

Community Ownership Fund: Q&A

Following the launch of the Community Ownership Fund on 15th July, we held three webinars to provide further information to the public.

We have collated the questions received across all events. Some similar questions have been combined.

If you are unable to find the answer to your question after reading this Q&A, please do be in touch with COF@communities.gov.uk

How the Fund will work

What is the Community Ownership Fund and how long will it run for?

The Community Ownership Fund is a UK Government initiative to help ensure that communities across England, Scotland, Wales and Northern Ireland can support and continue benefiting from the local facilities, community assets and amenities most important to them.

Community groups will be able to bid for up to £250,000 matched-funding to help them buy or take over local community assets or amenities at risk of being lost, to run as community-owned businesses. In exceptional cases, up to £1 million matched-funding will be available to help establish a community-owned sports club or help buy a sports club or ground at risk of being lost without community intervention.

What places will be prioritised for funding?

There is not a list of priority places for COF funding.

As part of the assessment criteria, applicants will have to demonstrate the community benefit of their proposal and the added value the asset or amenity brings to their place in terms of community need. Applications that can show the difference the asset makes to their place, in relation to access to other services and amenities for example, will score higher.

What is your position on funding groups in England, Scotland, Wales and Northern Ireland?

We have set a minimum target of spending in line with per-capita allocations of: **£12.3m** in Scotland, **£7.1m** in Wales, **£4.3m** in Northern Ireland of the total fund over the four years.

The design of the fund recognises the different landscapes for community ownership across the UK, with different legislation and support contexts in each nation. Eligibility and bidding criteria are consistent across all four nations. Assessments will be made against common and transparent criteria. Projects will be awarded on the basis of open competition.

Scope of funding

What does 'at risk of loss' mean?

Risk might be from closure, sale, neglect and dereliction under current ownership, or unsustainable operations under the current business model. Applicants need to demonstrate the nature of the risk facing the asset. This will include evidence that without community intervention the asset or amenity would be lost to the community.

If the asset is not at risk of loss, might it still be funded?

No, assets must be at risk of loss to be eligible for funding.

If an asset that was at risk has recently been bought / leased but needs capital works to bring it into active use, is it eligible to apply?

For assets already in community ownership, the nature and scale of the current risk facing the asset without the funding would need to be considered. It is unlikely they would be within scope of the Fund unless you can demonstrate real risk of loss of the asset without funding for these capital works. Renovation and repair costs can be applied for as part of the Fund, but only where these are associated with bringing the asset into sustainable community ownership through sale or transfer and where this is critical to saving the asset and running it sustainably.

Will the Fund support community assets which are currently closed and are empty?

In principle, yes. The community asset must have had a community use in the recent past, which is defined for the purpose of this Fund as the last five years. As part of the full application, applicants must be able to show how the asset could be brought back into community use.

How do you show that empty or closed assets are at risk?

Applicants should demonstrate how the community use of the asset or amenity has been affected, and the impact of the loss of the asset to the community. Applicants may also be able to show that the asset may be at risk of further neglect or demolition, or it may be that the asset is due to be sold on the open market and its future use is at risk. Applicants should be able to show why the community use and community value of the asset should be safeguarded for the community.

Could the fund be used to rebuild an asset, especially if the existing building and/or land is gifted as part of the package?

In principle, this may be eligible. Projects in scope include those which seek to move a community amenity to a new, more appropriate location within the same community. This might be because a different location offers better value to continue the amenity, or because the venue is in itself an asset of community value.

However, please be aware that new build projects to develop *new* amenities or assets, which are unrelated to saving or preserving an existing asset or amenity, are not within scope of the Fund. This is because the Fund is aimed at saving community assets and amenities which are at risk of loss.

Can the Fund be used to buy land and develop amenities on the land? Such as for example, land to develop a community playpark and carpark with a community solar scheme?

Such projects *may* be within scope of the fund. To be in scope of the fund, the land itself should be a community asset or amenity at risk of loss without community intervention. It should have a current community use and community value or have been used by the community in the recent past (defined for the purpose of the Fund as the last five years).

Please be aware that new build projects to develop *new* amenities or assets, which are unrelated to saving or preserving an existing asset or amenity, are not within scope of the Fund. This is because the Fund is aimed at saving community assets and amenities which are at risk of loss.

If an empty property is adjoining an existing community space and would add additional space, access and improvements to the building, would this be within scope of the Fund?

This may possibly be within scope of the Fund. However, it would need to satisfy the eligibility requirements of the Fund. Either the empty building itself should be a community amenity or asset at risk (or have had a community use in the recent past), or the existing community space should be at risk of loss without the acquisition of the neighbouring building. As part of the assessment criteria, the nature and scale of the risk facing the community hub would be considered.

Please be aware that in general, development projects to existing community assets and amenities will only be considered where this is directly related to saving an asset which is at risk of loss by bringing it into sustainable community ownership.

Can the Fund be used for a derelict building already owned by a community organisation?

The building would need to be an asset or amenity at risk of loss without community intervention, and it would need to have had a community use within the last five years.

However, as the asset is already within community ownership, the applicant would need to show that the capital works (such as for renovation) are critical to bringing the asset into sustainable community ownership and that the asset would be lost without this.

The Fund is aimed at saving community assets and amenities at risk of loss by helping bring them into community ownership as opposed to providing funding to support existing community-owned assets and amenities.

Can you apply for funding to acquire privately owned land but not to create a community facility on it? Does the £50k revenue opportunity apply to this?

If the land has no current community use and is not an asset with community value, then this would not be in scope of the fund.

The £50K revenue can only be used to support the projects within scope of the Fund, and cannot be applied for without a bid for a capital grant.

Can the fund support existing community run assets which are at risk due to requiring renovation / upgrading?

For assets already in community ownership, the nature and scale of the risk facing the asset would need to be considered.

Renovation and repair costs can be applied for as part of the Fund, but only where these are associated with bringing the asset into sustainable community ownership through sale or transfer and where this is critical to saving the asset and running it sustainably.

If a community hall has been condemned could the fund be used to demolish and rebuild that hall from scratch?

In principle, this may be eligible. Projects in scope include those which seek to move a community amenity to a new, more appropriate location within the same community. This might be because a different location offers better value to continue the amenity, or because the venue is in itself an asset of community value.

However, please be aware that new build projects to develop *new* amenities or assets, which are unrelated to saving or preserving an existing asset or amenity, are not within scope of the Fund. This is because the Fund is aimed at saving community assets and amenities which are at risk of loss.

Are applications to buy housing, for example to create supported accommodation for vulnerable people, eligible through the Fund?

Projects which seek to purchase residential housing are not eligible as standalone projects. However, projects which may involve the purchase of accommodation as part of a mixed-use community asset would not be automatically excluded. An example of this might be a community facility which comes with accommodation as part of the building.

To be eligible, the asset needs to be used by the wider community and applicants will need to show the contribution of the asset to their community including to the social wellbeing or cultural, recreational or sporting interests of the local place.

Is an application to take ownership of a church building without an active congregation eligible to apply to redevelop the asset for wider community use?

Providing this application meets other essential eligibility criteria, this could be an eligible project.

We would like to rebuild our current facility on our newly purchased land, the current facility is in a bad state. Would this grant be open to this rebuild?

In principle, this may be eligible. Projects in scope include those which seek to move a community amenity to a new, more appropriate location within the same community. This might be because a different location offers better value to continue the amenity, or because the venue is in itself an asset of community value.

However, please be aware that new build projects to develop *new* amenities or assets, which are unrelated to saving or preserving an existing asset or amenity, are not within scope of the Fund. This is because the Fund is aimed at saving community assets and amenities which are at risk of loss.

Will green spaces and woodland be included?

Yes, if it is a community asset at risk and fulfils other criteria.

Does risk of loss mean risk of loss by dilapidation - or does it mean risk of loss from community use (e.g. a playing field being sold to a developer)?

It could mean either. Please refer to the prospectus for full eligibility criteria.

If a community hall has been unused and semi derelict for 50 years, is it eligible if it will be brought back into community use?

This would not be eligible as the asset has not had a community use in the recent past (of five years).

Lockdown over last year has reduced community use or access this last year, will this be taken into consideration in assessing past community use where an asset has been neglected?

Yes. This will be considered. You will need to demonstrate what the community use has been in the last five years.

Does the asset have to be owned, or could it have a 99 year lease?

Leaseholds of 25 years or more will be considered in scope of the Fund.

If a community already own the asset can they apply to the COF for post acquisition funding to establish a sustainable community business within the asset?

No. Standalone applications for post-acquisition funding are not accepted through this round of funding. Post-acquisition support will only be awarded alongside a capital grant.

Will community amenities and assets that come with debt be eligible?

The Community Ownership Fund will not provide funding to pay off debts or to buy an indebted business. Applicants should demonstrate as part of their application and business plan how any existing debts from the asset or amenity will be covered from other sources.

If a group already occupy or rent a property owned by the local authority but would like to take on full ownership, are they eligible?

As long as the application is within scope of public sector assets criteria and meet's our leasehold tenure criteria, an eligible group is free to apply. Please be aware that the Fund will only support applications to save or project community assets and amenities at risk of loss to the community. You will need to demonstrate as part of your application that the asset would be lost without community intervention.

What if I want to purchase a building from a local authority rather than taking a long-term lease?

Please be aware that the Fund will not provide the capital costs of purchase where the public authority would credit a capital receipt but may fund associated capital

works (such as renovation or repairs). However, you could apply for funding for associated capital works in order to save this asset.

Please be aware of additional restrictions on eligibility for public sector assets which are outlined in the prospectus. For the purposes of the Fund, any asset whose principal and current use provides any form of non-discretionary statutory service would not be eligible for funding from the Community Ownership Fund.

If the local authority has put the property on the open market, then would this be excluded?

The Fund will not finance the purchase costs of such assets, where a public authority would credit a capital receipt. However, if the community is able to raise the capital needed for purchase, the Community Ownership Fund may provide capital for refurbishment or renovation, where the asset is at risk of loss without this.

Please be aware that to be eligible for round one, you would need to be able to demonstrate that the project would be ready to start drawing down capital within six months of your application.

Can applications for running costs of an existing community asset apply?

No. Running costs may be considered as part of a full application for funding to take over a community asset or amenity and run it sustainably for the community. But standalone applications to support running costs or revenue for existing community assets will not be eligible.

If a building is currently registered as an asset of community value (ACV) how will this affect an application for funding?

You should include this as part of your application to demonstrate value to the community. Assets do not have to be registered as assets of community value in order to apply. Please be aware that ACV legislation applies to England only.

Eligibility of organisations

Who can apply?

Applications will be accepted from incorporated voluntary or community organisations. Applicants will need to demonstrate charitable purpose and public benefit through their governance structure. The types of organisations we might expect to apply include:

- a charitable incorporated organisation (CIO)

- Scottish charitable incorporated organisation (SCIO)
- co-operatives including Community Benefit Societies
- community Interest Company (CiC)
- not-for-profit company limited by guarantee

For profit organisations and local authorities are not eligible to apply.

Can registered charities apply?

Incorporated registered charities are able to apply. However, unincorporated charities (such as an unincorporated Charitable Trust) are not able to apply.

Will unincorporated organisations be eligible to apply for any funding in future rounds?

These decisions have not yet been taken for future rounds. However, projects in receipt of capital grants through the programme must be incorporated to be able to enter a formal and legally binding agreement with the Department.

If the community group will own the freehold, but plans to lease to a private company as part of the business model for the asset would this be within scope of the Fund?

We would need to review the specific details of this case. However, we recognise that as part of developing a sustainable business model, community owners may wish to lease out the building (or part of the building) to another organisation. To be eligible for the Fund, the owner must be an asset locked organisation with profits reinvested for community benefit.

As part of the assessment criteria, applicants will need to show how the asset and associated amenities will deliver community benefit to local people.

Can one CIC apply to take over an asset that is managed by another CIC (but is failing)?

In principle yes, provided it meets the other requirements of the Fund.

Our parish council is taking ownership of a community woodland, can we apply?

Applications from parish councils are not eligible for the Community Ownership Fund.

How is a community defined? By geography or could it be a community of interest?

Applications from all types of community or interest groups are eligible to apply (provided they meet the eligibility criteria outlined in the prospectus – i.e. they are incorporated organisations with a social purpose and are asset-locked).

Please be aware that applicants will have to demonstrate how they are accountable to the local place and/or community they represent, how they will operate for the benefit of the wider community in tangible ways, and how they will use the asset to deliver community impact. Applicants will need to show that the asset or amenity will be accessible and inclusive for all members of the community, including underrepresented groups.

Are joint bids eligible?

We will accept joint-applications. We require one lead organisation to submit the proposal and enter into a grant agreement with the Ministry of Housing, Communities and Local Government (MHCLG), if your grant application is successful

Are multiple bids from the same organisation eligible?

Applicants can only submit one application per community asset or amenity. Applicants are not restricted from submitting multiple applications for multiple projects. Please be aware that applications will be assessed separately.

Are there eligibility requirements for community membership of an organisation to apply?

To be eligible for funding, applicants will also have to demonstrate they are accountable to the local place and/or community they represent, how they will operate for the benefit of the wider community in tangible ways, and how they will use the asset to deliver community impact.

You can do this by:

- showing who is on your board
- your governance structures
- ways in which you will involve the community in the running of the asset
- your organisation a membership structure
- if there will be any barriers on who can join

Match funding

What do you mean by match funding?

Applicants will need to raise other sources of funding, alongside investment from the Community Ownership Fund. This is known as match-funding. The Community Ownership Fund will contribute up to 50% of your total capital costs. Applicants will need to demonstrate in the application the total capital costs, funding already secured and plans to raise any additional funding needed.

Applicants are not required to have all match funding sources secured at the time of project application. Capital funding for successful projects may be awarded in principle, with organisations having up to six months to raise the match funding. As a minimum, applicants must set out a plan for how they will raise these funds in their application.

Can applicants use the funding in principle from the Government as a way of leveraging match funding from other sources?

Applicants are not required to have all funding sources secured at the time of project application. Capital funding for successful projects may be awarded in principle, with organisations having up to six months to raise the match funding. At a minimum, applicants must set out a plan for how they will raise these funds in their application.

How strict are the match funding rules and which sources of match funding eligible?

The Fund will provide up to 50% of capital costs. Applicants will have to match fund at least 50% of their capital costs themselves, however, we will consider other sources of in-kind match funding including donations of goods, buildings or professional services. This may be from an individual, a community group, other public sector funders, charitable / social investors or a private business.

Volunteer time will not count as a source of match funding.

Can loans be used as proof of match funding?

Yes. Eligible sources of match funding will include funding from:

- public bodies
- charitable trusts
- national lottery funders
- community shares
- social investors
- other lenders.

Assessors will review conditions of any loan finance taken out by the organisation.

How much time do groups have to raise match funding?

For the first bidding round, groups will need to demonstrate that they are able to secure their full project funds within 6 months of application. Funding will be offered on an in principle basis allowing organisations to raise any remaining match funding as set out in an application. If applicants are not able to demonstrate reasonable progress towards securing these funds, government reserves the right to withdraw the offer of funding.

How does the in-kind match funding work in the cases where building or land will be donated or provided to the community on a discounted rate?

You should outline this in your application as evidence of the match funding for your project.

For example, you should include in your application the valuation of the building or land and the discounted price at which the community may acquire it. If you are securing the asset on a long-term leasehold (of 25 years or more) on a peppercorn rent, you should outline in your application details of this, including the estimated value of this discount (based on current market rents).

As part of the application process, assessors may need to ask you for further information in order to verify these sources.

If a building is gifted to an organisation, then can the value of that building be used as the match funding to acquire COF funding to renovate?

Potentially, as long as COF funding is used to support the renovation of the asset and that the project meet other eligibility criteria outlined in the prospectus.

Is match funding from other public bodies (such as a council or another government department) eligible as match?

Yes. The full list of eligible match sources are in the prospectus.

Does revenue funding need matching?

No. Revenue funding does not need matching.

If as a result of a successful application revenue money is spent to develop a project, but then the planning permission is refused, would the revenue costs have to be paid back?

No, we would not clawback these costs. However, please be aware that pre-acquisition revenue funding for round one applications will only be considered if this funding will help unlock the capital funds within six months of your application.

Supporting documentation

Do projects need to have an independent valuation in time for applying to the Fund?

You do not need these at the time of your application. If you already have an independent valuation, please include this as part of your supporting documentation. If you do not have an independent valuation from the last six months, then you will need to have this in place before we award the capital grant.

Do we need to have a RICS certified structural survey done by the time we apply?

You do not need to have the structural survey completed by the time of application. You will need to have completed a structural survey before we award the full capital grant.

We will provide successful grantees with further guidance on this and validation criteria.

Can we apply to the Fund with a valuation which is older than six months?

This is proxy to help groups understand what we are asking for. However, we are keen that the Fund does not place further costs on community organisations for work already recently undertaken, and we would seek to make this requirement targeted and proportionate to the successful application.

Are there any restrictions or guidance on determining value on acquiring a privately owned building at risk?

A professional, independent valuation of the asset will be required prior to capital award. We will work with successful grantees with further guidance on this and validation criteria.

Do we need planning permission?

You will need to show you have relevant planning permissions before capital will be awarded. You can apply without the relevant planning permissions, but these would need to be in place before funding is awarded.

Do you need a formal agreement to sell by the current owner?

In the case of privately owned assets, there does not need to be a formal agreement in place. However, there will need to be a realistic chance of sale in the next six months. Applicants should tell us about the evidence they have of this, and negotiations or agreements in principle that they have with the current owner.

In the case of publicly owned assets, supporting statement will be required from the public body. This is outlined in full in the application process. This will need to cover.

- The current status of the asset and why its future use is at risk.
- The rationale for transferring or selling the asset to the community, including the appraisal of the impact on service provision.
- Evidence of planned ongoing support which the public body will be providing (financial and in-kind support), and continuing service contracts arrangements (where applicable).
- Written assurance from the transferring authority that the community group are capable of taking ownership of the asset and that without their intervention the asset is at risk of being lost.

Payments

How will funding be paid to successful applicants?

If successful, as part of the conditions of the award for funding, milestones and project targets will be agreed, alongside standard monitoring and review periods.

Capital and revenue grants will be paid on agreed milestones. Capital grants required for purchase will be paid on completion, subject to conditions.

This will be set out in a formal grant agreement. All successful applicants will go through additional due diligence and fraud safeguarding checks.

Grants must be used for the purpose intended as set out in the conditions for award. This will be subject to monitoring and final review. Failure to comply with the conditions of award could lead to funding being retracted or clawed-back

Future bidding rounds

How many projects will COF support in round one of bidding?

There is no target for how many projects each bidding round will fund.

Applicants will not be disadvantaged by applying to a future round.

Can you apply for up to £50k revenue in an initial funding round then return with a capital application to a subsequent round of funding?

No, revenue funding must be associated with a full project application for capital costs.

Can we use the current application form to express interest and apply for future development grants for early-stage support?

No. The current application form is for applying to the first round of the Community Ownership Fund.

Details of future rounds have not yet been published and you currently cannot apply to future bidding rounds. The next bidding round will open in December 2021.

Can organisations apply more than once - ie if they apply and are unsuccessful in one round, can they submit an application to a future round?

Yes. We encourage groups to develop their bids further if they intend to reapply.

What help will be available at an early stage for more disadvantaged areas?

In future rounds we may offer additional support grants to community groups at an earlier stage of development, to help understand if their community ownership project is viable or not.

However, decisions around future funding rounds have not yet been made. We will publish more information about the second funding round in the autumn.

Will changes be made to the eligibility criteria in subsequent bidding rounds?

We will review the first round to see if changes are needed for future rounds.

Will more development funding be available in future rounds?

In future rounds, development funding to support bids at an earlier stage may be available. However, decisions around funding rounds have not yet been made.

Application process

What criteria will be used to assess the bids?

The is laid out transparently in our [assessment criteria guidance](#).

Will you want to discuss proposals with potential applicants before they make an application?

The department can be contacted on COF@communities.gov.uk and you are welcome to ask the team any questions about your application. However, you are not required to contact us prior to submitting your application.