

Community Ownership Fund: Top tips to build a strong management case

Overview

Applications to the Community Ownership Fund (COF) are assessed against two criteria:


- Strategic case
- Management case

Please refer to the Department for Levelling Up, Housing and Communities (DLUHC) [Assessment Criteria guidance](#) for more in-depth information.

Management Case – What are DLUHC’s assessors looking for?

Grant assessors are looking for evidence in your application and business plan that you have the capacity and resources to manage your asset. It’s key that you demonstrate how you will be financially sustainable and that you have considered potential risks to the long-term management of the project.

Some points to think about while you are writing your application:

- DLUHC will only have a limited time to clarify any follow-up questions they have about your application. DLUHC will rely on the documentation you submit. You are not able to provide DLUHC with any further documentation after submitting your application.
 - Assume the assessor knows nothing about your local area, organisation, track record or achievements.
 - DLUHC asks for evidence to back up your application. You won’t be able to upload all this evidence, but you can refer to it in your application and business plan. You can include links to things like survey results hosted on your website, but assessors will not open documents in file sharing locations such as Drop Box etc.
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The following top tips are to help guide you on how to make a strong management case in your COF application.

Funding breakdown

- **Be clear about capital costs.**

Provide a table showing the breakdown of all capital costs – ensure all capital costs are referenced, not just the costs that you are asking COF to cover. Any one-off costs that are relevant to acquiring and renovating the asset should be included.

Make sure you have covered everything required to purchase and refurbish the asset. For example, have you included professional fees, VAT which cannot be reclaimed, an amount for contingency? Explain how you have arrived at those costs e.g. cost breakdown from a quantity surveyor, quote from a supplier.

- **Explain the sources and status of your match funding**

Produce a table showing each element of your match funding, the source and the current status. Be as specific as you can. For example:

Letter from charitable trust dated 01.04.23 confirming £100k towards capital costs. Drawdown in arrears – must be drawn within 12 months.

Community share offer ready to launch – £250k target based on research in January–March 2023 with potential investors.

- **Evidence the value and condition of the asset**

If you are buying an asset, you will need a professional valuation to show that the purchase price is reasonable.

You will need a condition survey to provide information about the condition of the building and the repairs and refurbishments required. Depending on the scale of the building works needed, you may need to work with an architect and other building professionals. Reference the advice you have taken in the application so that the assessor knows that you have a detailed understanding of the building and what is needed to make it fit for purpose.

- **Have a detailed project plan**

It's important to show clear timescales for when you will acquire the asset and how long it will take to undertake the refurbishment work. If you are applying to COF for building works you will need to include a realistic timetable for planning consent, procurement processes and the building works themselves. A Gantt chart is a useful way to show your project plan.

Financial and risk forecasts

- **Consider the practicalities**

How will your project run on a day-to-day basis? Develop an operational plan detailing the management of the asset including opening times, staff and volunteers, health and safety etc. Ensure that costs in your financial model are consistent with your operational plan.

- **Give robust financial figures**

[A three -year cashflow](#) should be written into your business plan. It is crucial to include details on how income and expenditure projections have been calculated. Does the cashflow show that income exceeds expenditure over the long term? If not, how will this be addressed?

You should also provide a combined revenue and capital cashflow. DLUHC may make an advance payment where no risks have been identified. However, larger grants and/or projects with risks identified by DLUHC are more likely to have payments made in installments.

Details on income and expenditure should be clear and easy to follow. For example, if your project includes a community café, say how many customers you expect, what you expect the average spend to be, how you will set prices? Provide information on who your customers will be, how you will market your café, details of local competition and why potential customers will use your café.

- **Be realistic about potential risks**

Every project to acquire, refurbish and run an asset has risks. Your business plan must show you've considered a range of things that could go wrong. What reasonable adjustments can you make to address these?


Showing that you understand the risks and have considered how to deal with them strengthens your application. The assessors will expect to see a [risk register](#) as part of your application.

Skills and resources

- **Make sure the structure of your governance and leadership is clear**
If your organisation has trading subsidiaries, partnerships or other structures, the role of these different entities needs to be transparent. You should review if there are any conflicts of interest or controlling stakes and demonstrate that there are policies being followed to moderate this.

If you are a membership organisation, set out how people join, whether there is a charge and how you ensure that membership is open to everyone in the community.

Please note that private sector investment in your project is acceptable, however any potential private benefit is not. Companies set up limited by shares (apart from CICs) are not eligible for COF.

- **Showcase the experience and skills of your team**
When demonstrating the experience and skills of your board and staff, think about your capacity to manage and deliver the project. Do you have the relevant experience to deliver your project? How are the board/staff team managing the process of asset acquisition, refurbishment and fundraising? If you have done this before, give practical details to show your understanding of the process.
 - **Use professional services**
Construction projects should have suitably qualified professionals involved. Give details of the organisations you used to scope out the capital project and how you will recruit contractors to deliver the project.
 - **Evidence a clear plan for staff recruitment and succession planning**
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Make sure that you have an operational plan for the asset. This is where you will set out the staff and volunteers you need to run the asset. In your application, give details of your recruitment strategy. What gives you confidence that you can recruit sufficient staff and volunteers? How will any problems be dealt with?

A succession plan is a plan to recruit new board members to replace those who leave or who have completed their term in office. It will also cover dealing with replacing the chair, senior officer posts and senior staff posts. What are your plans for recruiting board members to ensure that the board has skills and resources to manage the asset? How will you make sure there is continuity and that the board is regularly refreshed as new people join?

- **Be specific about all systems and policies**
Give details of policies and systems you use to manage finance, human resources, data, etc. If these need to be developed or upgraded to manage the asset, how will this be done?

Representation, inclusiveness and Integration

- **Explain how you are accountable to the local community**
A community asset is one which is of value to all sections of the community. Give details of how your organisation is accountable to the local community. If you are a membership organisation, are there any barriers to membership?

It is important to show that the community has been involved in the development of the project and will be involved in its operation. This should be more than community consultation. Give details of how you will involve the community in the running of the asset.

- **Demonstrate that you have impactful diversity, equity and inclusion (DEI) policy in place**
Your organisation is expected to be implementing a policy related to DEI. Give details of the difference this is making, for example, ways in which you have shaped service provision to meet the needs of different sections of the community. Include details of the make-up of your community,

identify any barriers which might be experienced in using the asset and how these will be addressed. How will you balance different needs in managing the asset – for example open access and safeguarding children and vulnerable adults?

Final tips

- **Do the research**
Make sure you can evidence all the information in your application.
- **Provide explanations**
The context of your project may be obvious to you but not to an assessor who doesn't know your organisation and your area.
- **Get a second opinion**
Can you ask someone who doesn't know your project in detail to read your application and point out anything they don't understand?
- **There is a word version of the application form on [My Community](#).**
Draft your answers here to share them with your board and to save your answers.

Further support

You can access advice and support for COF in a number of ways:

[How to write your business plan for the Community Ownership Fund](#) – There is a checklist for all the things that should be included in your business plan for your COF application. You will also find links to worked examples of a risk register and cash flow forecast.

[Useful resources](#) – My Community offers a range of resources on topics relating to the Community Ownership Fund. This includes information about the fund and other useful guides to help groups to develop and manage sustainable community assets.

Webinars – The Community Ownership Fund support programme delivery partners are here to offer advice about how to submit a strong application:

[How to write a strong Community Ownership Fund application](#)

[How to raise match funding for your community ownership fund project](#)



[Advice service](#) - The COF Support Programme team can provide initial advice to all interested applicants to determine whether a project is eligible to apply to the Community Ownership Fund and help you to submit an EOI (expression of interest) form to the funder (DLUHC).