

Power to Change Community Business Crowdmatch

Eligibility and Pledge Criteria

Introduction

Community businesses may look like any other business on the outside, but at their heart lie a dedicated group of local people working hard to make a difference to their areas.

Power to Change has teamed up with Crowdfunder to launch Community Business Crowdmatch.

By incentivising and maximising crowdfunding campaigns the programme will back community businesses to get a new community-based project off the ground. Whether it's for launching new ideas to help your neighbourhood, help meet increased demand, save a community space or help bridge a funding gap, Community Business Crowdmatch will match-fund what you raise from the crowd.

Plus, crowdfunding will also help increase your profile, gain more supporters and deepen local roots and accountability!

This programme is aimed at emerging, new community businesses, and existing community businesses to test new ideas or implement new services.

Power to Change will match-fund up to 50% of your target, to a maximum of £10,000, as long as you can raise the rest through crowdfunding.

Power to Change are particularly keen to broaden their reach. Priorities include supporting marginalised communities, less affluent areas, projects led by younger people, climate crisis and digital transformation.

There's plenty of expert support and advice available to get you started on your crowdfunding plans from Crowdfunder and our sector experts.

Eligibility Criteria

Community Business Crowdmatch is looking to support new start up community businesses, and established community businesses that are providing services or activities to help their local community.

Eligible organisations:

1. Must demonstrate they are (or will be) a community business which has the following features:
 - a. **Locally rooted** - you are rooted in a particular geographical place and respond to its needs. For example, that could be high levels of urban deprivation or rural isolation
 - b. **Accountable to the local community** - you are accountable to local people, for example through a community share offer that creates members who have a voice in the business's direction.
 - c. **Trading for benefit of local community** - you are trading. Your income comes from things like renting out space in your buildings, trading as a café or shop, selling produce you grow, generating energy or selling services
 - d. **Broad community impact** - you are responsive to and engage with a variety of different groups in your community and deliver impact against a range of different community needs. You may have a specific focus on a disadvantaged group, for example, communities experiencing racial inequity, where this fits into the context of you also supporting the local community more widely. Their services and products should respond to community needs..
2. Must demonstrate that the community business has [charitable purposes](#) at the heart of what it does. Charitable purposes can include:
 - 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.
3. Must demonstrate that the community business has at least one of the following impacts on the community:
 - a. Reduce social isolation
 - b. Improve health and wellbeing
 - c. Increase employability
 - d. Create better access to basic services
 - e. Improve local environment

- f. Enable greater community cohesion
 - g. Foster greater community pride and empowerment
4. Must demonstrate how the funding will support the community business to start up or to become more sustainable.
 5. Must have at least 3 unrelated local individuals on the management committee/board of trustees. The fund will not support sole traders or individuals wanting to set up a business.
 6. Must have a bank account in the name of the recipient organisation which requires at least 2 signatures at the time of applying.
 7. Must be incorporated as one of the following, or have solid plans to incorporate within three months of application - Charitable Incorporated Organisation; Community Benefit Society; Co-operative Society; Company Limited by Guarantee; Community Interest Company Limited by Guarantee; Community Interest Company Limited by Shares.

Priorities

In considering applications Power to Change will give priority to projects that are in the most deprived communities to ensure that our match funding reaches those most in need. This will be organisations that do one or both of the following:

1. Work in areas experiencing social and economic deprivation, including rural communities
2. Work with one or more of the following groups as a main focus:
 - a. Projects from less affluent areas, defined as IMD 1-3 ([Check your IMD here](#))
 - b. led by and supporting marginalised communities to reduce inequality
 - c. projects led by younger people (defined here as under 34)
 - d. projects focused on tackling the climate crisis
 - e. projects harnessing digital transformation and new technology to help their community

The fund generally aims to support organisations with a turnover of less than £1M, however applications from larger organisations will be considered if they have significant local impact.

Pledge Criteria

Approved organisations will be offered match funding of up to 50% towards their initial crowdfunding target, up to a maximum of £10,000. This offer will be valid for 4 weeks after the date of notification, if the organisation does not launch their crowdfunding campaign within 4 weeks of notification the offer will be rescinded.

To receive a pledge, organisations will need to do two things (the 'pledge conditions'):

1. raise at least 25% of the initial target,
2. raise this from a minimum number of unique Supporters.

The minimum number of unique backers needed varies based on the crowdfunding target as below:

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

If either of these conditions are not met, the pledge will be withheld until both have been met.

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

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

Power to Change reserves the right to vary these pledge criteria and to revise or rescind their pledge. Projects will be notified if their pledge criteria will vary from the stated terms above.

Additional requirements

You will be ineligible for funding from Power to Change if at its sole discretion, it is not satisfied that all the pledges on your project are genuine pledges. Where projects or pledges are identified as fraudulent, potentially fraudulent, or demonstrative of manipulating the pledging on a project in order to obtain match funding, this is taken very seriously.

Where appropriate:

- Your application for funding will be refused and any existing commitment for funding will be withdrawn.
- Your Crowdfunding project may be cancelled, and you will be ineligible for future applications or projects.
- Action will be taken to recover funding which has been paid out.

Funded projects will be required to agree to the Community Business Crowdmatch Terms & Conditions.