



power to
change

business in
community
hands

Better places through community business

Our strategy 2016–18



LOTTERY FUNDED

**We are Power to Change,
an independent charitable trust
set up in January 2015.**

**Over ten years, with a £150 million
endowment from Big Lottery Fund,
we are supporting community
businesses to create better places
across England.**

**At the heart of our vision and
mission is the devolution of power
to local communities.**

**We want to support people to take
action to address local challenges,
enabling them to control vital assets
and services that might otherwise
disappear, or start new initiatives
in response to local needs.**

**Putting business in community hands
– that makes places better.**

Cover image:

Power to Change funded community business
Bootstrap Company provides affordable
workspace for local people in Hackney.

Unleashing the potential of community business

Power to Change was set up in response to growing recognition of the challenges faced by communities in maintaining vibrant local places with access to shops and services, opportunities for employment and skill development, a strong community fabric and a sense of a positive future.

While industrial decline has already made this a long term challenge in a number of communities, the scale and reach of the challenge sharpened in the wake of the financial crisis. Closure of high street retailers and local public services have gone hand in hand with cuts to much of the support available for the voluntary and community sector. The economy has now shifted into recovery. However, the positive impact of a return to growth are not being felt evenly across the country, with many communities continuing to struggle.

The time is right for community business to thrive as a new economic model

Against this backdrop, some communities have come together to address the challenges they face. Across the country there are examples of local people joining forces to save local shops, pubs and post offices from closure; start locally owned sports clubs and facilities; create community-managed woodlands and green spaces; develop community energy-saving schemes; set up community centres and enterprise hubs; and embark upon community-led housing to help regenerate local areas.

Community business is a solution that local people can invest in to bring local benefits

We believe that many of the answers to the challenges being faced by communities lie within communities themselves and can be addressed through the devolution of power to local people.

We believe in the virtuous circle of community business – that in being led by the community, responding to local need and ploughing the benefits back into that same community – community business can be a powerful vehicle for change and bring new prosperity, opportunity and pride to local people and places. Community business can restore the social fabric by creating new, vibrant community spaces and provide the foundation for longer term prosperity through the creation of community-owned assets.

More community businesses will only take root through stronger partnerships

We believe that every place would benefit from community businesses of its own and recognise that others are already actively supporting community businesses to succeed. We want to work with established support providers as well as new partners across all sectors to enable community businesses to thrive across England.

Together we can create better places through community business.



Vidhya Alakeson
Chief Executive
Power to Change



We believe that many of the answers to the challenges being faced by communities lie within communities themselves.

Why community business?

The 'ripple effect' of community business



Community businesses have four core features:

- 1 Rooted in, and respond to, the needs of a specific local place
- 2 Have a business model built around trading
- 3 Engage with, and are accountable to, local people
- 4 Benefit their local community, not just specific interest groups or individuals

Why now?

The community business model is not new. Local people have long been rallying together to take control of facilities and services in their area and there are now more than 5,000 community businesses in England.

But the time is ripe for more people to get involved in community business to address issues and needs in their local area.

Reductions in public spending mean that local infrastructure such as leisure facilities, community centres and libraries are under threat. But the transfer of powers to local communities through the Localism Act (2011) and devolution are opportunities for local people to take control of these assets and services, and run them for the benefit of the community.

In the wake of the financial crisis, the private sector is focusing on ways to improve their Corporate Social Responsibility (CSR), creating new opportunities for companies to support the growth and development of community businesses. The growth of the social investment market is also providing a new source of capital for more mature community businesses. Alongside this, there is growing evidence of more people wanting to get involved and invest in their communities and in collaborative action.

Our strategy and priorities have been shaped by these and other external drivers.

Our ambition

How our objectives support our vision



The time is ripe for more people to get involved in community business to address issues and needs in their local area.

Power to Change has been established as a ten year initiative, with an aim to significantly accelerate the growth and impact of community business. Success at the end of our ten years would mean that community business is a better recognised and more highly valued approach to addressing local economic, social and environmental challenges, prompting others to build on the work we have started.

In support of our vision to create better places through community business, we have identified three long-term objectives:

Growing the sector

To grow the community business sector such that there are a greater number of sustainable community businesses delivering significant social, economic and environmental impact at the end of ten years.

Transforming places

To demonstrate that community businesses can transform places through positive economic, social and environmental impact.

Making the case

To inform and influence government, business, consumers and other funders that community business can be a powerful force for change, such that they increase their investment in, and commitment to, the community business sector.

 **Featured grantee: Homebaked**

Rebuilding their neighbourhood brick by brick and loaf by loaf



Known for its pies, Homebaked community bakery gives local people the power to become local producers and decision makers, to work and learn together, and to regenerate their neighbourhood.

Located a few minutes from Liverpool Football Club in an area of significant social and economic deprivation, the business provides employment, training, mentoring and a place where people can chat over a cuppa. It aims to become the anchor for a larger scale community-led development that will regenerate Anfield's high street and bring a renewed sense of pride to the area.

A Power to Change grant of £146,200 is helping the business grow its trading income by increasing its pie production capacity. This will make Homebaked more financially sustainable and allow it to invest more of its profits in the local community, including buying up the adjoining row of terraced houses.



Type of organisation

Community bakery

Location



Community supported

Anfield, Liverpool

Grant award

£146,200

Grant purpose

To upgrade kitchen equipment to increase production and to fund a business manager for 18 months to increase sales and training and volunteering opportunities for local community.

Direct grant impact

Create one additional full time job, train 80 more local people, recruit and train 10 more volunteers.

Project completion

Summer 2017



I couldn't pass up the opportunity to be involved in Homebaked and locally powered community regeneration.

Fred Brown

Anfield resident and volunteer

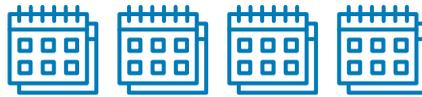
Our priorities – the next ten years



First three years

Initially, we will focus on growing the community business sector, particularly by providing community businesses with capital and revenue funding, and business and technical support. While we will provide some funding at the pre-feasibility and start-up phases of the community business lifecycle, our funding will focus on the growth stage, enabling existing and new community businesses to increase their capacity for trading to enhance their social impact and long-term sustainability. Rather than scaling individual community businesses through our funding, we will increase the number and sustainability of community businesses in particular sectors and places.

Through our early investments, we will learn more about the needs of the market and develop our strategic approach to working with support providers and intermediaries to make it easier for community businesses to start up, operate and grow.



Middle years

In the middle phase of our life, we will concentrate on our second objective – transforming places. We will work with partners to accelerate momentum behind community business in a number of places to demonstrate its potential to address specific local challenges, such as food poverty, unemployment or rural isolation. We will also in this second phase focus more intensely on developing the infrastructure that can make it easier for local people to start up and grow community businesses, whether that be investment in intermediary organisations, the development of new tools and guides or the use of technology to streamline funding processes.



Final three years

Finally, in the last phase of our life, our funding activities will begin to tail off and we will focus heavily on disseminating the evidence we have gathered from our activities and those of our partners through our Research Institute. Our intention is to leave behind a strong and convincing evidence base for the positive impacts of community business, supported by our findings on what is more or less effective in supporting community business, and tools that can shape practice across the sector. This body of evidence and learning will be a significant part of the long-term legacy of Power to Change.



Power to Change have not only supported us with serious grant funding, they've also given us practical help with focussing on our future as a community business. One that is transforming this place where we live and work.

Ronnie Hughes

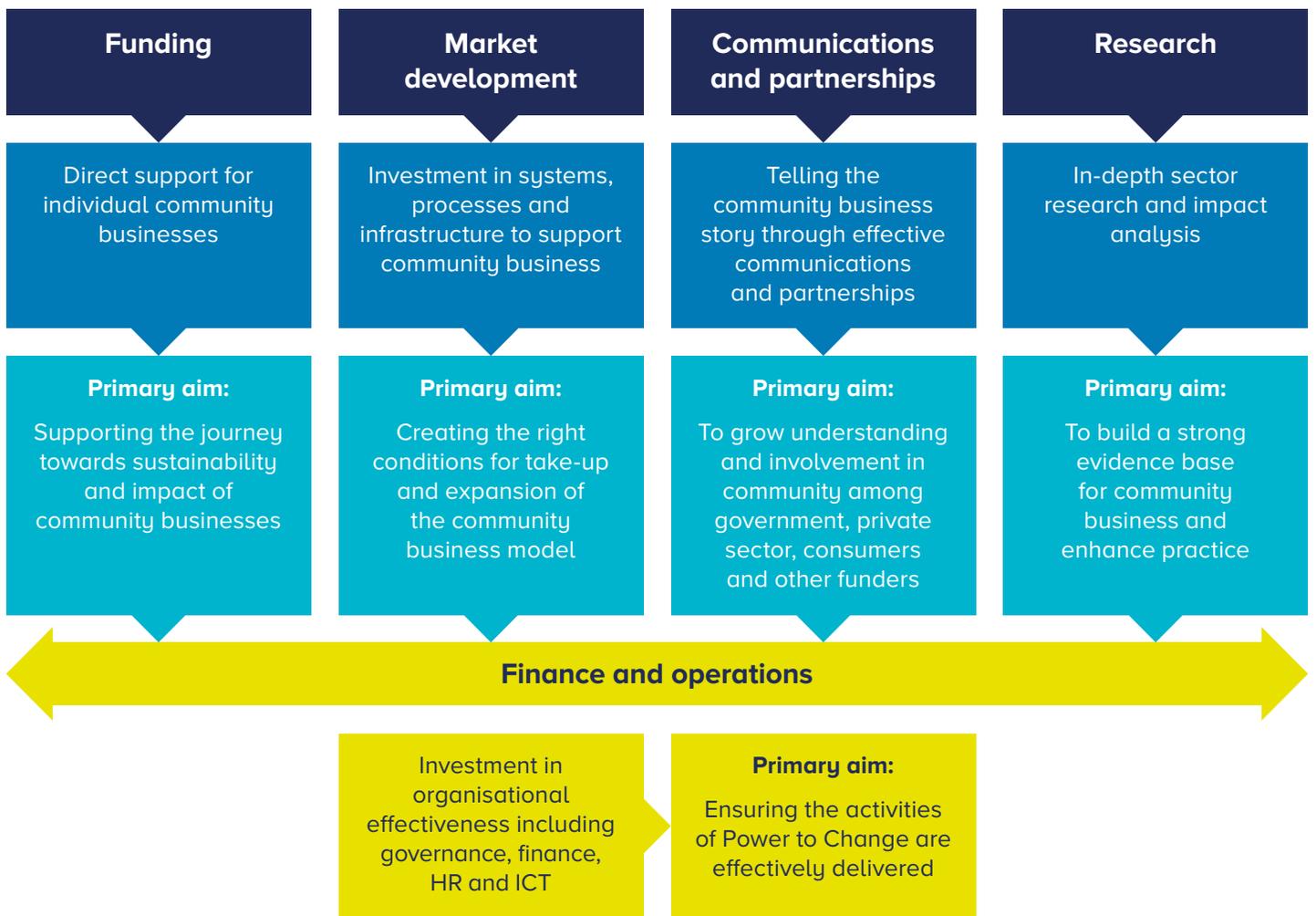
Director, Granby Four Streets community-led housing regeneration

Our approach to funding

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|---|---|
| <p>1 Thematic and strategic funding will be combined with open funding programmes</p> | <p>We will always provide open funding programmes to which anyone in England with a great community business idea can apply. We will also direct a proportion of our annual funding to thematic and strategic investments, including focusing on particular sectors, local places and infrastructure development.</p> |
| <p>2 Disadvantage will be emphasised because it is more likely to deliver social impact</p> | <p>Our portfolio of grants and projects will be disproportionately focused on disadvantaged people and places because we believe this focus is more likely to deliver social impact. We recognise different forms of disadvantage, including rural isolation and the lack of access to basic services.</p> |
| <p>3 We accept risk and learn from failure</p> | <p>Sometimes we will need to accept risk, for example when supporting a community business with a less established track record, or in an area of significant market failure. Not all of the community businesses that we invest in will succeed, but wherever possible, we will provide support to improve their chances and learn from failure.</p> |
| <p>4 Sustainability will be an important focus</p> | <p>We want to demonstrate that community business is a sustainable business model to address local issues, so will focus on the potential a community business has to become self-sufficient. We may support community businesses or support providers more than once to help them complete their journey to sustainability.</p> |
| <p>5 We will draw in investment from others</p> | <p>To make transformative change in our relatively short life, we will use our funding to attract financial and in-kind support from others across government, the private sector, other funders and the public themselves.</p> |
| <p>6 We will support community businesses to measure their impact</p> | <p>In supporting community businesses, we expect them to be able to explain the longer term impact they wish to create and will provide advice and support to ensure they can track that impact over time.</p> |
| <p>7 Strong focus on evidence and learning</p> | <p>We will use evidence and learning to constantly improve our programmes. Through the Power to Change Research Institute, we will seek to build a strong evidence base for community business alongside practical tools, and share both widely.</p> |
| <p>8 We promote community business before Power to Change</p> | <p>We will use our brand to further the work of the sector, collaborate with partners to amplify the impact of their activities, invest in cross-sector campaigns and build the leadership capacity of community businesses to become the voice of the sector.</p> |
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How we intend to grow community business

As well as long-term funding programmes, we are also helping to grow the community business sector by developing support programmes, sector and impact research and cross-sector partnerships. Find out more about our specific activities for the year in the insert at the back of this publication.





Featured grantee: Westbury Community Shop

Putting the heart back into a divided community



Over the last few years, the village of Westbury in Buckinghamshire has lost its only pub, several factories and local businesses, its primary school and post office.

As the village doesn't have its own school, children are sent to the nearest towns – Buckingham, Brackley and Banbury – and have nowhere to socialise when they come home to Westbury. The lack of community facilities is also a problem for elderly residents, who find it hard to travel to nearby towns for basic services. The village has seen a large increase to its population over the last 10 years with a 38% increase in houses.

In 2015, the community decided to raise funds for a brand new village hall, replacing the old one which was no longer fit for purpose, and to integrate a sports hall, community shop and café. Alongside a community share offer, the project has received funding from various sources, including a £64,250 grant from Power to Change to create the community shop and café.

Type of organisation

Community shop and cafe

Location



Community supported

550 village residents of which 120 are reported to be under 16 and 100 are reported to be over 65.

Grant award

£64,250

Grant purpose

Fit out of the new shop, salary and training for a shop manager for a year, accountancy support.

Direct grant impact

Increases the ability of the shop and café to become a viable business and reinvest profits to run events and improve social cohesion.

Project completion

Spring 2016



Grant award:

£64k

Our priorities to 2018

In line with our long term objectives and our funding approach, our specific priorities to 2018 are detailed below. We will publish an annual impact report setting out our progress against these priorities.

In addition to the strategic objectives set out below, we will continue to develop the human and organisational capacity of Power to Change to ensure that we are well placed to deliver against our vision and mission.

To grow the community business sector

- 1 To inspire communities to adopt a community business model and provide the support and early stage finance to expand the number of community business start-ups.
- 2 To grow the number of community businesses generating significant social impact and increasing their balance of traded versus grant income.
- 3 To improve access to, and coordination of, alternative forms of capital and social finance for community businesses.
- 4 To increase the number of assets under community ownership, with a particular focus on disadvantaged communities.
- 5 To increase the availability and quality of support by new and existing providers to make it easier for community businesses to start up, operate and grow.

To demonstrate that community businesses can transform places

- 1 To develop greater organisational intelligence and connections at regional and local level.
- 2 To raise awareness of the potential of community businesses to address local priorities among stakeholders – local authorities, LEAs, voluntary sector infrastructure providers and community members.
- 3 To develop an approach to place-based funding through piloting and learning, and identify a set of places where we can focus our second phase investments that have the necessary conditions for success.
- 4 To build cross-sector partnerships at the local level that bring together established and new partners to leverage wider resources and influence for our place-based activities.

To make the case with government, private sector, consumers and other funders

- 1 To increase engagement with community business among government, business and other funders.
- 2 To raise awareness of community business among members of the public.
- 3 To develop the leadership potential of community businesses and grow their public profile.
- 4 To consistently evaluate our activities and disseminate learning and evidence about the impacts of community business, promising business models and approaches.
- 5 To engage corporate partners in supporting community businesses in specific sectors and places.



Over the next decade, we will use £150 million provided by the Big Lottery Fund to deliver grants and practical support to encourage new community businesses to start and enable existing ones to grow and becoming more self-sustaining.

Delivering our vision

To achieve our long-term vision of better places through community business, we have set out our initial theory of change on this page, which shows how our activities will deliver long-term outcomes. As we learn from our activities, we will refine our theory of change to improve the likelihood of meeting our long-term objectives.

Strategic objectives

Grow the sector

Transform places

Make the case for community business

Power to Change activities

Funding

- Grant funding
- Blended funding
- Sector funding
- Grantee support

Market Development

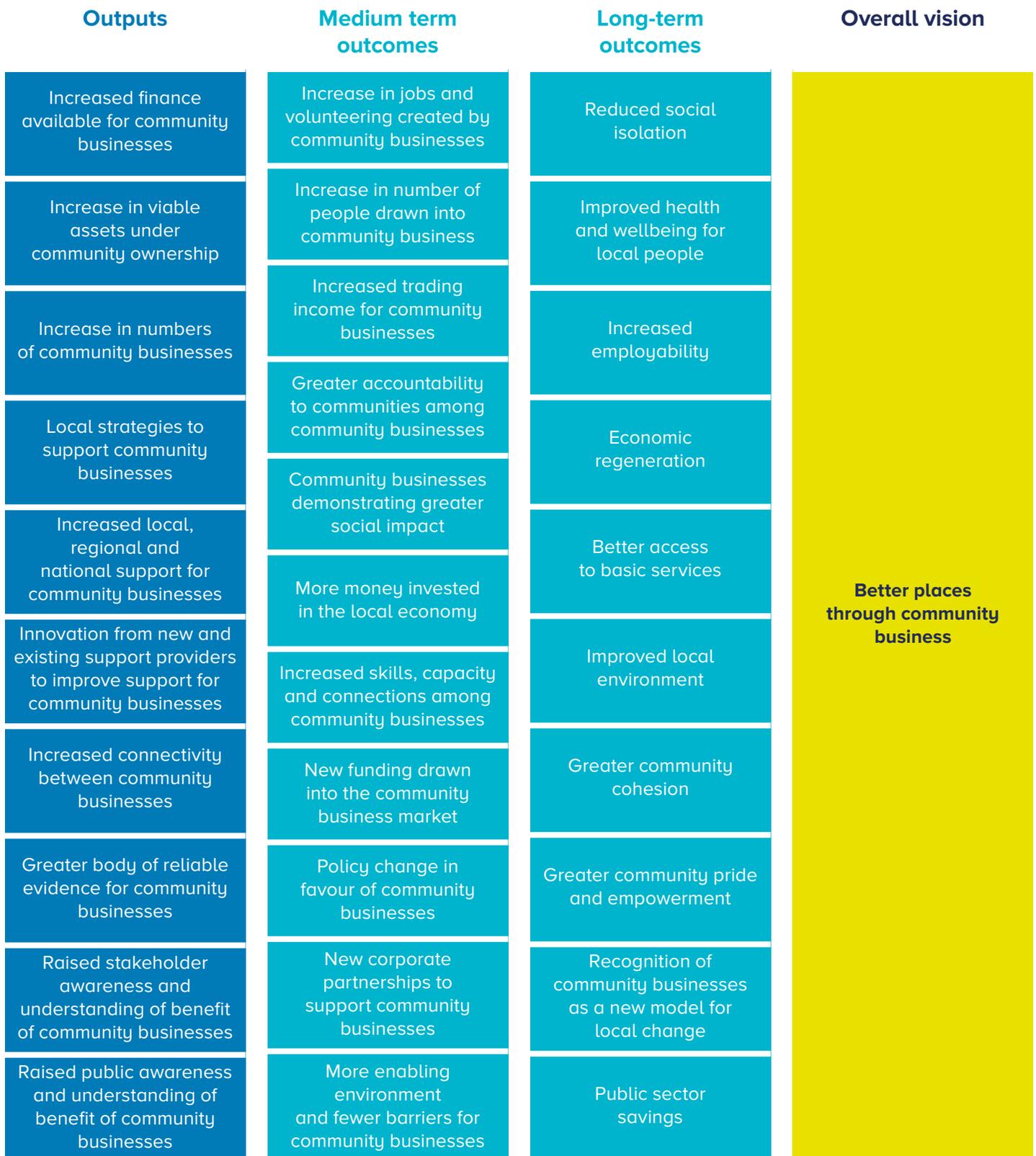
- Place based funding
 - Peer support
- Market infrastructure development
- Community business leadership

Communications and Partnerships

- Case studies and resources
- Policy influencing
- Campaigns

Research

- Market tracking
- Impact measurement
- Evidence building for the sector





Featured grantee: New Wortley Community Centre

Improving their own health and wellbeing



Opened in 1982, the New Wortley Community Centre has become an important facility for more than 600 people in one of the most deprived areas of Leeds.

29% of local people claim out of work benefits so the centre helps them regain confidence through volunteering and learn new skills to get back into employment. Open 70 hours a week, the hub gives residents a place to meet, and improve fitness and wellbeing through GP access and mental health provision, which is in high demand.

Now 30 years old, the community centre building is run down and unappealing, which makes it hard to attract the other 1200 people in the ward, and it has reached capacity. Thanks to a Big Lottery Fund grant a new community centre is being built next door to double its size. Meanwhile, Power to Change's £210,000 grant will be used to refurbish the existing centre into a health and wellbeing hub. This will help address the health inequalities of New Wortley residents, who have a life expectancy 12 years lower than neighbouring suburbs, by providing more mental health services which are in high demand. It will also allow the centre to accept NHS contracts.

Type of organisation

Community centre

Location



Community supported

600 people already using the community centre, and potential to reach remaining 1,200 people in Armley and New Wortley, Leeds.

Grant award

£210,000

Grant purpose

To refurbish the old community centre into a new health centre, and fund staff to deliver more health services.

Direct grant impact

More health and counselling services will help address the health inequalities of the area and improve social cohesion.

Project completion

March 2017





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