

[Department for Levelling Up,
Housing & Communities](#)

[Ministry of Housing,
Communities &
Local Government](#)

Policy paper

Community Ownership Fund: prospectus

Updated 31 July 2023

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This publication is available at <https://www.gov.uk/government/publications/community-ownership-fund-prospectus/community-ownership-fund-prospectus--3>

You are strongly encouraged to read this guidance, including new [guidance on how to complete your application \(https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance\)](https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance), in full before applying to the Community Ownership Fund.

For advice and support with queries, please contact the development support provider via the enquiry form on the [My Community \(https://mycommunity.org.uk/community-ownership-fund\)](https://mycommunity.org.uk/community-ownership-fund) website. They will also be providing informative webinars on the following topics which you can register for now:

- [How to create a strong Community Ownership Fund application \(https://mycommunity.org.uk/how-to-write-a-strong-community-ownership-fund-application-webinar?utm_source=GovUK&utm_medium=Website&utm_campaign=prospectus\)](https://mycommunity.org.uk/how-to-write-a-strong-community-ownership-fund-application-webinar?utm_source=GovUK&utm_medium=Website&utm_campaign=prospectus)
- [How to raise match funding for your Community Ownership Fund project \(https://mycommunity.org.uk/how-to-raise-match-funding-for-your-community-ownership-fund-project-webinar?utm_source=GovUK&utm_medium=Website&utm_campaign=prospectus\)](https://mycommunity.org.uk/how-to-raise-match-funding-for-your-community-ownership-fund-project-webinar?utm_source=GovUK&utm_medium=Website&utm_campaign=prospectus)

1. Ministerial foreword

Levelling up is about a big, ambitious shift in investment and powers to reverse persistent geographic inequalities and unleash opportunity in overlooked, undervalued places right across the United Kingdom.

But, as set out in our Levelling Up White Paper, it is also about safeguarding the small, but much-loved local assets on which we cannot put a price.

Ranging from sporting and cultural institutions to community centres, pubs and high street shops, these assets are the golden thread in our social fabric and shared heritage; enhancing pride, belonging and quality of life.

When they find themselves in peril, we have often seen communities rallying around against the odds to save them.

It's right that we do more to re-stack the odds in their favour.

This is precisely what the £150 million Community Ownership Fund aims to do; to ensure that local people across the UK can support and continue benefiting from treasured local institutions whose future may be in doubt.

Whether it's the pub on the high street that's facing closure, a village shop or a local sports team that might lose its ground, the Fund offers a great opportunity for local groups to take them over and to run them as businesses – by the community, for the community.

We are making good progress on this important work; with almost £37 million announced for 150 projects so far which will benefit community centres, heritage buildings, pubs, and sporting facilities across the whole of the United Kingdom.

This is just the start. With 2 more years for more bids and investment to be released, I look forward to seeing many more small but mighty local assets levelling up the places we love and secured for future generations.

Rt Hon Michael Gove MP

Secretary of State for Levelling Up, Housing and Communities

2. Community Ownership Fund - summary

Purpose: Apply for funding to take ownership of assets at risk of loss in your community

Type of fund: Competitive

Who can apply: Incorporated voluntary and community organisations, and parish, town and community councils (depending on eligibility requirements)

Capital funding available: Up to £2 million for all asset types, but we expect that most awards will be for up to £250,000 of capital funding.

Goals:

- support community groups to take ownership of assets which are at risk of being lost to the community
- support community groups where the asset is already in community ownership but needs essential renovations to be sustainable for the long-term benefit of the community
- strengthen community ownership across the UK
- strengthen the social infrastructure that helps communities to thrive

Key dates to note:

- Expression of Interest stage - always open
- Round 3 Bidding Window 1 - 30 August - 11 October 2023
- Applications must be submitted by 11:59am on each bidding window's respective closing date
- There will be 4 bidding windows each year at regular intervals
- March 2025 - Fund closes

We have made some changes since Round 2 which you can read in full in [section 15](#).

3. Fund goals

The Community Ownership Fund is a £150 million fund over 4 years to support community groups across England, Wales, Scotland, and Northern Ireland to take ownership of assets which are at risk of being lost to the community.

It forms part of a substantial package of UK wide levelling-up interventions building opportunity and empowering communities to improve their local places.

We recognise it can sometimes be hard for community groups to raise the funding needed to buy or renovate the asset and run it sustainably for the long-term benefit of the community. The Community Ownership Fund will help support local people to save local community assets at risk.

The Fund supports projects which fulfil one or a combination of the following aims. All of these are taken in context of saving an asset with the goal of community use:

- take ownership of a physical community asset at risk, such as land and buildings, which benefit local people

- renovate, repair, or refurbish an asset to make it sustainable for the long term
- set up or buy a community business
- buy associated stock, collections, or intellectual property
- move a community asset to a new, more appropriate location within the same community. This might be because a different location offers better value to continue the asset, or because the venue is in itself an asset of community value
- develop new assets where these relate to saving, preserving, or relocating a past or existing asset

4. Who can apply - summary

You can apply for funding if your organisation, your project, and the asset you want to save meet certain eligibility requirements.

The asset

- is at risk of loss without community intervention
- can be run viably and sustainably in community hands for the long-term benefit of the community
- if already owned, the asset requires essential renovations to be sustainable for the long-term benefit of the community

The project

- applying for up to £2 million for all asset types, but we expect that most awards will be for up to £250,000 of capital funding
- applying for revenue funding no more than £50,000 or 20% of the total capital funding applied for, whichever is smaller
- able to 'match' the capital grant from the Fund at the required match funding rate
- able to show that capital grant funding and match funding will be spent within the 12 months following the date you are offered funding (indicated on the offer letter)

Your organisation

- is an incorporated voluntary and community organisation or a parish, town and community council
- is able to buy the asset freehold, or the long-term leasehold of at least 15 years with reasonable break clauses
- is the same organisation that will receive the funding and run the project

We explain these in more detail below in [section 6](#).

What we cannot fund

The Community Ownership Fund will not provide funding to:

- pay off businesses' debts or to buy an indebted business. COF grant funding cannot be used to service loans or debt repayments.
- purchase or develop housing (including social housing) assets, however you can include housing elements in your project where these are a small part of supporting the overall

- financial sustainability of the asset fund general revenue for community activities or events unrelated to the acquisition, renovation, or transfer of a community asset
- fund the costs of purchasing publicly owned assets where the public authority would credit a capital receipt, except in the case of parish, town and community councils. However, it is eligible for a project to use its own funds to purchase a publicly owned asset and use the COF grant funding for essential refurbishments
- support acquisition of public sector assets if this involves transferring responsibility for delivering statutory services from any public authority to the community organisation
- public bodies, companies limited by shares, and unincorporated organisations (unless you plan to incorporate before the full application stage) or private individuals
- assets which have already been awarded funding by the Community Ownership Fund
- fund the expansion of, or improvements to an asset which is not at risk i.e. building an extension so more people can access the asset

Apart from parish, town and community councils, local authorities are not eligible to apply to the Fund. However, we hope that local councils right across the United Kingdom will play an active role in supporting their local community groups to apply.

Evidence of support from local authorities may help to support your application.

5. How to apply

- Express your interest in the fund all year round
- Apply during a bidding window if you are successful
- Save and return to an application within the bidding window you are applying in

Express your interest in the fund

The first stage is the approval of an Expression of Interest (EOI) form, which will confirm whether your project proposal is likely to be eligible for funding.

This brief form will ask for:

- details of the organisation applying
- a project description
- how much is being requested in capital and revenue funding
- how the project meets the eligibility requirements
- the stage your project is at, and your potential support needs

Before you begin your Expression of Interest, please make sure you're familiar with the [fund's eligibility requirements](#) outlined in this prospectus.

If your EOI is successful, you'll be invited to submit a full application, which you do not have to do immediately, so choose the right time for your project. We will run 4 bidding windows per year, so you will have an opportunity to apply approximately every 3 months until March 2025. Once you have passed your EOI, we will notify you of when the bidding windows will open and close.

We may also give you some feedback on your EOI form, by highlighting some areas to consider before submitting your full application or telling you that your project is not eligible for funding without a significant change.

You must submit your EOI at least 3 weeks before the closure of the bidding window in which you want to apply to allow time to receive feedback and then to submit your application.

You can only submit a full application if you have received confirmation that your project is eligible at the EOI stage. You can also apply separately for an entirely new project relating to a different asset, however you will need to submit a new EOI and have this approved before submitting a full application for this project.

The EOI stage is always open which means you can complete the EOI form at any time. To express your interest, see [Community Ownership Fund round 3: how to express your interest in applying](https://www.gov.uk/guidance/community-ownership-fund-round-3-how-to-express-your-interest-in-applying) (<https://www.gov.uk/guidance/community-ownership-fund-round-3-how-to-express-your-interest-in-applying>).

Submitting a full application

If after reading your EOI form we think your project is likely to be eligible, we will share the link to the full application form by email when a bidding window is open and invite you to apply.

The application form is fully online and split into sections based on how it will be assessed. You can complete it in any order and come back to it on multiple occasions within the same bidding window.

The application form will ask you about:

About your organisation

- Organisation information
- Applicant information

About your project

- Project information
- Asset information

Strategic case

- Community use
- Community engagement
- Local support
- Community benefits
- Environmental sustainability

Management case

- Funding required
- Feasibility
- Risk

- Project costs
- Skills and resources
- Community representation
- Inclusiveness and integration

Subsidy control and state aid

- Project qualifications

Declarations

We have published [additional guidance \(https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance\)](https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance) to support applicants with their full application. You are strongly advised to read this guidance carefully before beginning your application.

How we can support you

Advice and support is available to all prospective applicants via the [My Community \(https://mycommunity.org.uk/community-ownership-fund\)](https://mycommunity.org.uk/community-ownership-fund) website.

In-depth support for developing a full application is available to some applicants. You can find more information on the in-depth development support provider in [section 14](#).

If your application is successful

- You will receive an offer letter sent by email to confirm you are successful
- A Grant Funding Agreement will be shared by your dedicated grant manager
- You will be required to update DLUHC on progress throughout your project

Once the application has been reviewed and approved, successful applicants will receive an offer letter from DLUHC by email. You will then be contacted by our team of grant managers and will be invited to an Initial Project Meeting (IPM) to discuss the requirements for Community Ownership Fund grant recipients, including the securing of a legal charge and monitoring throughout and after the project spend has completed.

You will be issued with a Grant Funding Agreement (GFA) to be signed by the project organisation and by DLUHC, after which point we will be able to release funding to you. It will be the responsibility of the project to work with DLUHC to put a legal charge against the asset.

To meet audit and assurance requirements, you must agree to provide independent assurance that the grant has been used for the delivery of project activities. This includes providing an independent certification of financial audit at any time when requested by DLUHC, as well as retaining all invoices, receipts, accounting records and correspondence documentation relating to eligible project expenditure. There will also be a requirement to provide regular updates on the success of the project itself in the longer term – usually up to 7 years.

Alongside the COF grant management team, the development support provider will provide resources for successful projects. This is to ensure you deliver successfully and in line with

the programme requirements. The support offered will include advice via webinars or workshops, guidance materials, and facilitating peer support.

If you are unsuccessful

- You will receive an email notification with a summary of feedback
- All decisions are final

Unsuccessful applicants will receive a notification via email setting out the decision along with a summary of feedback. This decision will be final.

Usually you are welcome to reapply in another bidding window, provided you act on the comments received in your feedback email.

Whilst there is no cap on the number of application attempts, we reserve the right to refuse future applications if your project is fundamentally unsuitable for the Fund.

You can also apply separately for an entirely new project relating to a different asset.

Please note you cannot apply for further Community Ownership Fund funding for an asset that you have already received funding for.

6. Who can apply – in detail

As outlined above in [section 4](#), the asset, your project and your organisation need to meet certain eligibility requirements for us to consider funding.

The asset

We do not have a definitive list of asset types in scope for this fund. This is because we recognise it's important for communities to identify what matters most to them, which can vary.

The asset you are saving must have either a current or past community use. There is no time limit on when the asset was last used by the community, and you can relocate or rebuild assets if this is the most appropriate course of action.

Successful projects that we have funded to date include assets such as:

- community centres
- sporting and leisure facilities
- pubs
- cultural buildings
- heritage buildings

See a [full list of successful projects to date \(https://www.gov.uk/guidance/community-ownership-fund-further-bids-from-reopening-of-first-round-announced\)](https://www.gov.uk/guidance/community-ownership-fund-further-bids-from-reopening-of-first-round-announced).

Any building or land listed by a local authority as an Asset of Community Value is in scope for projects in England. However, the asset does not have to be an Asset of Community Value to be eligible.

We will fund projects to purchase assets owned by parish, town and community councils. The additional evidence requirements related to public sector asset transfers outlined in [section 8](#) still apply.

Is at risk of loss without community intervention

Risk might be from:

- closure
- sale
- neglect and dereliction under current ownership
- energy inefficiency that threatens long-term sustainable operations, or
- an unsustainable current business model

You should explain and show evidence of the risks facing the asset. This includes how it will be lost to the community without intervention.

Can be run viably and sustainably

Your applications should demonstrate how the asset will be protected for the long-term benefit of the community. Organisations must show this through their charitable purpose and/or an asset lock within their governing documents.

You should demonstrate how you are accountable to the community you represent, how you will operate for the benefit of the wider community in the place where the asset is located, and how you will use the asset to deliver community impact.

Profits from the community asset and businesses should be reinvested in the asset to deliver community benefit.

Requires essential renovations to be sustainable for the long-term benefit of the community

Organisations who already own their asset are eligible to apply for funding to renovate their asset, provided the asset would otherwise be at risk of closure or loss to the community without these renovations.

Renovations that improve the asset, but which are not essential to its continued operation, will not be funded.

Your project

Able to 'match' the capital grant from the Fund at the required match funding rate

Up to £250,000 match funded capital will be available for all eligible types of assets.

Bidders can make the case for up to £2 million match funding for all asset types, but we expect that most awards will be for up to £250,000 of capital funding.

Further details of match funding and the appropriate rate can be found in [section 9](#).

The COF-funded element of the project can be completed in 12 months from the date of offer

If you are using COF funding to purchase the asset at risk of loss, it must realistically be sold or transferred into community ownership within 12 months of being offered funding.

If you already own your asset but it requires essential renovations to be sustainable for the long-term benefit of the community, you must be able to complete these works within 12 months of being offered funding.

To draw down your grant, the equivalent level of match funding has to be in place, i.e., secured and evidence of this provided.

Applying for revenue funding no more than £50,000 or 20% of the total capital funding applied for, whichever is smaller

You can apply for revenue funding in addition to capital funding.

Revenue funding does not need to be matched.

Projects applying for more than £250,000 capital funding will be limited to £50,000 in revenue funding.

Your organisation

Is an eligible organisation

This means your organisation is:

- an incorporated voluntary or community organisation or a parish, town and community council
- registered in the UK

Common legal structures of organisations we expect to apply include:

- Charitable incorporated organisations (CIO)
- Scottish charitable incorporated organisations (SCIO)
- Co-operatives including Community Benefit Societies
- Community Interest Companies (CiC)
- Companies limited by guarantee

If your organisation is not incorporated, you can still complete the Expression of Interest stage. But if you are invited to apply for funding, it must then be registered before you submit your application.

We also cannot provide funding to public bodies, companies limited by shares, private individuals or unincorporated associations.

Is able to buy the asset freehold, or the long-term leasehold of at least 15 years with reasonable break clauses

You should be able to show how you'll guarantee the asset's long-term security in community ownership. This includes providing us with a sustainable, long-term business plan.

We prefer assets with 25-year leaseholds and only reasonable early break clauses because it is usually easier to prove the long-term sustainability of the asset in community hands, however we will accept at least a 15-year leasehold. Break clauses should be proportionate and should not increase the likelihood that the asset would be lost from community use through early termination.

The organisation that applies for funding must be the same organisation that will receive the funding and run the project

This is so we know the applicant organisation has the ability to run a sustainable business in community hands.

Organisations may own or control other companies that undertake some element of their work such as a limited company to trade more effectively or to hold property.

You must tell us in the application if you intend to involve a connected company and provide their name and registration number. You must tell us how you will control the work of the company. DLUHC will complete due diligence on all parties named during the assessment of the bid.

If the bid is successful, DLUHC will enter into a Grant Funding Agreement with the applicant, but the involvement of the other parties will be noted and accommodated. The applicant organisation must be eligible – see the [eligibility requirements](#) above.

Please note local authorities (except parish, town and community councils) and local authority controlled companies are not eligible to apply and cannot act as an accountable body.

7. Guidance for projects applying for over £250,000 of capital funding

We expect the majority of applicants to bid for up to £250,000 of capital funding. However, there will be some projects that require an increased amount of funding in order to save their community asset and deliver greater community benefits.

We have extended the maximum funding cap so that projects of any asset type can now apply for up to £2 million of capital funding.

Applications for over £250,000 should demonstrate a strong strategic case for funding, including being able to demonstrate that the additional funding will generate further benefits proportionate to the size of the request. You should specifically outline the added value that the additional funding over £250,000 will bring to the community.

For example, we might expect that a heritage project applying for a larger grant to show how they will transform the asset and increase its impact and importance through an expansion of its activities. This could be increasing the impact on local people through the creation of a learning centre for school children, or creating wider recognition of the asset in the region beyond the asset's immediate locality.

We expect that all projects, including those applying for greater than £250,000 have a plan to spend all the funding they have applied for, and their match funding, within 12 months.

All bids to the fund must also be rooted in a specific geography, delivering benefits for their local communities.

Each asset will deliver its own unique benefits. Please refer to the [assessment criteria guidance \(https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance\)](https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance) for further examples and guidance.

Your business plan and any accompanying evidence should contain a higher level of detail, proportionate to the amount of funding you are applying for and the size and complexity of your project. You will need to demonstrate that your organisation has the skills, experience, and expertise to run a project of this scale, alongside evidencing that you have, or will be engaging, relevant professional expertise to deliver the project. Given the scale of the grant, it is likely that successful applications will have established project feasibility and have a delivery plan and leadership team in place.

You should also show that you have explored other sources of funding before applying for a higher amount of funding from the Community Ownership Fund.

8. Publicly owned assets - extra requirements

Publicly owned assets

Alongside the mandatory eligibility requirements that every applicant will need to fulfil, bids relating to publicly owned assets will also need to demonstrate the following additional requirement:

- The responsibility for delivering any statutory services is not transferred from the public authority to the community organisation
- The Community Ownership Fund grant received will only be used for renovation and refurbishment costs following the transfer of an asset into community ownership; the public authority will not credit a capital receipt from Community Ownership Fund funding, except in the case of parish, town and community councils.

Publicly owned assets – supporting evidence

For projects relating to publicly owned assets, we will require specific evidence covering the following points:

- **Risk facing the asset** - the Fund will only invest in community assets which would otherwise be lost. We will therefore need evidence from both the current public owner and applicant about the current status of the asset and why its future is at risk
- **Impact on service provision** - evidence that any statutory services currently delivered from the asset at risk will be continued by the public authority. This may be evidenced by a letter or appropriate cabinet paper from a local authority

9. Funding available

- You can apply for a mix of capital and revenue funding
- You need to match the capital funding with money from other sources (match funding)

- Capital funding – up to £2 million for all asset types, but we expect that most awards will be for up to £250,000 of capital funding
- Revenue funding – cannot be more than 20% of capital funding or £50,000, whichever is smaller

You should note that any costs incurred before the deadline of the bidding window that you applied will not count as eligible spend. Any spend you incur after submitting but before receiving your outcome letter may be eligible, but is spent at your own risk.

If your application is successful, this spend will be checked by your Grant Manager to determine if it can be counted as eligible funding.

If you are not found successful in the bidding window you incurred your spend, this spend will not be eligible if you decide to apply in a future window of the Fund.

Capital funding

Capital funding can be used to purchase or lease the asset and pay for refurbishment costs.

Revenue funding

Revenue funding is used to fund the initial running costs of the project.

Revenue funding must be applied for with the capital grant and will be awarded alongside the capital grant to help cover items such as:

- utilities
- staffing and recruitment costs
- feasibility studies
- professional services
- business support in establishing the asset
- managing cash flow in the first year of operation.

Revenue funding does not need to be matched.

Revenue funding cannot be more than 20% of your capital funding request or £50,000, whichever is smaller. This is also applied to all assets applying for up to £2 million capital funding.

Match funding

You are required to raise other sources of funding alongside investment from the Community Ownership Fund. Having a range of funders contributing to your project can demonstrate the quality of the project and the support within the community.

The Community Ownership Fund will contribute up to 80% of total capital required. Applicants are required to raise the remaining 20% from other sources of funding. You will need to set out the total project costs, funding already secured, and plans to raise any additional funding needed in your full application.

In exceptional cases where a project has been assessed as at most need, we may contribute an additional 10% of capital funding. In these circumstances the Community

Ownership Fund may contribute up to 90% of total capital required and applicants are required to raise the remaining 10% from other sources of funding. More information on the decision-making process for offering in-depth support can be found in [section 14](#).

Eligible sources of match funding will include funding from:

- Fundraising in your community
- Your own financial resources
- Public bodies
- Devolved administrations
- Charitable trusts
- National lottery funders
- Community shares
- Social investors
- Other lenders

As part of due diligence, assessors will review conditions of any loan taken out by the organisation, make basic checks on the directors of the organisation and conduct an overall “health check” before any recommendation is made.

The following ‘in-kind’ match funding (otherwise known as ‘non-cash’ match funding) may also count as an eligible source of match funding:

- Donations of goods relevant to the project that would otherwise have been purchased
- The value of a discount on a long-term leasehold or freehold, for example as part of a Community Asset Transfer. The value of such a discount must be professionally valued
- Professional services that would otherwise have been paid for, as evidenced by an appropriate discounted invoice.

The following are not eligible as in-kind match funding

- General volunteer time
- The Gift Aid element of any donations

Applicants are not required to have all match funding sources secured at the time of project application. However, you must set out clear and realistic plans to secure match funding in your business plan and it will need to be in place in order to draw down your grant funding if you are successful.

If you are not able to demonstrate reasonable progress towards securing and spending these funds, the UK government reserves the right to withdraw the offer of funding.

10. Examples of funding

Revenue funding scenarios

- if you are requesting £150,000 in capital funding, you can apply for up to £30,000 in revenue funding in addition to your capital grant
- if you request £150,000 in capital funding and £50,000 in revenue funding, this would be over the 20% limit and your application would be rejected

- if you are requesting £250,000 in capital funding, you can apply for up to £50,000 in revenue funding in addition to your capital grant
- if you are requesting £2 million in capital funding for a sporting asset, you can apply for up to £50,000 in revenue funding in addition to your capital grant

Match funding scenario

- an applicant wants to purchase a community asset for £300,000
- they can bid for a £240,000 capital grant from the Community Ownership Fund and must raise, at a minimum, the other £60,000 themselves
- the applicant can also bid for up to £48,000 of revenue funding (20% of the capital grant requested)
- the applicant does not need to match the revenue funding

Match funding scenario - £2 million capital funding

- an applicant wants to purchase a community asset for £2,500,000
- they can bid for a £2 million capital grant from the Community Ownership Fund and must, at a minimum, raise the other £500,000 themselves
- the applicant can also bid for up to £50,000 of revenue funding
- the applicant does not need to match the revenue funding

'In-kind' match funding scenario

- a window-fitting company supplies and fits the new windows to the project free of charge
- for it to be considered as match funding, the asset will need to provide appropriate invoices to show the value of that service on the open market and the discount applied

11. How we'll assess your application

- Applications assessed against 2 main criteria
- You can upload evidence to your application to support certain questions
- We ask for a business plan to support management case section

The UK government will assess bids from across the UK against a common assessment framework.

Applications will be scored using this framework and final decisions on funding will be made by the Department for Levelling Up, Housing and Communities (DLUHC).

We have published [additional guidance \(https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance\)](https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance) on assessments and how to complete your application. You are strongly advised to read this guidance carefully before beginning applications.

Full due diligence and fraud safeguarding checks on the project and applicant will be carried out once applications are submitted and before any funds are released.

Assessment criteria

Once your project has been deemed eligible at the EOI stage, you will be invited to submit a full application to the Fund.

At this stage, your application will be assessed on the following criteria:

1. Strategic case: you should show that without intervention the asset would be lost to the community, the impacts that this would have, and the support you have from the community and other partners. You should explain how community ownership of the asset will provide benefits to the local community, and demonstrate how you have considered environmental sustainability as part of your project

2. Management case: you should show the objectives and deliverability of the project and how the asset will be run sustainably. You should also evidence how you are accountable to the community you represent, alongside demonstrating how the asset will be accessible and inclusive for all members of the community

Full details can be found in the [assessment criteria guidance](https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance) (<https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance>).

All bids must be received before 11:59am on the closing date of the bidding window you are applying in. Your application form must be fully completed with the required documentation attached.

There is certain information your organisation will need to provide in an application. This includes:

- A business plan – this should include (but is not limited to):
 - information about the capital element of your project. This could include:
 - information about your completed or planned feasibility studies. This could include any relevant surveys
 - a programme with key milestones for completion of your project
 - a financial breakdown of your project – this should include:
 - a clear breakdown of the total capital project costs and explanation of how these have been calculated. This could include any quotes or cost benchmarking
 - whether the costs include irrecoverable VAT
 - the capital funding request from the Community Ownership Fund
 - the total amount of match funding required
 - sources of match funding secured to date
 - sources of match funding still to be secured
 - timescales and potential sources for securing all outstanding match funding
 - your skills and resources to manage the capital project, including relevant project management expertise
- information about how the asset will be used and managed in the future. This should include:
 - a discussion of planned activities and/or services that will take place in the community asset
 - your full financial forecasts, including income sources and costs with an evidenced set of assumptions

- a clear breakdown of the revenue project costs and explanation of how these have been calculated
- your cashflow and revenue budgets
- your skills or resources to manage and maintain the asset in community ownership
- roles you plan to recruit to help you manage the asset
- any supporting evidence that you will deliver the benefits to the community you have outlined
- a consideration of risks and mitigations of both the capital works/spend and the ongoing operation of the asset
- organisational and governance information – this should include:
 - your organisation’s governance and membership structures, with supporting evidence
 - members of your board, including their role and main responsibilities
 - supporting evidence of how you will manage finances and prevent fraud. For example, copies of your policy documents
 - supporting evidence of how you will manage performance and risks. For example, copies of your policy documents

You’ll be invited to upload supporting documents for specific questions throughout the application form. Each individual document must be no larger than 5MB. These documents are:

1. a business plan (details of what it should contain are included in this document and the published application guidance)
2. a risk register
3. evidence of local support
4. a) if you are purchasing or leasing the asset: an asset valuation or lease agreement
b) if you already own the asset: a statement that confirms this signed by an appropriate person within your organisation, such as a trustee. This should include the date or approximate date of ownership. Alternatively, you can upload a copy of the deeds of the asset, purchase documents or certificate of title
5. evidence of public ownership (if applicable)

If you have any technical problems, email COF@levellingup.gov.uk and we’ll be able to help.

Conditions of capital award

If you are successful in applying to the Fund, we will require other documents before releasing capital funds (if they were not already supplied as part of full application). These will be requested after you receive your outcome letter. These include:

- an independent valuation of the building dated less than 6 months before the date the asset will be purchased with our funding. This will not be required if you already own the asset
- an independent structural survey

- evidence of any planning, licencing and other appropriate permissions secured

As part of the conditions of the award for funding, milestones and project targets will be agreed, alongside standard monitoring and review periods. This will be set out in a formal Grant Funding Agreement. You should note that funding awarded by the Community Ownership Fund cannot be released without a signed Grant Funding Agreement in place. Failure to comply with the conditions as set out in the grant funding agreement could lead to funding being retracted or clawed-back.

Successful applicants will be required to comply with procurement regulations when procuring goods and services in connection with the project activities. More information will be outlined to successful applicants in the Grant Funding Agreement and Initial Project Meeting.

Subsidy control/State Aid

If funding from the Community Ownership Fund is used to provide a subsidy, expenditure must be compliant with the United Kingdom's obligations on subsidy control.

All bids that may be considered subsidy must consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the Northern Ireland Protocol). You can refer to the [UK government guidance on subsidy control](https://www.gov.uk/government/publications/uk-subsidy-control-statutory-guidance) (<https://www.gov.uk/government/publications/uk-subsidy-control-statutory-guidance>) for more information.

Bids supported by the Community Ownership Fund must comply with the relevant legislation in their respective geographical areas.

Public Sector Equality Duty

As a public authority, the Department for Levelling Up, Housing and Communities is required to comply with the Public Sector Equality Duty, as set out in section 149 of the Equality Act 2010. We give due regard to equality impacts on individuals by reference to their protected characteristics at key decision points and keep this under review.

We recognise the importance of not only meeting our legal obligations under the Equality Act 2010 but also giving due regard to the equalities considerations that apply in Northern Ireland.

12. How we award funding

- Decisions are made by ministers with input from other government departments (where relevant)
- Applications must meet a benchmark score to be shortlisted
- DLUHC Secretary of State can apply 5 additional factors when considering the shortlist in order to select the final list for funding

Read full details of the [decision-making process](https://www.gov.uk/guidance/community-ownership-fund-explanatory-note-on-the-assessment-and-decision-making-process) (<https://www.gov.uk/guidance/community-ownership-fund-explanatory-note-on-the-assessment-and-decision-making-process>) for selecting successful bids.

13. Monitoring and evaluation

- Project progress monitored quarterly at a minimum
- Required to provide a set of accounts 6 months after project completion
- Impact data required after 1 year of offer letter date

Successful applicants will be required to comply with the monitoring and evaluation requirements of the programme.

Monitoring and evaluation requirements

The progress of projects will be monitored at least quarterly, in line with agreed milestones. A statement of grant usage audited independently by an accountant for our assurance processes, in line with agreed project milestones, will be required at the end of the financial drawdown period.

6 months after project completion, you will be required to provide a set of accounts for the project approved and signed off by the Board (or equivalent). All files and financial records will be kept for a minimum of 7 years from the date indicated on your offer letter and may be examined at any time during this period.

Audit and assurance colleagues will be in touch at the end of the project and at any time during the extended monitoring period.

Impact data on your project will be required after 1 year from the date indicated on your offer letter. This is to demonstrate the impact the funding has had on your community. A standardised template and guidance will be provided to support you to demonstrate the impact of your project and delivery against your original business plan.

This may include:

- safeguarding and improving usage of community asset
- businesses and community organisations' support
- the creation of jobs and volunteering opportunities
- types of services established within the asset
- improvements in access to services

Approach to national evaluation

The UK government recognises the central importance of high-quality evaluation, which is critical to understanding what works. To support this, at a national level we are developing our programme evaluation strategy.

This evaluation will help us understand the success of the programme, what works well in successful community ownership projects, and will help inform future investment decisions.

Our approach to programme evaluation will use a combination of administrative data from programme monitoring and could include surveys and project level case studies. These will help us to evaluate the success and value for money of the programme against the following criteria:

- the number of assets supported through the programme

- the survival rate of community assets – this will be measured by the number still operating in community ownership 1 year after the end of the project
- levels of increased usage of community assets and associated services - this will be measured by footfall, increased tenancies, and/or community group use
- levels of increased feelings of pride and improving perceptions of the local area as a place to live
- levels of increased social trust, cohesion, and sense of belonging in the local place
- levels of increased local participation in community life, arts and culture, and sport
- the impact on additional economic outcomes including:
 - jobs saved and/or created
 - new volunteering opportunities
 - improvements in employability
 - skills levels
- the impact on additional social outcomes: including improvements in physical and/or mental health and reducing loneliness and social isolation

14. Additional support

Support for every applicant up to the EOI stage

Our development support provider offers initial support and advice to all interested applicants up to the EOI stage. This includes explaining the eligibility requirements and offering top tips on setting your project up for success.

You can also receive support in submitting your EOI form.

In-depth support for some applicants in the development of a full application

After the EOI stage, certain applicants will be able to access in-depth support for the development of their application and business case.

This in-depth support offer includes:

- the provision of bespoke community development advice and coaching
- assistance with developing your business plan, organisational governance, and financial planning
- Access to small revenue grants to secure specialist support, such as legal advice or building surveys

Projects who receive in-depth support may also be recommended for a reduced match funding rate. In exceptional cases, the requirement for match funding can be reduced from 20% to 10%.

Our development support provider will use a 4-step decision making process to prioritise applicants that have passed the EOI stage for in-depth support. This includes the use of national metrics, EOI intelligence, and 1:1 project meetings. Read full details of the [decision-making process \(https://www.gov.uk/guidance/community-ownership-fund-explanatory-note-on-the-assessment-and-decision-making-process\)](https://www.gov.uk/guidance/community-ownership-fund-explanatory-note-on-the-assessment-and-decision-making-process).

Ongoing support for successful applicants

The development support provider will provide ongoing support for successful projects.

The support offered will include:

- Advice and guidance delivered via webinars, workshops, or materials available on the My Community webpage
- Facilitated peer support networks
- Further in-depth support for some projects with a higher level of risk

Accessing this support

The development support provider can be accessed via an enquiry form on the [My Community webpage \(https://mycommunity.org.uk/community-ownership-fund\)](https://mycommunity.org.uk/community-ownership-fund). You can also describe your support needs in the EOI form.

Please submit any queries you may have about the support offer via the enquiry form.

15. Fund background and development

We are continuously working to improve the Fund to make it more accessible to potential applicants and support as many community organisations as possible to save treasured community assets at risk of loss across the UK.

We have made positive changes to the Community Ownership Fund for future bidding windows. Changes to the design of the programme and the eligibility requirements are informed by applicant feedback, stakeholder engagement, and lessons learned from previous bidding windows.

For Round 3 Window 2 onwards we have extended the maximum funding available from £1 million to £2million. Projects applying for greater than £1 million will still be required to have 20% match funding and they will be expected to deliver benefits which are proportionate to the amount of funding which they are applying for, as outlined in this prospectus and the application form assessment guidance.

Key changes since Round 2

These changes include:

- Implementing a consistent match funding reduction for all bids, bringing the requirement down from 50% to 20%, and further reducing the requirement for projects where they are eligible for in-depth support and have been assessed as having the highest need to 10%
- Extending the funding cap to £1 million for all asset types, but we expect that most awards will be for up to £250,000 of capital funding
- Allowing applications from parish, town and community councils
- Permitting parish, town and community councils to credit a capital receipt from the Community Ownership Fund
- Allowing energy inefficiency that threatens long-term sustainable operations as a risk of loss
- Allowing applications from connected companies in certain circumstances

- Increasing the number of bidding windows per year
- Removing the 2-application limit for all projects
- Having a fully onboarded and operational development support provider, now offering in-depth support to projects of greatest need alongside initial advice and support with queries for all applicants
- Clarifying and strengthening our guidance documents and application form for applicants (read full details of the [assessment criteria guidance](https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance) (<https://www.gov.uk/government/publications/community-ownership-fund-round-3-application-form-assessment-criteria-guidance>))
- Introducing 2 additional considerations the Secretary of State can use to exercise discretion on shortlisted bids (read full details of the [decision-making process](https://www.gov.uk/guidance/community-ownership-fund-explanatory-note-on-the-assessment-and-decision-making-process) (<https://www.gov.uk/guidance/community-ownership-fund-explanatory-note-on-the-assessment-and-decision-making-process>))

Changes to the Fund from earlier bidding windows can be found in the [archived version of this prospectus](https://www.gov.uk/government/publications/community-ownership-fund-prospectus/community-ownership-fund-prospectus--2). (<https://www.gov.uk/government/publications/community-ownership-fund-prospectus/community-ownership-fund-prospectus--2>)

Fund background

Strategic objectives

The Community Ownership Fund has 4 strategic objectives:

- to provide targeted investment for communities to save and sustain community assets that would otherwise be lost to community use
- to strengthen capacity and capability in communities, supporting them to shape their places and develop sustainable community businesses
- to empower communities in left behind places to level up
- to strengthen direct links between places across the UK and the UK Government

Programme outcomes

For the purposes of this Fund, community ownership refers to the ownership and management of local community assets by a community organisation in order to deliver benefits for the community and place.

Community ownership of assets can boost local connections, participation and pride of place, and bolster community resilience. By investing in the capacity of communities across the UK to take ownership of the places and spaces that matter to them, we will strengthen the social infrastructure that helps communities to thrive.

We want to fund community projects that do at least 1 of these 5 things:

- increase feelings of pride in, and improve perceptions of, the local area as a place to live
- improve social trust, cohesion, and sense of belonging
- increase local participation in community life, arts, culture, or sport
- improve local economic outcomes – including creating jobs, volunteering opportunities, and improving employability and skills levels in the local community

- improve social and wellbeing outcomes – including having a positive impact on physical and mental health of local people, and reducing loneliness and social isolation

Strengthening community ownership across the UK

The Fund will be delivered directly by the UK government to communities in England, Scotland, Wales, and Northern Ireland. The UK government is committed to fair opportunities to access funding through the Community Ownership Fund across the UK.

A minimum target of spending in line with per-capita allocations has therefore been set in Scotland, Wales, and Northern Ireland. The Community Ownership Fund will target a minimum of £12.3 million in Scotland, £7.1 million in Wales, and £4.3 million in Northern Ireland of the total Fund over the 4 years until March 2025.

The design of the Fund recognises the different landscapes for community ownership across the UK, with different legislation in England and Wales, Scotland, and Northern Ireland. We have engaged widely with local stakeholders to ensure the Fund is effective, accessible and achieves its objectives.

Applications will be assessed against a consistent framework. Eligibility for the Fund and the bidding assessment criteria are consistent in all 4 nations.

Glossary

Community asset

For this fund, an asset is physical building or space. It must be used by the community and accessible to as many people as possible.

Community Asset Transfer

Across the United Kingdom, Community Asset Transfer (CAT) policy frameworks support the transfer of community assets from public authorities to community organisations. The legislation and policy contexts work slightly differently in parts of the United Kingdom.

England

Asset of community value

In England the Localism Act 2011 introduced a right for community groups to nominate buildings or land to their local authority as an asset of community value.

If the local authority agreed that the nomination met the test of being land of community value, the council would place the asset on a list of assets of community value for a period of 5 years.

What this did was introduce a community right to bid. If the owner of a listed asset decided that they wish to sell the asset during the 5-year period of listing, then they must notify the local authority who would inform the nominating community group.

The group would then have a right to trigger a moratorium of up to 6 months to raise the purchase price. At the end of moratorium period the asset owner is free to sell to whoever they choose.

In England local authorities are responsible for managing their own asset of community value scheme.

England and Wales

The Local Government Act 1972 General Disposal Consent (2003) enables local authorities to transfer assets into community ownership, at less than market value or nil cost, on the presumption of securing long-term social, economic or environmental benefit. Individual local authorities may have their own CAT policies which determine the specific objectives and processes for that local area.

Scotland

The Community Empowerment Act (2015) provides the right for community bodies to make requests to all local authorities, Scottish ministers and a range of public bodies for any land or buildings they feel they could make better use of.

Northern Ireland

The Community Asset Transfer policy framework (2014) sets out the process for a change in management and/or ownership of land or buildings, from public bodies to communities. The framework has been developed as a tool for investing in regeneration and positive social, economic and environmental outcomes.

Other key terms

Business model

Model which the organisation uses to generate income or value from its activities. This might include selling goods and services, delivery contracts or rental income.

Capital works

Refers to the building works which might be necessary on the asset to refurbish, for example for the change of use of asset.

Feasibility study

Analysis which tests the ability of the project to deliver its objectives. This should test the context and resources within which the project is operating, including market analysis, and whether the financial, technical and management capabilities are strong enough to deliver the range of uses planned for the asset. The viability and sustainability of the project in the long term should be tested. Feasibility studies should be used to develop a strong business plan.

Freehold

The outright ownership of land and/or property.

Grant manager

The main point of contact for all project queries for successful applicants.

Grant Funding Agreement (GFA)

This sets out the conditions which apply to the organisation receiving the grant funding from DLUHC.

Initial Project Meeting (IPM)

A first meeting that takes place between the successful project and their Grant Manager to discuss the requirements for grant recipients and answer any questions that might arise.

Leasehold

The right, set out in a contract, to occupy land or a building for a specified length of time.

Legal charge

The successful applicant will be required to execute a Legal Charge in favour of the Secretary of State over any fixed asset or asset funded by the Community Ownership Fund.

This is a legal document signed by the successful applicant organisation and DLUHC which is registered against the asset at the Land Registry. It will be in place to secure clawback or repayment of up to the whole of the grant funding under the funding agreement entered into.

Pre-feasibility

Project which is yet to undertake detailed feasibility work (see below) and the support that may be required to help test initial ideas and develop options for a business plan.

Procurement regulations

Successful applicants will be required to comply with procurement regulations when procuring goods and services in connection with the project activities. They must show proof that value for money has been obtained in the procurement of goods or services funded by the COF Grant.

These regulations mean that successful applicants will be required to adopt the following procedures, as a minimum:

Value of contract	Minimum Procedure
£0 - £2,499	Direct award
£2,500 - £24,999	3 written quotes or prices sought from relevant suppliers of goods, works and/or services
£25,000 or over	Formal tender process

More information will be outlined to successful applicants in the Grant Funding Agreement and Initial Project Meeting.

Statutory services

Services that public authorities are mandated to provide by law.

Subsidy

A financial contribution using public resources which confers a benefit on the recipient. This could include, for example, a cash payment, a loan with interest below the market rate or a loan guarantee.

Subsidies are administered by all levels of government in the UK including central government, devolved administrations and local authorities, as well as other types of public authority.

See more information on [subsidy controls](#)

(<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>).

Working capital

Operational finance needed to cover the costs during the early stages of trading, as the business model becomes established, and activities develop.

Projects should expect to be able to cover losses in this early period, as income sources grow, and should plan for enough working capital to ensure there is adequate cash to pay wages, invoices and other costs.

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