

power to
change

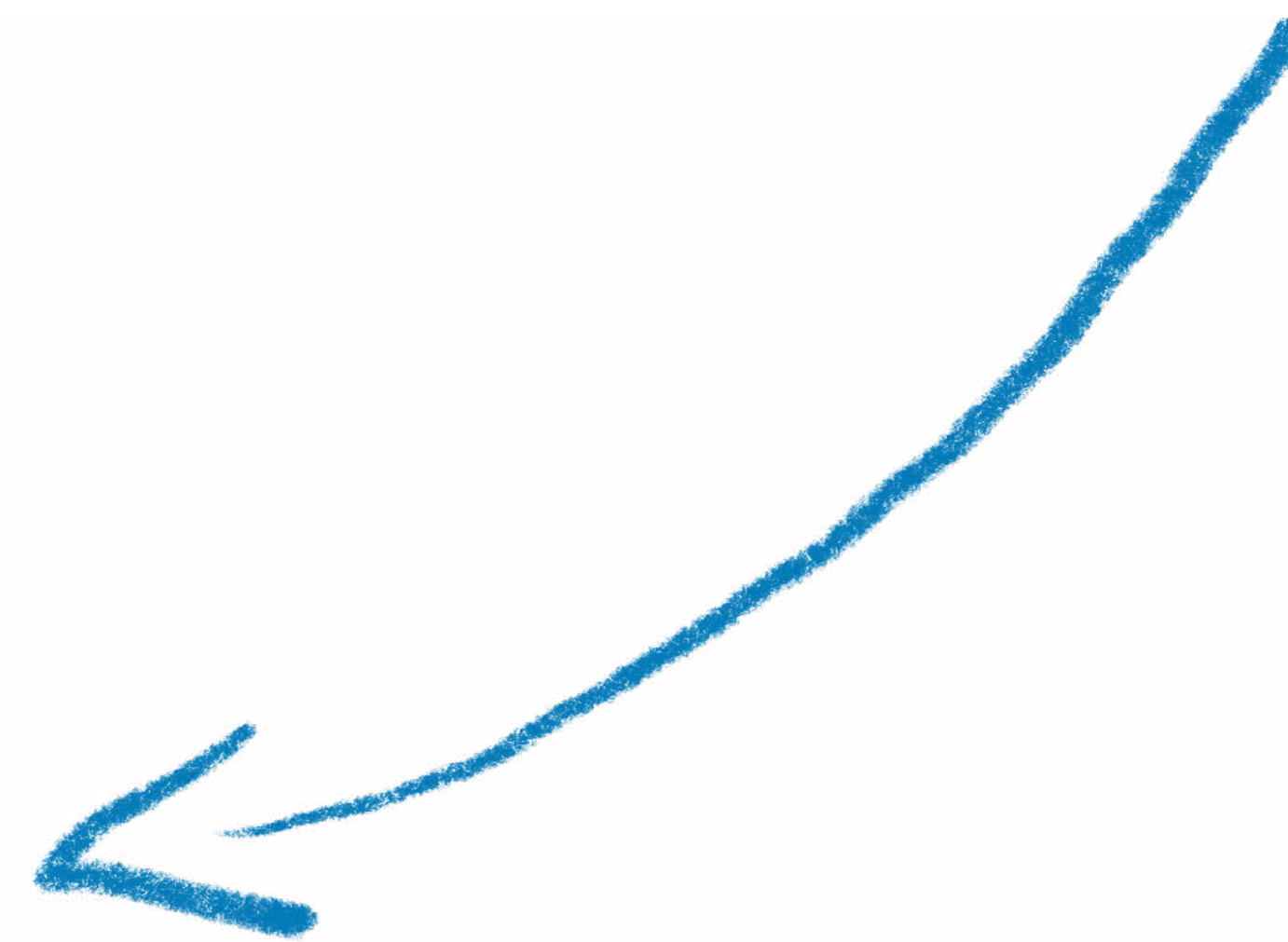
business in
community
hands

Strategic plan 2021–25





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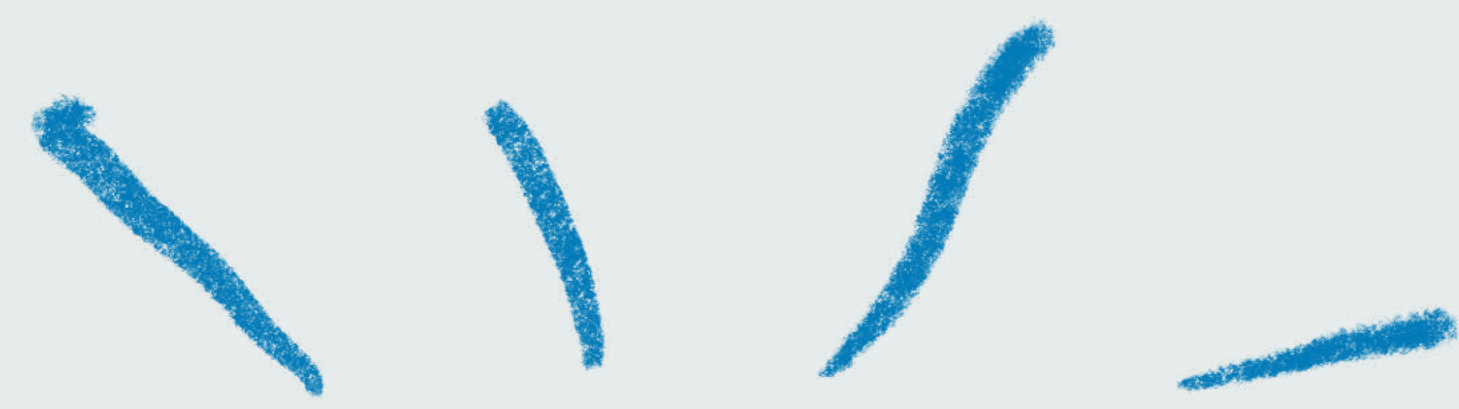


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**We are Power to Change, the trust
that backs community businesses
in England.**

**We help communities use shared
power and business to transform
where they live.**





Our vision:

Powerful communities, better places

By 2025, more communities in England run businesses that give them power to change what matters to them. They create more resilient places that are better to live and work in for everyone.

Our mission:

Strengthen community businesses

At Power to Change, our mission is to strengthen community businesses to tackle some of society's biggest challenges at a local level, including the three biggest challenges of our time: climate change, digital transformation and social inequalities.



The change we want to make



Why community businesses are needed

After the pandemic, there is new recognition that communities make us a more resilient country. At Power to Change, we know community businesses must be part of building that resilience. They have people, community and place at their heart. Community businesses take risks with ideas and create dynamism in a local economy. They are adaptable and optimistic, driven by a desire to improve their neighbourhood and the lives of local people. Community businesses create better places and stronger communities, and they are needed now more than ever.

Run by local people, for local people

Community businesses are run by and for a local community to make a place better. There are over 11,300 in England, concentrated in our most deprived neighbourhoods.

A community business is born when local people from all walks of life pull together to respond to a local need – bringing people together to reduce social isolation, revive empty buildings or take the lead on new developments. With grit, agility and empathy, local people share their professional and lived experience – everyone has something to contribute – to find innovative solutions to complex issues. They see potential in overlooked assets, turning pieces of overgrown land into affordable housing, loss-making leisure centres into profitable pools, closed-down pubs into thriving

community-owned hubs. They do this by running community businesses in these spaces, offering activities and services that local people need and can afford. And 56p of every £1 spent by a community-owned asset stays in the local economy.

There are more than 6,300 community-owned spaces in England, contributing £220m to the economy every year. Three-quarters of community-owned assets are in strong financial health and, before the Covid-19 pandemic, community shops and pubs had a survival rate of 100% and 94% respectively – far higher than traditional SMEs. We believe more community businesses means healthier and more vibrant high streets with fewer empty shops, and neighbourhoods that pull together to meet local needs.



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“
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Why community businesses are needed



But that's not all.

Community businesses go beyond spaces. They provide stable jobs for 37,800 people, concentrated in the most deprived areas of England. More than 7 in 10 of these jobs go to local people. They support people who might otherwise be cut out of the labour market because of caring responsibilities, or challenges with their physical or mental health. Almost one in five people who work in a community business were previously unemployed and looking for work.

Community businesses support people who feel disconnected from society – the majority (85%) tackle social isolation through volunteering opportunities, services, training, or simply by providing a space to sit and talk.

As locally based, trading organisations with physical assets, community businesses are well placed to improve areas by supporting the development of social capital (the networks of relationships between individuals, built on mutual trust, understanding and reciprocity) and by promoting greater community cohesion.

Needed now more than ever

Community businesses played a crucial role during the pandemic. Many worked with local authorities to ensure the most vulnerable in society were supported, as they already knew who was at risk. Community spirit was reignited and calls for a greater role for communities in our national recovery are growing. But the pandemic has exacerbated the big challenges and inequalities people are facing right on their doorsteps: the far-reaching impacts of growing unemployment amongst young people; the decline of our high streets and the loss of places for communities to come together; the depths of loneliness and social isolation; and the tangible effects of climate change on our poorest communities. That is why Power to Change will continue to back the sector with this new strategy, supporting community businesses to continue their life-changing work.

What next for Power to Change

Our new strategy builds on our learning and impact from the work we've done since 2015, with a £150 million endowment from The National Lottery Community Fund. We are delighted and grateful that they are supporting our new strategy with an additional £20 million.

In the next five years, using strategic funding, trusted partnerships, rigorous research, policy insight, and a strong network of remarkable community businesses who are changing the world one day at a time, Power to Change will be a catalyst for the whole sector, creating the ideas, evidence, and exemplars that can make a case for others to back community business. Ultimately, we will amplify the efforts of community businesses and put them at the heart of a fair recovery.

37,800

**stable jobs
for people**

85%

**of community
businesses tackle
social isolation
through volunteering**

Photo: Tim Mitchell

Strategic priorities

2021-2025

01. Community business at the heart of a fairer economy

We have seen time and again that communities are best placed to know what is needed in their local area, from reclaiming high streets to creating inclusive opportunities for local people to better their lives. That's why community businesses are well placed to help tackle inequalities exacerbated by the pandemic, and create a more inclusive economy in which more people can participate and where money is reinvested locally. We will work with government, other funders and new partners to grow the sector and improve funding and support so that more communities can take the lead in local decisions, take buildings or green spaces into community ownership, or take on the running of local services.

02. More resilient community businesses

Before and during the pandemic, community business leaders worked relentlessly and displayed huge agility to make where they live better for everyone. They have a crucial role to play in the recovery from crisis, and in preparing for and tackling future ones such as climate change. Like all businesses, they need to continually evolve and improve to meet these challenges. That's why we'll support them to evolve their business models, refine their leadership skills, and further develop how they use digital systems to make their businesses more resilient. Community businesses are already taking action and we'll be alongside them.

03. A more diverse, equitable and inclusive sector

As a funder, we have a responsibility to use our power to tackle inequity, particularly for minoritised groups who, historically, have had less access to support and funding. We are committed to addressing this. We also know that there is an urgent need to develop new energy and enthusiasm to carry on the work of community businesses across the country. That's why we want to inspire younger and more diverse changemakers to get involved in the sector. Listening to these groups, we will strive to inspire them and rebalance power where we can so it's easier for all types of people to get involved in community business.

01.

Community business at the heart of a fairer economy

Community businesses are well placed to help tackle inequalities exacerbated by the pandemic, and create a more inclusive economy in which more people can participate and money is reinvested locally. We will actively support them by advocating for more:



Community ownership

Community-owned buildings and green spaces can thrive where private developers and even local authorities have struggled. From turning disused land into affordable housing, mothballed market halls into profitable must-go destinations, or reviving iconic heritage buildings to respond to local people's needs, community asset ownership often kickstarts regeneration. Crucially, it also captures the benefits of regeneration for local communities.

We will seek more partners to increase community ownership and, as taking on assets is not always smooth sailing, we will continue to support communities we've already invested in when things don't go to plan. We will continue to promote the use of community shares – a one person, one vote share model – and crowdfunding to help local people to raise finance.

Community power

2020 demonstrated the importance of community power. That's why we launched a Community Power Group, an alliance of organisations and community leaders who believe communities are best placed to understand what is most needed where they live, and should have more power to make change themselves. We are working together to strengthen our collective voice to influence national and local governments to create more opportunities for community control as we emerge from the pandemic.

Community businesses should be more involved and able to influence high street and town centre revival, and community-led health and care delivery. We will continue to build evidence in these areas and aim to influence local, regional and national decision makers to value social infrastructure within economic policy.

We'll also share learning from our Empowering Places programme, which explores the challenges and benefits of establishing community businesses in deprived urban neighbourhoods, with other groups and local authorities across the country who want to stimulate community business growth in their local area.

Ultimately, we want local, regional and central government to support community businesses and build that support into their strategic plans, enabling them to see community business as part of the answer to building powerful communities and better places.



Affordable housing



Profitable pools

What we've done so far



Backing community power in Liverpool City Region

Power to Change has been working with the Liverpool City Region to understand the value of the social economy and community businesses for several years. Out of this came Kindred, a new social investment vehicle, part of the Liverpool City Region Combined Authority plan for recovery. LCR has committed £5.5m to Kindred over the next three years, alongside a further £1m from Power to Change to create a more inclusive local economy.

Kindred is designed to grow the impact of socially-trading organisations (STOs) across the city region. Incubated by Power to Change, Kindred's model for investment in the social economy was developed by and with over 150 socially-trading organisations, aiming to provide the kind of support that STOs have told us will enable them to grow.

The Kindred team is currently working with over 250 STOs, helping them secure buildings, make contacts, develop their business models and get investment-ready. For example, St Helens-based Café Laziz has started a café run by refugees, to help them develop their employability skills whilst providing a community café, serving Arabic food to local residents and enhancing community cohesion.

Find out more at kindred-lcr.co.uk



£5.5m

committed to Kindred
to create a more
inclusive economy



from Power to Change

250+

socially-trading
organisations
supported by Kindred

02. More resilient community businesses

Like all businesses, community businesses have felt the financial impacts of Covid-19. But unlike many businesses, they've also been working with some of the most vulnerable in their communities throughout the crisis and the need for their services has increased. Encouragingly, very few expect to close their doors but many will need to continue to adapt to the emerging new normal. We will work with them so they can continue to play a crucial role in their neighbourhoods. We will do this by:

Supporting their recovery

We want to ensure that as many community businesses emerge from the pandemic as possible to continue their vital work as we recover as a country. That's why we'll be following up our Covid-19 emergency funding with new support to enable community businesses to adapt to the evolving 'new normal' of life post-Covid.

Power to Change has strong sector partnerships in place and has invested in sector providers to support community businesses in the long-term. We will also forge new partnerships to bring in additional expertise and support to community businesses.

Equipping them for the future

When the pandemic hit, many community businesses showed incredible adaptability to shift services online in a matter of days. We want to ensure that all community businesses can realise the opportunities of digital technology and will work with them to provide tailored programmes of support to meet their needs.

As community businesses rethink their business models to balance profit, people and planet post-pandemic, we'll help them strengthen their financial capabilities, from planning to pricing, and asset management. Power to Change will also help the sector to address climate change, through funding that will support community businesses to develop new business models that address climate and ecological emergencies.



Developing leaders



Taking climate action

What we've done so far

Encouraging peer-to-peer support

Our experience shows support alongside a grant really helps community businesses get the most out of the investment we make. For the latest rounds of the Community Business Fund, our largest funding programme, we put our belief in the expertise of community businesses into practice and developed a highly innovative approach to how we provide capacity support to grantees.

The Peer Brokerage programme put community businesses in the lead and enabled them to work with their peers to help them to access the right support. At the same time, it built income for the peer brokers. We built up a pool of 16 experienced community business leaders across the country, who were well positioned to diagnose what support the grantee needed, share their experience, and signpost them to relevant, appropriate professional help.



“[The peer broker] came and did the resilience workshop. We wouldn't have come up with those workshops ourselves in a short space of time. Couldn't believe the conclusions we came to. Worked out where [our] skills gaps lie.

Project Manager, Byrne Avenue Trust

03.

A more diverse, equitable and inclusive sector

By their nature, community businesses have broad community impact and lots of ways for local people to get involved. As customers, volunteers, shareholders, staff or trustees, they can have a say in how the business is run to address local needs. Our ambition is that all communities see the community business model as a tool that they can use to improve their neighbourhoods and the lives of local people. To do that, we will work to dismantle the barriers that minoritised communities of all kinds face in creating local social change and find ways to inspire new people to join the sector. There are two ambitions we will work towards to make the sector more diverse, equitable and inclusive:

Minoritised communities have as much access to funding and support as other groups, and know community business is for them

As a funder, we have a responsibility to use our power to tackle inequity, particularly for minoritised groups who, historically, have had less access to support and funding. We are committed to listening to these groups and working with them to make community business support and funding more accessible to them.

More diverse leaders and younger people involved in the sector

As most people involved in community business are over 40 years old, and few community businesses have a clear succession plan, there is an urgent need for community businesses to lead the way in inspiring younger people into the sector. We know that under-35s are facing a combination of high unemployment, a skills gap and a loneliness crisis and we know that community business can help. Getting involved in community business – as volunteers, staff, shareholders or trustees – has many benefits for younger people, from boosting their confidence



and growing their local networks, making them more employable to developing their future leadership skills.

Determined changemakers leading community businesses are essential, which is why we will be once more investing in a leadership development programme to increase the number of leaders in the sector and support their development. This will also help us open up community business to more diverse communities.



Inspiring people to get involved

Photo (bottom right) :Abigail – Jeff Thomas

What we've done so far

Making funding programmes more inclusive

When England's first national lockdown was announced in March 2020, community-led organisations were often at the centre of the relief effort, despite their own businesses experiencing financial difficulties. Communities were leading the crisis response and needed emergency funds to stay open. With the support of The National Lottery Community Fund, we set up and led a consortium with our partners Social Investment Business, Locality and The Ubele Initiative to create the £9.5 million Covid-19 Community-Led Organisations Recovery Scheme (CCLORS).

£9.5m
Covid-19 Community-Led Organisations Recovery Scheme

60%
of grantees are supporting or led by groups experiencing racial inequity



As the weeks went by, it became clear that Black and Asian people were most affected by the virus, and we knew from experience that groups supporting or led by them are less likely to secure funding, for a range of reasons. We devised a weighting system to assess applications so that organisations led by minoritised ethnicity leaders or those supporting communities experiencing racial inequity¹ would score more highly, and therefore be given priority for funding.

With the consortium's excellent networks, we managed to promote the fund far and wide, attracting lots of organisations we had never supported before. Four and a half months later, we had distributed the £9.5 million to 302 community-led organisations. 60% are organisations led by minoritised ethnicity leaders or those supporting communities experiencing racial inequity, and 50% of those went on to receive funding which is very unusual as the drop off rate is usually much higher.

¹ Our CCLORS programme referred to minoritised ethnicity people as 'Black, Asian and Minority Ethnic' (BAME) and communities experiencing racial inequity as 'BAME communities.' At the time, we knew BAME was an imperfect term, but we felt that delivering funding quickly during the pandemic was more important than perfecting the language. We therefore targeted funding towards what we described as BAME-led and/or BAME-supporting organisations, and we committed at the time to improving how we describe these groups be more inclusive. We have since done so and use our updated language

Our impact to date

In 2015 we started out with an ambition to grow the community business sector, transform places and make the case for community business. We’ve achieved this by making bold decisions with our funding, often leading the way for others to invest in projects they might otherwise have overlooked. We’ve worked with community businesses and academics to build a rigorous evidence base to demonstrate the impact of the sector. We’ve collaborated with experienced and well-networked partners in the sector and actively intervened in areas where we saw potential for community business, such as social care, community pubs and renewable energy.



Growing the sector

Since 2015, we’ve helped the sector double in size to over 11,300 community businesses in England,² and fostered their sense of belonging to a national movement. We’ve invested £97 million in community businesses, and drawn in an extra £70.3 million through working with partners including Architectural Heritage Fund; The National Lottery Community Fund; the Ministry of Housing, Communities and Local Government; Big Issue Invest; CAF Venturesome; Liverpool City Region and many others.

We invested in infrastructure to support the sector, including digital platforms, new approaches to finance and collaboration across national infrastructure providers. Alongside funding, we provided community businesses with more than 4,000 days of capacity-building support, to improve their financial resilience and revenue streams.

Two-thirds of all of our funding and support went into the 30% most deprived areas³ and almost half to the North of England, providing support where it’s needed most.

This has helped put buildings and spaces in community hands, contributing to the development of over 6,300 community-owned assets across England, with the majority in strong financial health. And our evidence shows that more community-owned spaces means more voluntary opportunities and jobs created for local people, many of whom would otherwise be excluded from the jobs market.

11,300
community businesses
in England

£97m
invested in community
businesses

2 Higon et al (2021) The Community Business Market in 2020. London (Power to Change). Available at <https://www.powertochange.org.uk/research/the-community-business-market-in-2020/>

3 Located in areas that are in deciles 1-3 of the English Indices of Multiple Deprivation

Our impact to date

Transforming places

We've built new market opportunities in multiple places, for example helping to grow the community pubs sector in England by over 250%, testing community-led health and social care models in Bristol, Devon and Keighley, and supporting community energy business model innovation across the South coast. We've also helped community groups to fund feasibility studies and prepare planning applications for community-led, affordable housing developments in Leeds City Region, Liverpool City Region, Tees Valley City Region, West of England and West Midlands combined authority areas. And six organisations have been working with us in some of the most deprived wards in the country to stimulate community business growth through our Empowering Places programme. Our energy and investment has also helped integrate community businesses into strategic plans in Bristol and Liverpool City Region.

Making the case

In 2015 we set out to make the case for community business, exploring how community businesses work, their benefits, challenges and impact. Working with universities, community businesses and academics, we created a rigorous evidence base through our Research Institute that not only helps community businesses improve practice but also shows the value of high-quality analysis in a sector previously overlooked by commissioners and policy makers. We influenced policy at central and local/regional level, creating recognition for community business and the social economy in national and local policy. We have positioned community power and community ownership in ongoing policy debates – work that continues to be a priority in the coming months and years.

Through national campaigns and events such as Community Business Weekend, we raised awareness, creating a national platform for the sector and bringing organisations together more coherently to build a bigger, more impactful movement.



250%

growth in the
community pubs
sector in England

How we make change happen

To deliver this ambitious strategy, we will continue to invest in our talented team and Board and apply our four values to everything we do:

We are Open

We will seek partners and allies beyond the community business sector to better help the community business model go mainstream, and will be open about our learnings as we test and discover new approaches to community-led resilient places.

We are Informed

We will continue to work closely with community businesses and be informed by their lived experience and needs. We will approach new challenges with fresh eyes and take an evidence-led approach before rolling out solutions.

We are Collaborative

We will continue to work with existing partners and new ones, drawing on each other's skills to achieve what we couldn't do alone.

We are Bold

Our plans are ambitious, and we will continue to enter markets where we see community businesses could thrive, and boldly speak to decision makers alongside community businesses.



Our commitment to diversity, equity and inclusion

As a funder with charitable objectives working to support diverse communities, it's easy to assume our social purpose means we are automatically delivering in this area. It is easy, in our sector, to speak from a place of unexamined privilege which is exactly what the Black Lives Matter movement has been so good at challenging. But we have a responsibility as a trust to use our power to redress inequalities where we can, and make the sector more inclusive and accessible to all.

Recognising we can do more

Since we were set up, Power to Change has concentrated on tackling disadvantage. Over two thirds of our funding has consistently gone to the most disadvantaged 30% of the country. But we have been challenged by more progressive voices to recognise that we can do much more to confront and overcome all forms of injustice in areas such as race, disability, age and others. We need to couple a focus on poverty with efforts to overcome these other barriers that prevent people and places from thriving.

Examining ourselves and looking inwards has allowed us at Power to Change to identify where and who we want to be as a funder and make a commitment to diversity, equity and inclusion that will shape the work we do going forward. In 2020 we commissioned an independent review of our practices and are committed to improving them. From

diversifying our board to changing the language we use, challenging ourselves and others to be more inclusive through procurement, events and recruitment, making our funding processes equitable and easier to access, there is a lot we, and others, can do.

This is a fantastically diverse country – no one community is the same as another. Community businesses are grounded in the real needs and concerns of local people. As civil society, it is our job to help these communities flourish, and we can only do that by placing a focus on diversity, equity and inclusion in everything we do.



Let's make change happen

If you would like to work with us on any of the activities mentioned within this strategy, please get in touch info@powertochange.org.uk

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