently led by members of the local community? Whether through a community share offer, membership, legal structure or regular community consultation, you give local people real, ongoing decision making power to shape the business.

Are you trading for the benefit of the local community?

Does your business exist to generate economic, social or environmental benefit to your local community? You must be a business with a clear trading model, selling services or products to people in your local area, with profits used to deliver local benefit. All or part of your income comes from activities like running community transport or selling the produce you grow.

Do you have a broad community impact?

Is it inclusive? Does it give opportunities for people with different abilities and backgrounds to get involved? Your business must benefit the community as a whole and you must be able to clearly evidence the positive social impact that your activities have on the broader community.

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

This programme aims to help community businesses facing a reduction in trading income due to COVID-19. We need to understand the current and future impact of COVID-19 on your trading income from April to June 2020.

By 'trading income' we mean your income from trading with the public, or with other businesses, for example: trading income from room hire for community events and activities. Trading income also includes the provision of goods and services under contract, and income from property such as or rental income (excluding investment income).

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

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

Part One | Can you apply?

We will also need to see your latest management accounts or equivalent documents.

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

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

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

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

The period for this funding is a contribution to cover the loss of trading income April - June 2020. Funds are likely to be disbursed from June - October 2020. You will need to describe what other measures you have explored, applied for and put in place to mitigate the impact of COVID-19 on your operations. For example, furloughing staff, accessing Government or other funding or financing, accessing other Government support programmes and/or slowing down or halting some of your operations. Please note that if you have other sources of support this does not mean you aren't eligible for Power to Change support.

7. Charitable purpose

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

Power to Change will fund the following charitable purposes:

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

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

8. For public benefit

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

If your activities are for private benefit (see the next page for more info) and will only benefit a few people in your community or will only provide benefits to people who aren't experiencing disadvantage, we may not be able to invest in your organisation.

Part One | Can you apply?

9. State Aid

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

Why would State Aid affect your application?

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

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

More info

WHAT DO WE MEAN BY CHARITABLE PURPOSE?

You can find more information about charitable purpose on the Charity Commission website: <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/examples-of-personal-benefit>

Part Two | Application process

How to apply

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

Round 1 opens 12 May 10am - The round will close when it reaches 150 applications. Around £3 million will be awarded to around 150 community businesses.

Round 2 opens 19 May 10am - We will be awarding around £2 million to 100 community businesses.

How to apply

Eligible grantees and Cooperatives UK, Locality and Plunkett Foundation members will be invited to apply on the [Power to Change website](#).

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

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

Data protection

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

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

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

For more information and to understand your rights under the GDPR with regards to the information you supply as part of your application, please visit our [website](#).

Disability and Inclusion

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

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

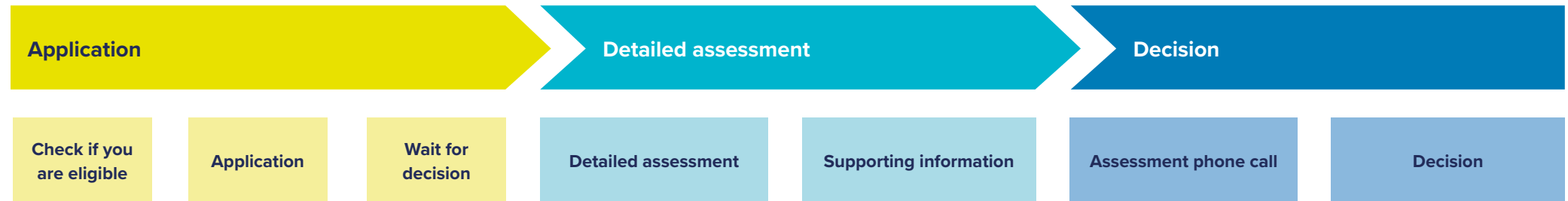
To learn more about making your community business more accessible and inclusive for people with disabilities, please read our [Accessibility and Inclusion Guidance](#).

Please let us know by email

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

Part Two | Application process

How we assess applications and make decisions



Step 1: Is this the right scheme for you?

- ▶ Read these guidance notes.
- ▶ [Register for our free webinar](#) on Wednesday 6 May where you can hear directly from Power to Change and ask questions.

Step 2: Application

- ▶ Power to Change and our partners will be emailing our grantees and community businesses who are members of Cooperatives UK, Plunkett Foundation or Locality, to fill out an application form for this scheme.
- ▶ The application questions will be available for you to view [on our website](#) before the support scheme is open for applications.

We will email the last known contact. If you need to update your contact details, please email: info@powertochange.org.uk

Wait for a decision

Detailed assessment

- ▶ If you meet the eligibility criteria for this scheme in your application, our delivery partners, Social Investment Business (SIB) will be in touch for more details about your organisation and how the grant would help you to survive your current trading loss. We do not expect detailed plans, but you should have some planning in place.

Supporting information

At this stage we will ask you for more detail about your organisation, plus information about what impact the grant will have and how it will help you to survive your current trading loss. We do not expect detailed plans, but you should have some planning in place. We'll also ask for supporting information such as:

- ▶ Management accounts, cashflow or equivalent for the 12 months to March 2020 to demonstrate you were financially stable before COVID-19.
- ▶ Evidence that you are losing income due to COVID-19.
- ▶ Details of what other funding and support schemes you have received/applied to.

Assessment phone call

Phone call with an assessor from SIB.

Decision

- ▶ Our committee meets weekly and will decide whether or not to award you support through this scheme. SIB will let you know our decision by email. Any decision is final.
- ▶ If your grant application is unsuccessful, we will let you know by email, with reasons why. We recommend you look at alternative sources of funding and support on: www.mycommunity.org.uk and [our website](#). We also have a [webpage](#) to signposting to funding available for organisations affected by COVID-19.



Email us

If you have any questions, you can email us:

powertochange@sibgroup.org.uk

Part Three | Additional support from Power to Change

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

Get our insight on COVID-19

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

Sign up to regular updates from Power to Change

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

Get a clear financial picture for free

Use the [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

Join the Community Business Mutual Aid Group

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

Free advice to adapt your business

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

Part Four | FAQs

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

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

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

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

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

As support from the Government is announced, we will be updating [our blog](#) that digests the information and picks out the relevant support available for community businesses.

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

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

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

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

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

Community Business Fund: If you're a CBF grantee you will have already been invited to apply to the C-19 Emergency Trading Income Support Scheme for Community Business Fund grantees and applicants. You should apply for support through this channel.

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

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