



power to
change

business in
community
hands

Connecting the dots

The funding landscape for community business
March 2020

Introduction

Communities across the country face serious challenges. Yet they are coming together to address these, by running businesses that create opportunities for local people. There are an estimated 9,000 community businesses in England. They are reviving community pubs, supporting wellbeing and developing people's skills. They are saving mothballed leisure centres, libraries and parks. They are volunteering to grow food, building affordable homes, and delivering renewable energy.

This is difficult work. Many need funding and support to transform their local areas. This is why Power to Change exists. But what role do other trusts and foundations play in supporting community businesses?

This paper explores the funding landscape for community businesses. In doing so, it also explores what is distinctive about Power to Change's offering, so that it can plan for its eventual exit from the market.

Introduction

About this paper

This paper seeks to provide an overview of the community business funding landscape. It combines data from many sources. These include 360Giving, Power to Change's own grants data, the Social Economy Data Lab and open data published by the Heritage Lottery Fund. Yet it is not possible to provide a complete picture. Some funders do not publish up-to-date data about their grant-making activities at all. Others do not publish their data in a form that can be combined and analysed with other data. Even so, this paper reflects the majority of the funding market. The findings of this analysis therefore provide robust insights for strategic planning. A full methodology is included at the end of this paper.

About Power to Change

Power to Change is an independent trust established to support community businesses, endowed by the National Lottery Community Fund. Five percent of its endowment goes towards research and evaluation. It uses its funding and research to prove that community businesses can transform the places in which they operate. To speed up the growth of community businesses in England. It also works to inform and influence others, so that they increase their commitment and investment to the community business sector.

Key Questions

This paper explores the following questions:

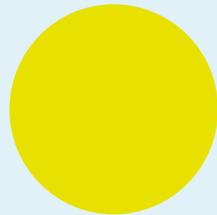
- Who funds alongside Power to Change?
- Who does Power to Change fund alone?
- Who funds in Priority Places?
- How do Power to Change grants compare?
- Who else funds Power to Change's top recipients?

**Who funds most alongside
Power to Change?**

Who funds most alongside Power to Change?

Key findings

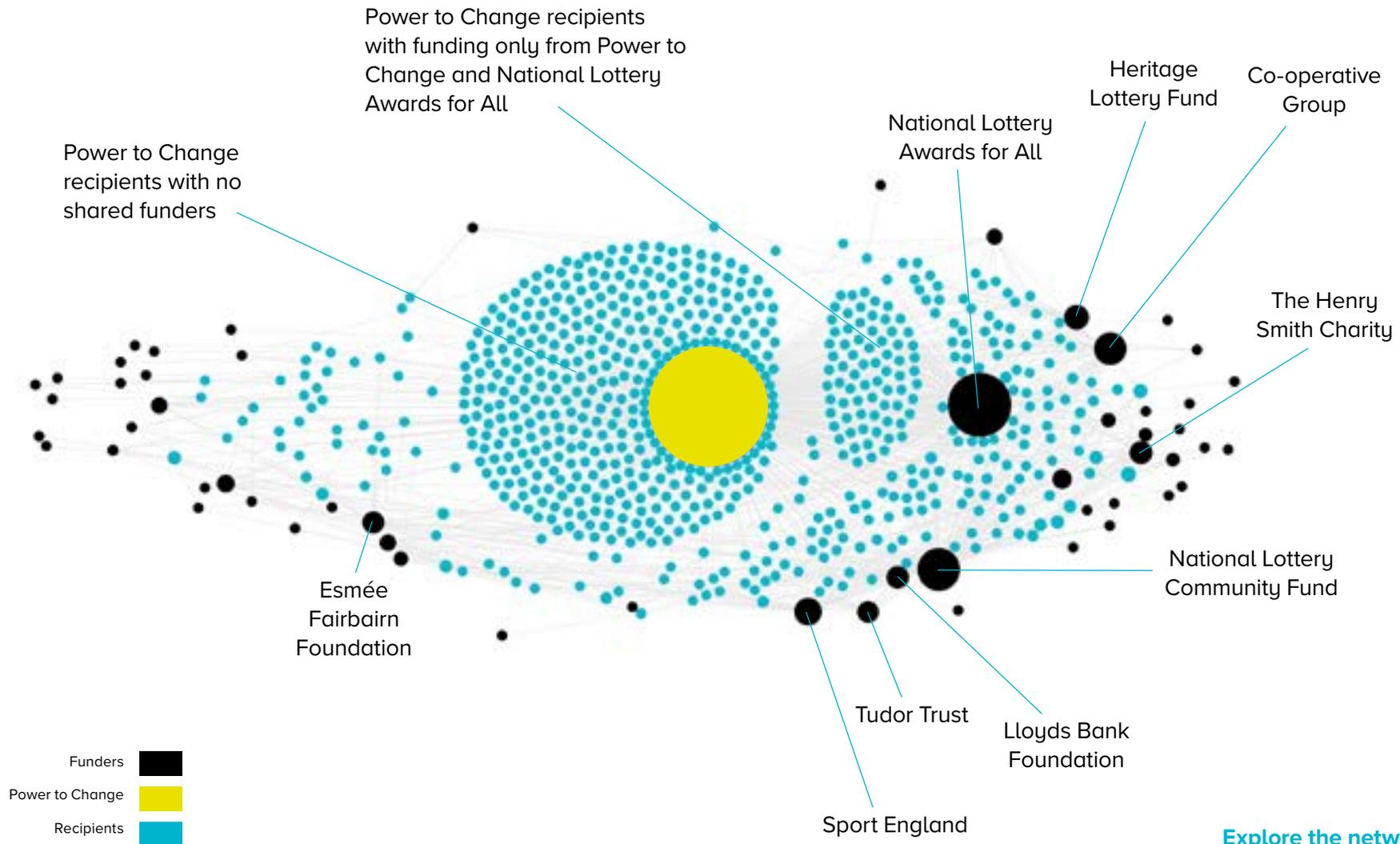
- 55% of Power to Change grantees have not received funding from another grant-maker in the 360Giving data set
- 54% of grant makers have recipients in common with Power to Change



Who funds most alongside Power to Change?

- The analysis found that of the 100 grant makers who have published 360Giving data, 54 have recipients in common with Power to Change. The most notable include:
 - National Lottery Community Fund (NLCF, formerly the Big Lottery Fund) is the grant-maker which, by far, funds most alongside Power to Change in both frequency (220 shared recipients, 33% of Power to Change's recipients) and value terms (£88.8m).
 - Heritage Lottery Fund (£13.3m), Esmée Fairbairn Foundation (£5.5m) and Pears Foundation (£5.2m) follow NLCF in value terms as grant-makers funding most alongside Power to Change.
- Co-operative Group (50 shared recipients, 8% of Power to Change's recipients) and The Tudor Trust (36; 5%) follow NLCF in frequency of funding most alongside Power to Change. Heritage Lottery Fund comes 4th and may be underrepresented because of the quality of the data.
- Around 60% of the Co-operative Group's grants were made after Power to Change grants. This is an exception, with all other grant-makers funding alongside Power to Change funding organisations before Power to Change funded them (60-80% of grants made to shared recipients made before the Power to Change grants).
- Many of the grant-makers who less commonly fund most alongside Power to Change differ depending on Power to Change workstreams, while the grant-makers identified above feature heavily across most workstreams.

Fig.1. Who funds with Power to Change?



[Explore the network diagram here](#)

Most common other funders

	Funder	# Shared Recipients
1	National Lottery / Big Lottery Fund	220
2	Co-operative Group	50
3	The Tudor Trust	36
4	Heritage Lottery Fund	29
5	The Henry Smith Charity	25
6	Lloyds Bank Foundation	24
=7	Sport England	23
=7	Esmée Fairbairn Foundation	23
9	Garfield Weston Foundation	18
10	Barrow Cadbury Trust	15

The diagram overleaf also illustrates the most common other funders. The size of circles reflects the number of grant recipients for each funder that are also recipients of funding from Power to Change. Some recipients may appear in more than one funder group.

Not all community foundations and only a small number of local authorities submit data, so these values are likely to not reflect the extent of shared recipients.

For Heritage Lottery Fund shared recipients are based on a less-reliable matching based on name, rather than organisation identifiers like charity or company numbers.

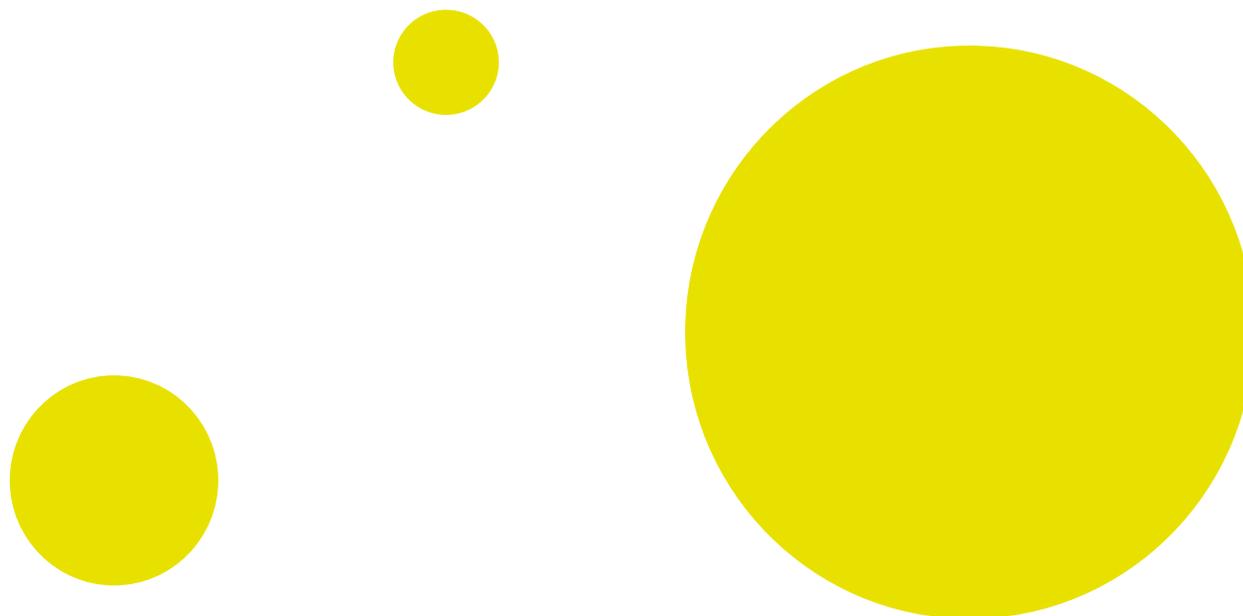
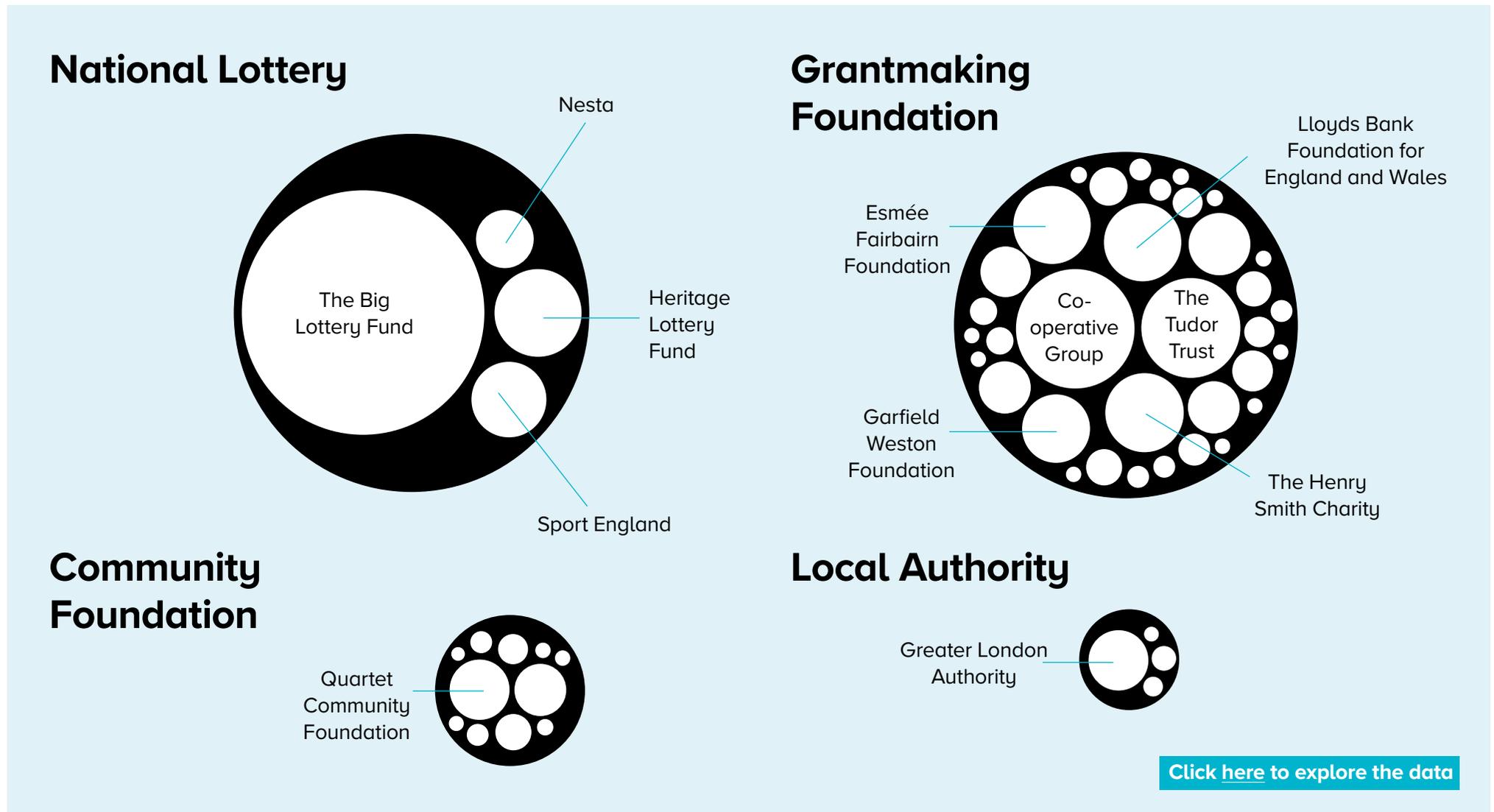


Fig.2. Most common other funders



Biggest other funders by total value

	Funder	(£m) to Shared Recipients
1	National Lottery / Big Lottery Fund	£88.8m
2	Heritage Lottery Fund	£13.3m
3	Esmée Fairbairn Foundation	£5.5m
4	Pears Foundation	£5.2m
5	The Tudor Trust	£3.0m
6=	The Henry Smith Charity	£1.8m
6=	Sport England	£1.8m
7	Lloyds Bank Foundation	£1.2m
8=	Lankelly Chase Foundation	£1.1m
8=	Nesta	£1.1m

The diagram overleaf also illustrates the biggest others funders by total value. The size of circles reflects the value of grants made by Power to Change to recipients that have also received funding from other funders.

Not all community foundations and only a small number of local authorities submit data, so these values are likely to not reflect the extent of shared recipients.

For Heritage Lottery Fund shared recipients are based on a less-reliable matching based on name, rather than organisation identifiers like charity or company numbers.

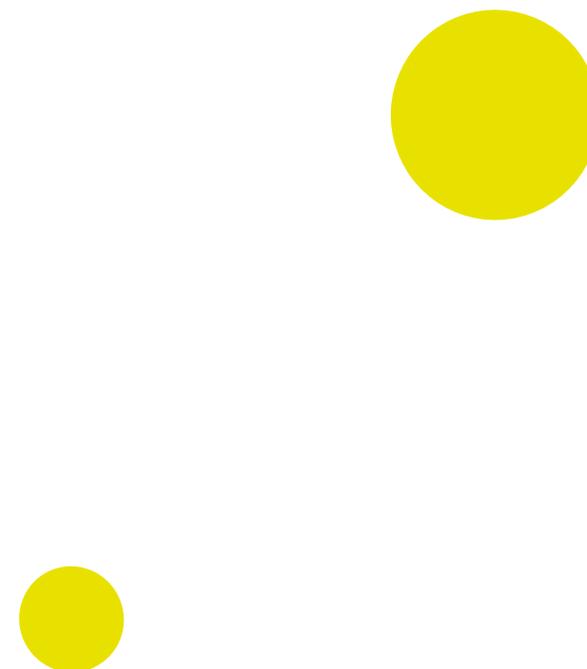
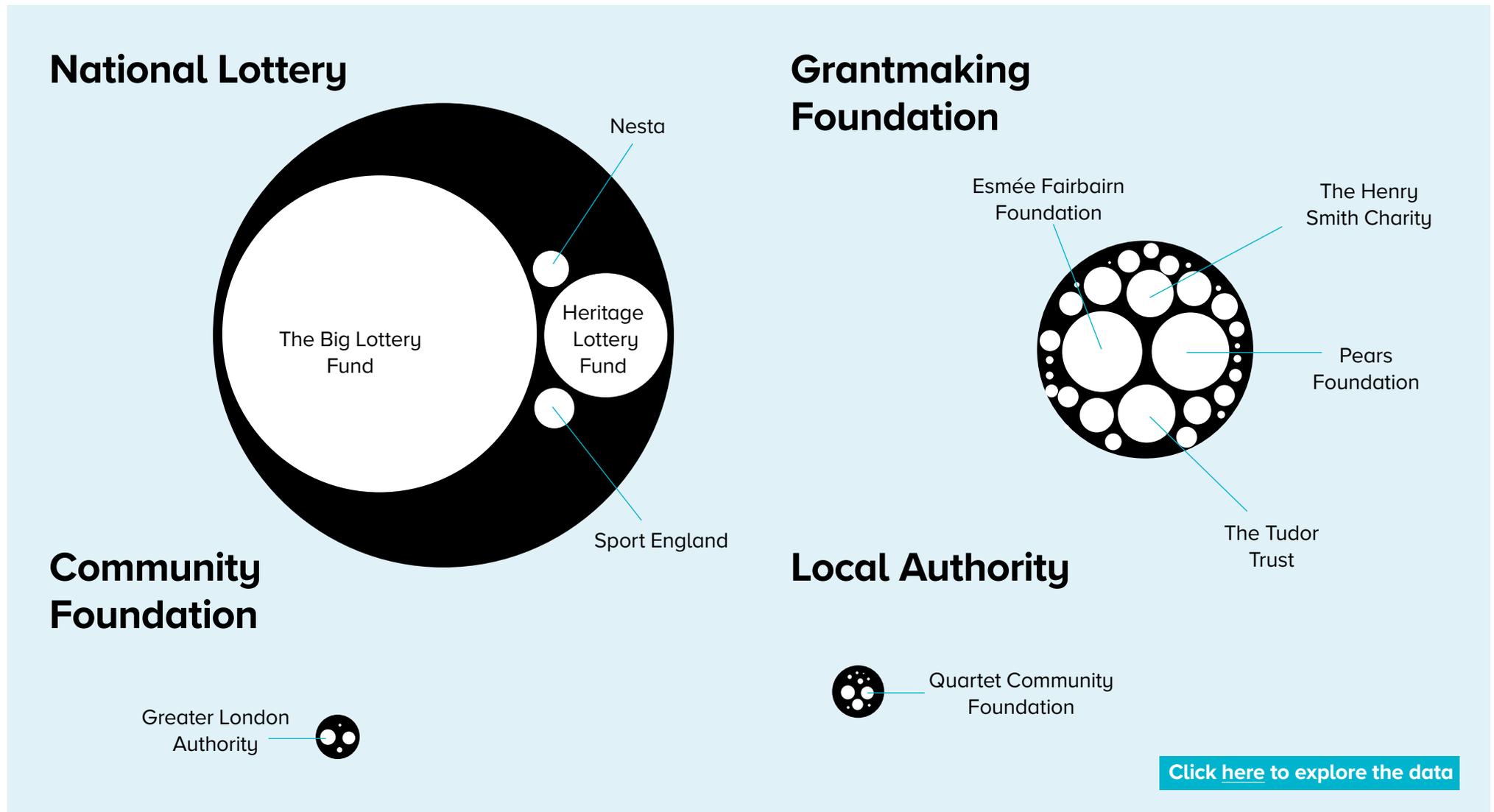


Fig.3. Biggest other funders by total value



[Click here to explore the data](#)

Fig.4. Timing of other funding

For grants made by eight most common funders, this figure compares the award date to the Power to Change grant award date (or the earliest PtC grant where there were more than one). It appears that generally a Power to Change grant is not the first for that organisation.

This is based on recipients that have received funding from Power to Change and these funders between 2013 and 2019 (Up to March 2019).

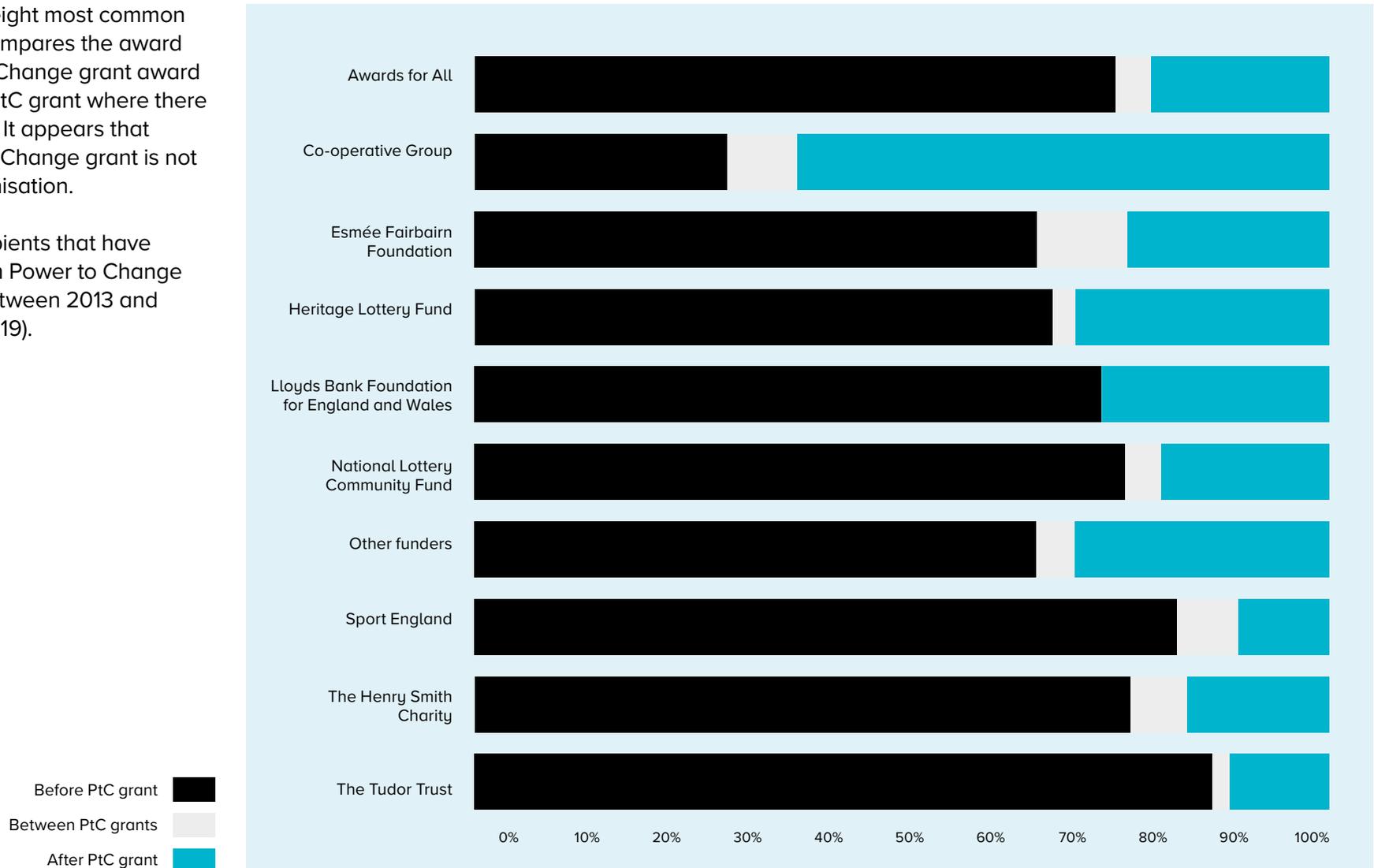
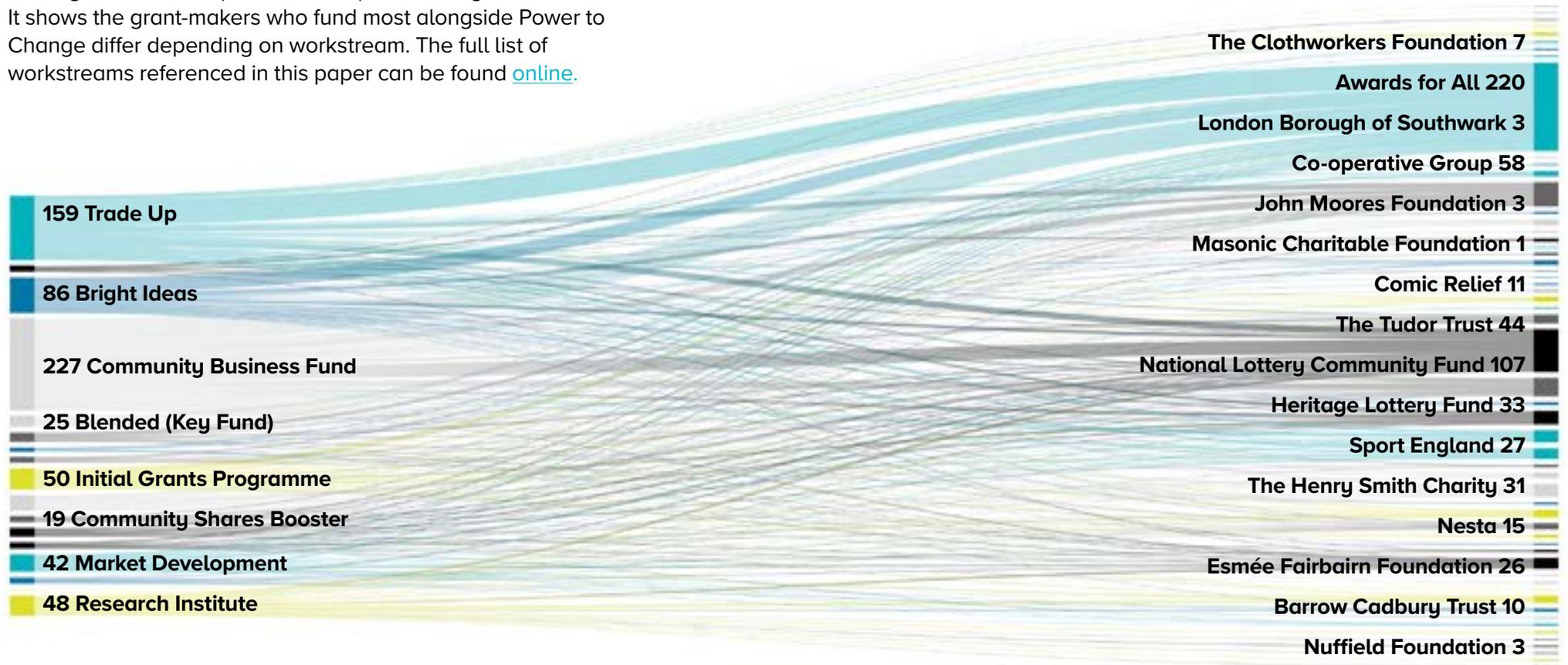


Fig.5. Other funders alongside Power to Change’s different workstreams

Figure 5 illustrates the connections between Power to Change funding workstreams (left-hand side) and other grant-makers. It shows the grant-makers who fund most alongside Power to Change differ depending on workstream. The full list of workstreams referenced in this paper can be found [online](#).



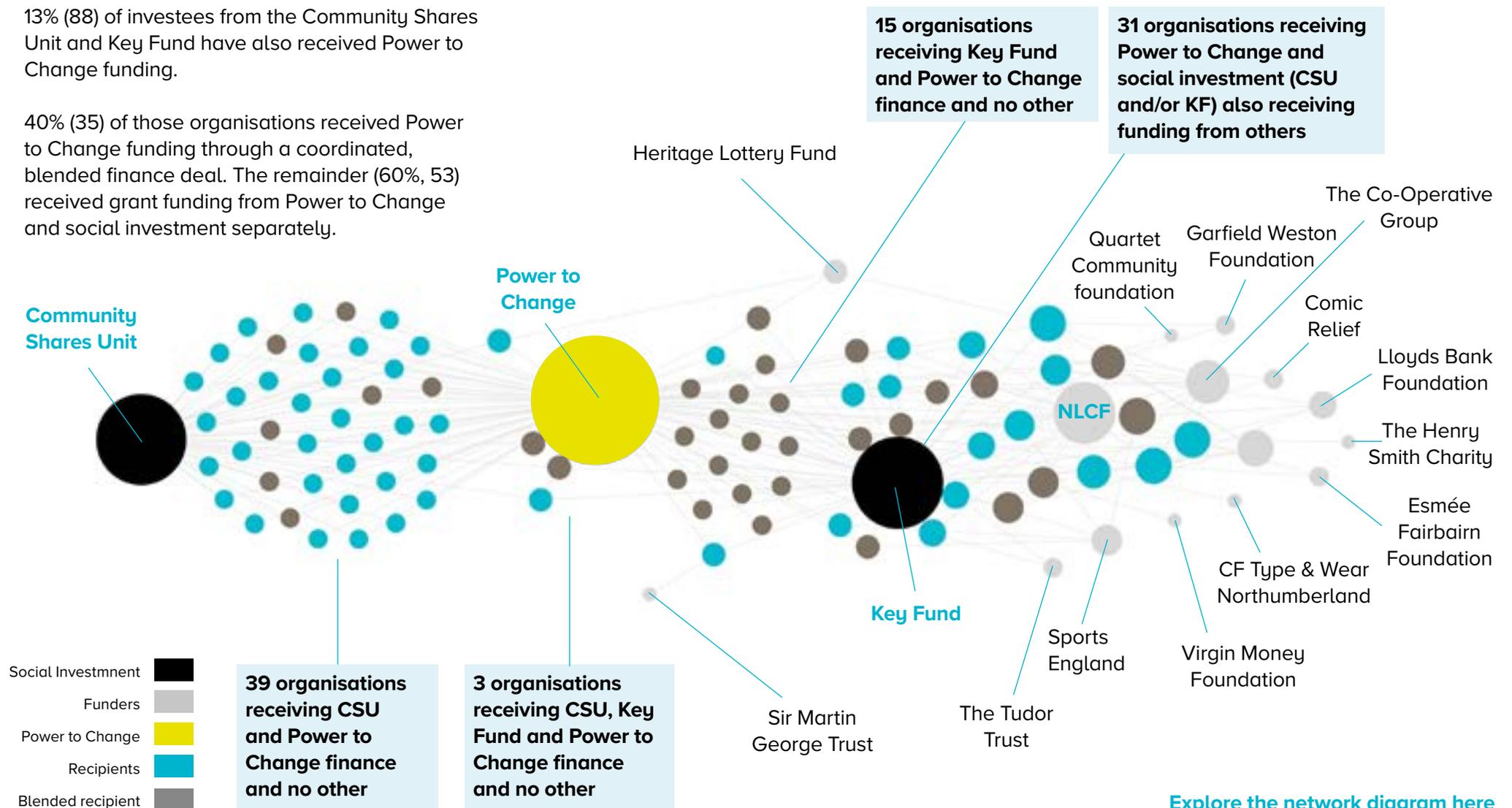
Based on the number of recipients with grants from both Power to Change and other funders, 2013-2019

[Click here explore the data](#)

Fig.6. Funding alongside social investment

13% (88) of investees from the Community Shares Unit and Key Fund have also received Power to Change funding.

40% (35) of those organisations received Power to Change funding through a coordinated, blended finance deal. The remainder (60%, 53) received grant funding from Power to Change and social investment separately.



[Explore the network diagram here](#)

**Who does Power to Change
fund alone?**

Who does Power to Change fund alone?

Key findings

- Power to Change funds alone most often when it makes small grants and when it funds registered societies.
- As grants get bigger, it is more likely that recipients receive funding from others as well.
- Power to Change funds alongside others most often when it funds registered charities and companies limited by guarantee.
- Power to Change funds alone most often on its More than a Pub programme, Community Shares Booster and Bright Ideas.
- Power to Change funds most often alongside others on Empowering Places, research grants, Community Business Fund and Innovation and Infrastructure.

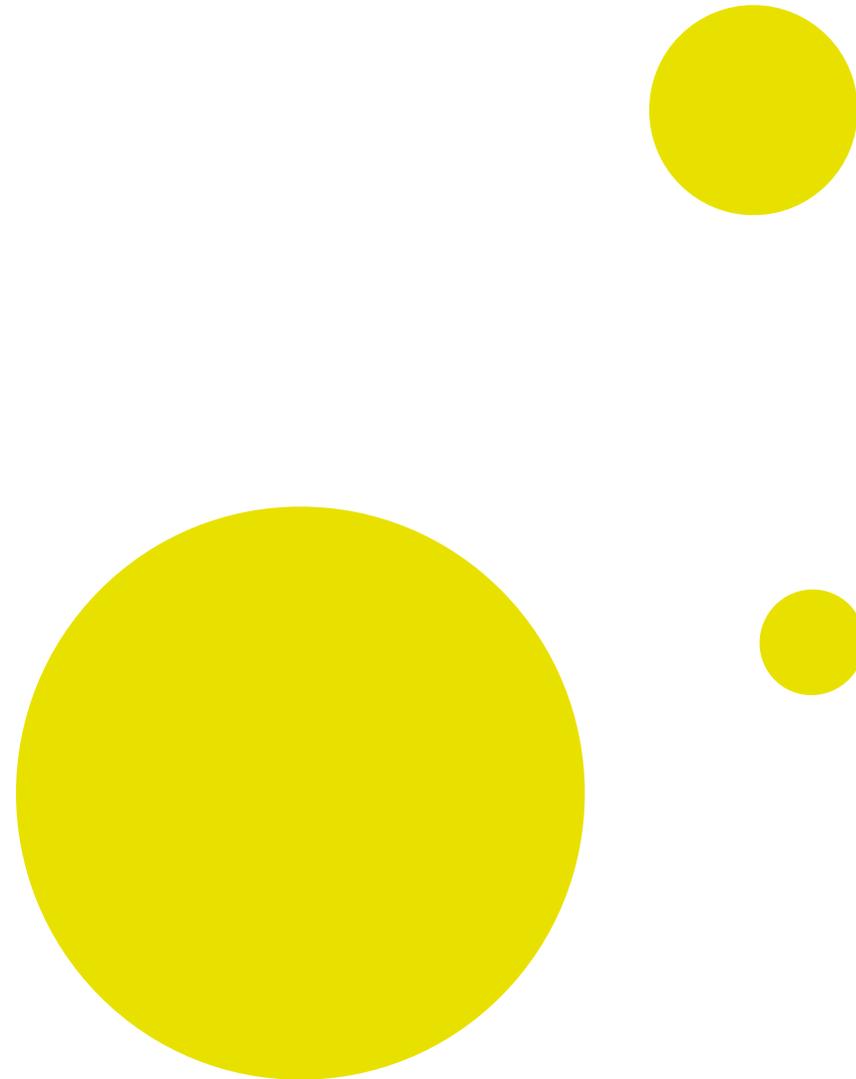


Fig.7. Size of grants

Power to Change funds alone – defined as recipients not receiving funding from other grant-makers – most often when it makes small grants.

As grants get bigger, it is more likely that recipients receive funding from others as well.

The trend and proportions of where Power to Change funds alone and alongside others remain consistent when considering volumes of funding.

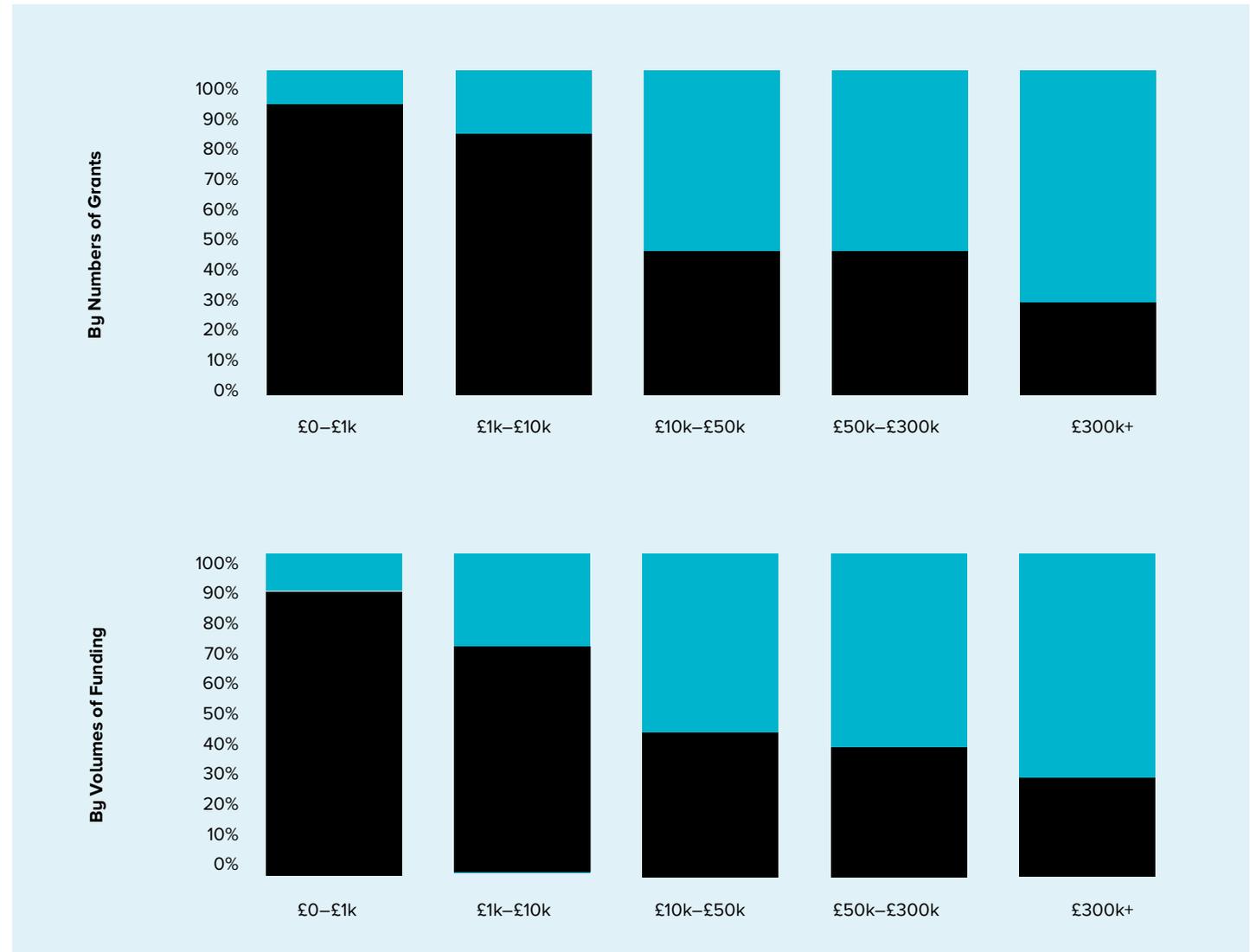


Fig.8. Legal structure of recipients

Power to Change funds alone most often when it funds registered societies (community benefit societies and cooperatives) and non-charity unincorporated associations.

Power to Change funds alongside others most often when it funds registered charities and companies limited by guarantee. The trend and proportions of where Power to Change funds alone and alongside others remain largely consistent when considering volumes of funding.

Note: Quality of data for legal structure is somewhat problematic because some forms are not mutually exclusive (e.g. Unincorporated Associations and Companies Limited by Guarantee may or may not also be registered charities). For the purpose of analysis we have assumed that organisations that are charities would identify as such, while organisations identifying in other ways are not charities

Funded by others as well ■
 Funded only by Power to Change ■

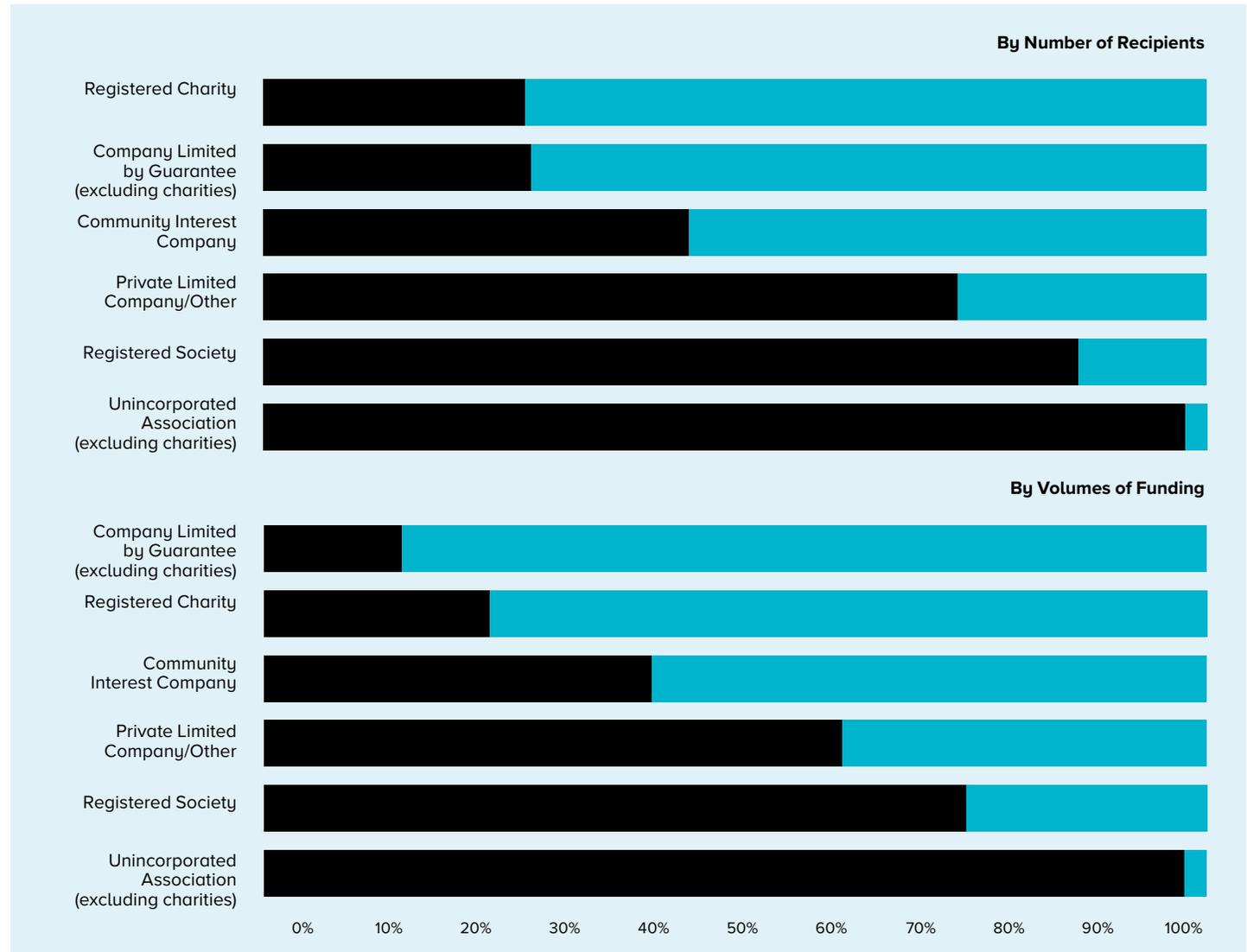


Fig.9. Power to Change grants by workstream

The figures below show the likelihood that Power to Change funds alone or alongside others varies by workstream, with significant difference across programmes.

Research Institute grants typically go to research bodies, not community businesses.

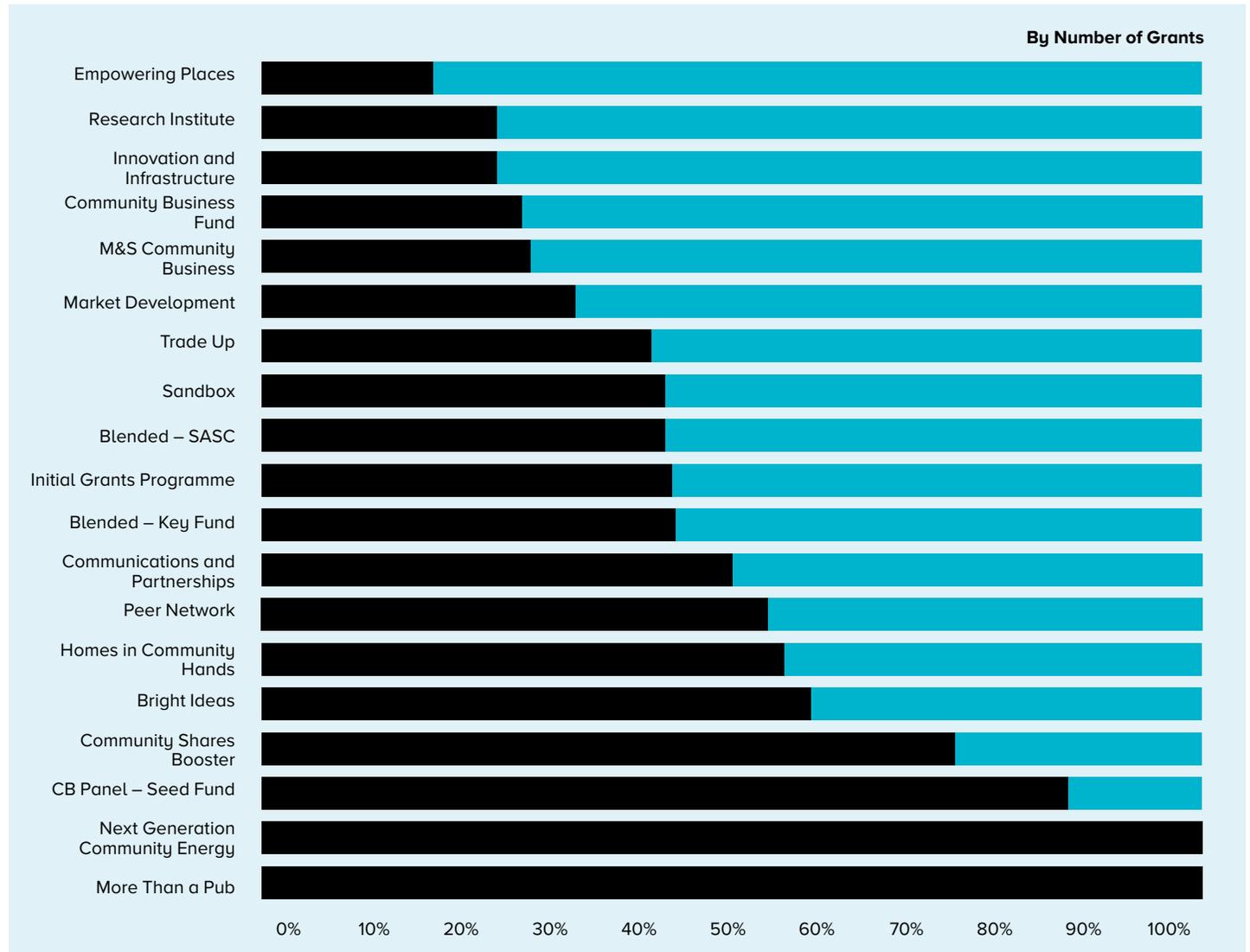
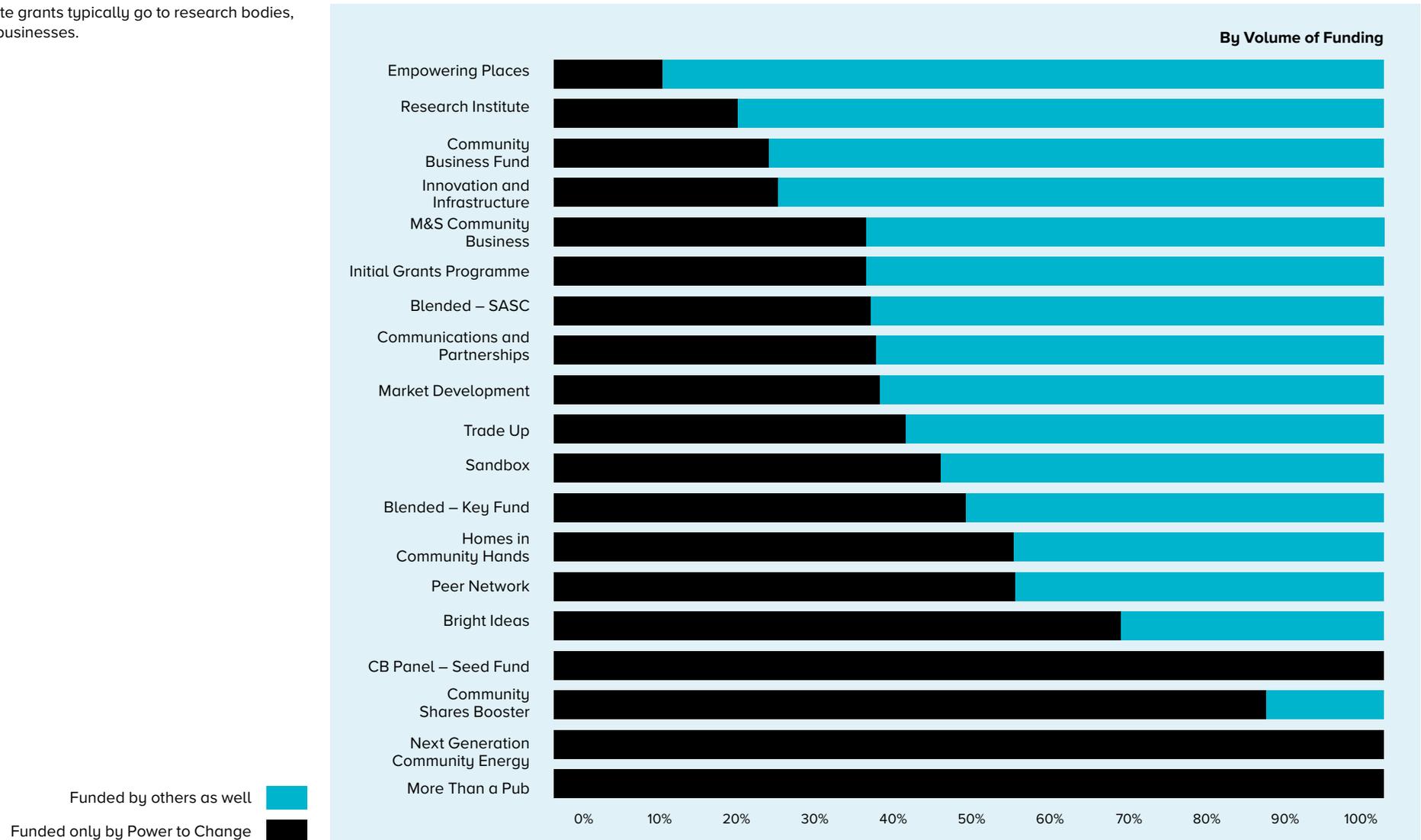


Fig.9. By Workstream

Research Institute grants typically go to research bodies, not community businesses.



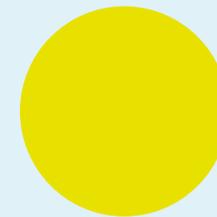
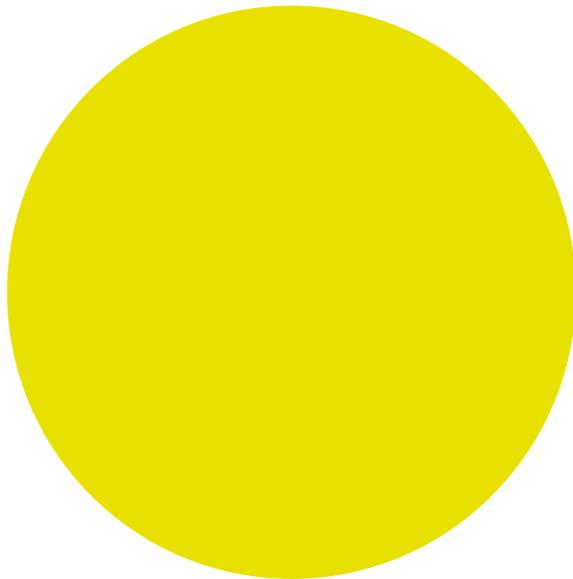
Who funds in Priority Places?

About Priority Places

Many places have been left behind. Yet community business gives local people a way to take the lead and improve where they live. That's why Power to Change is investing in nine 'priority places', to test and learn how this can work, and replicate it across the country. These places are very different in scale – from counties, city regions, to wards. They each face unique challenges, and have a mix of local skills, assets and aspirations. What unites them is the potential for community business to transform these places, where others have failed or overlooked them.

These priority places are:

- Bradford – Manningham
- Bristol City
- Grimsby – Southward, Nunsthorpe and Bradley Park
- Hartlepool – Dyke House
- Leicester – Braunstone
- Liverpool City Region
- Plymouth – Devonport and Stonehouse
- Suffolk
- Wigan – Abram



Who funds in Priority Places?

Key findings

- A small cluster of other grant-makers also work in these Priority Places. These include:
- National Lottery's Awards for All programme, which is the top funder in each location.
- Co-operative Group, National Lottery Community Fund, Sport England, and the Heritage Lottery Fund make strong showings in all 10 Priority Places.
- Power to Change only makes the top five grant-makers in Grimsby
- The Community Foundation serving Tyne Wear and Northumberland comes second in Hartlepool.

Other notable funders in these areas include:

- Lloyds Bank Foundation, The Henry Smith Charity and Power to Change are significant funders across all 10 Priority Places.
- The Tudor Trust feature in eight of the areas, BBC Children in Need in six.
- Wolfson Foundation is also a significant funder in Plymouth, Suffolk and West of England Combined Authority.
- Esmée Fairbairn Foundation is a significant funder in Luton, Suffolk and West of England Combined Authority.
- 360 Giving data only identifies John Moores Foundation as particularly concentrated in a Priority Place, making 50% of all its grants in Liverpool.

Fig. 10a. Numbers of grants and volume of funding in Priority Places

These charts show all grants made by 360Giving publishers to recipients based in Power to Change priority places between 2013 and 2019. All grants made by the funders are included, not just those to Power to Change recipients. Region is only available for recipients with a postcode.

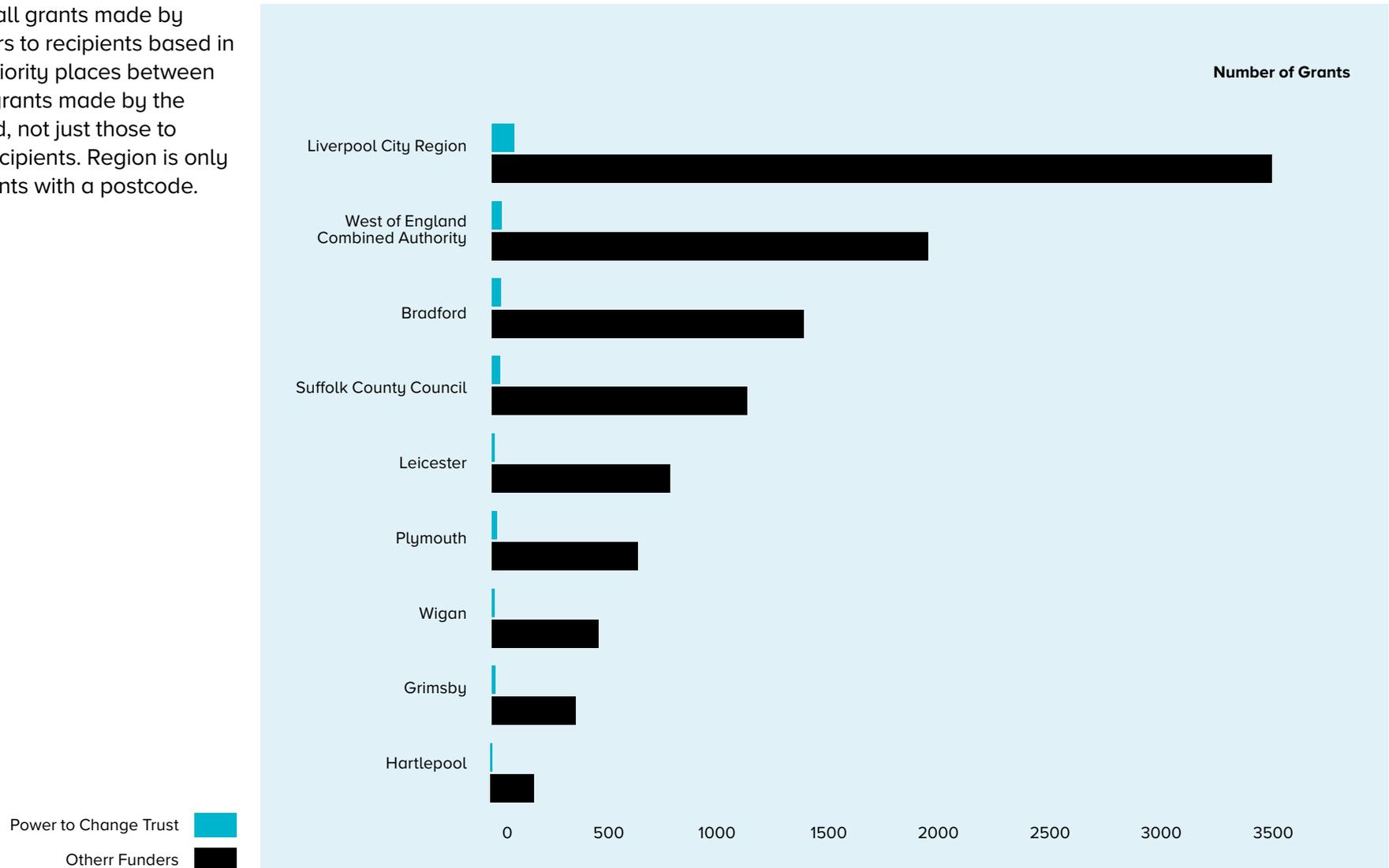


Fig. 10b. Numbers of grants and volume of funding in Priority Places

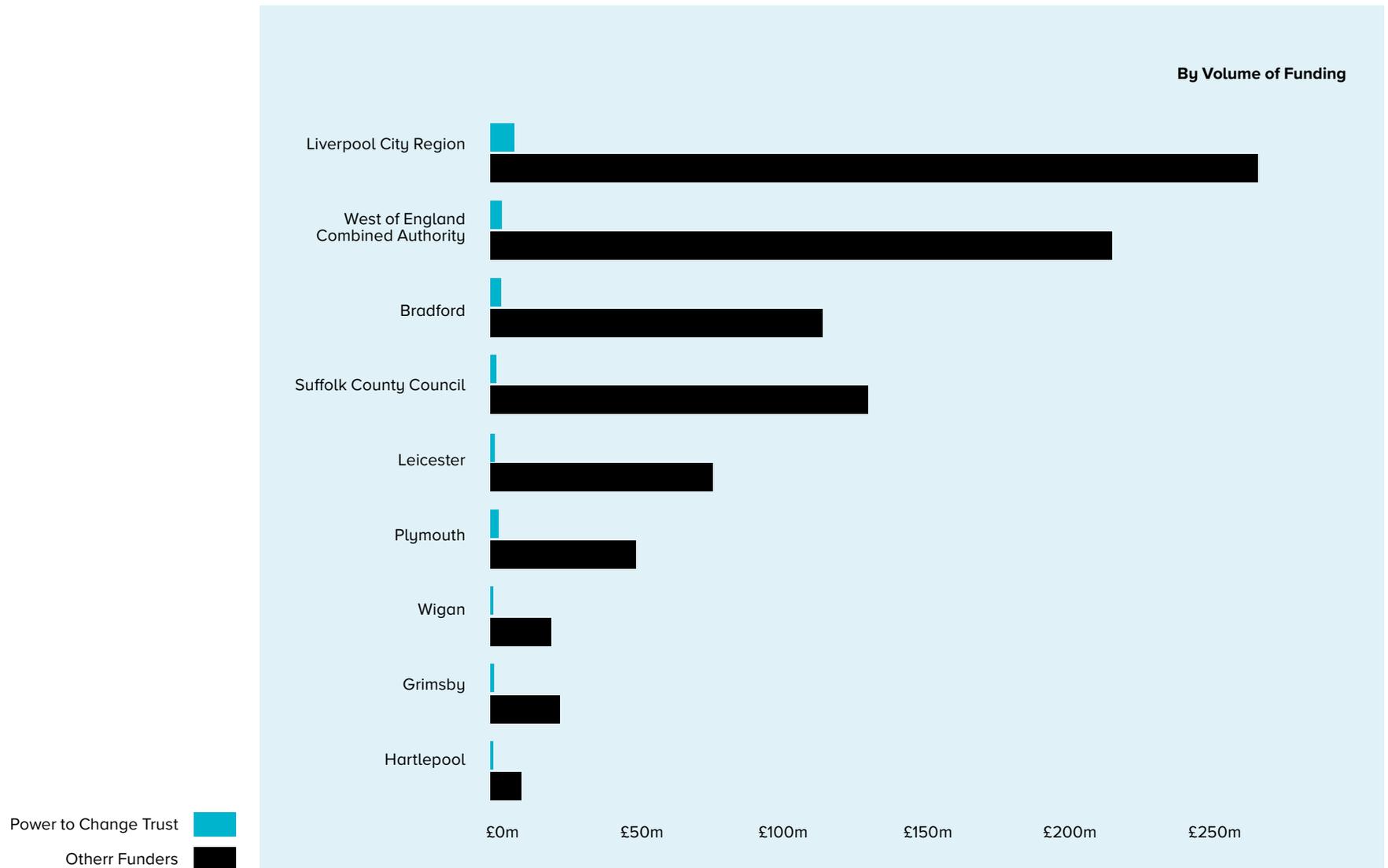


Fig. 11. Funders with most grants in each Priority Place

This table shows the five biggest funders in each of the nine Power to Change priority places.

On the basis of number of grants made in a Priority Place, the same funders dominate the rankings, with National Lottery's Awards for All at the top everywhere, and with Co-operative Group, National Lottery Community Fund, Sport England, and the Heritage Lottery Fund also making strong showings.

The only priority place where Power to Change makes the top five is Grimsby.

The Community Foundation serving Tyne Wear and Northumberland comes second in Hartlepool.

NLCF = National Lottery Community Fund
CFSTW&N = Community Foundation serving Tyne Wear and Northumberland

All grants made by the funders are included, not just those to Power to Change recipients. Region is only available for recipients with a postcode.

Bradford	Grimsby	Hartlepool	Leicester	Liverpool City Region	Plymouth	Suffolk County Council	West of England Combined Authority	Wigan
Awards for All (635)	Awards for All (187)	Awards for All (64)	Awards for All (356)	Awards for All (1,542)	Awards for All (222)	Awards for All (418)	Awards for All (600)	Awards for All (239)
Co-operative Group (153)	NLCF (44)	CFSTWN (21)	NLCF (83)	NLCF (263)	Co-operative Group (123)	Heritage Lottery Fund (128)	Co-operative Group (188)	Co-operative Group (56)
NLCF (94)	Heritage Lottery Fund (32)	Sport England (17)	Heritage Lottery Fund (69)	Co-operative Group (234)	Sport England (64)	Sport England (112)	NLCF (151)	Sport England (50)
Sport England (88)	Sport England (24)	Heritage Lottery Fund (13)	The Henry Smith Charity (48)	Heritage Lottery Fund (227)	NLCF (50)	NLCF (98)	Sport England (145)	NLCF (31)
Heritage Lottery Fund (60)	Power to Change (13)	The Henry Smith Charity (12)	Sport England (42)	Sport England (210)	Heritage Lottery Fund (25)	The Henry Smith Charity (83)	Heritage Lottery Fund (130)	Heritage Lottery Fund (23)

Fig.12. Other significant grant-makers in each Priority Place

This table shows the six most prolific grant-makers in each Priority Place, after excluding the Lottery funders and Co-operative Group.

Bradford	Grimsby	Hartlepool	Leicester	Liverpool City Region	Plymouth	Suffolk County Council	West of England Combined Authority	Wigan
The Henry Smith Charity (39)	Power to Change (13)	CFSTWN (21)	The Henry Smith Charity (48)	John Moores Foundation (149)	Lloyds Bank Foundation (24)	The Henry Smith Charity (83)	Lloyds Bank Foundation (90)	Power to Change (12)
Lloyds Bank Foundation (38)	The Tudor Trust (10)	The Henry Smith Charity (12)	Lloyds Bank Foundation (35)	The Henry Smith Charity (109)	Power to Change (22)	Power to Change (34)	The Henry Smith Charity (70)	Lloyds Bank Foundation (11)
Power to Change (36)	Lloyds Bank Foundation (9)	Power to Change (9)	BBC Children in Need (17)	Power to Change (90)	Wolfson Foundation (10)	Wolfson Foundation (22)	Esmée Fairbairn Foundation (69)	The Henry Smith Charity (4)
The Tudor Trust (33)	The Henry Smith Charity (5)	Lloyds Bank Foundation (6)	Power to Change (11)	Lloyds Bank Foundation (84)	BBC Children in Need (10)	Lloyds Bank Foundation (14)	The Tudor Trust (50)	Nesta (3)
Sir George Martin Trust (22)	Seafarers UK (4)	The Tudor Trust (5)	Paul Hamlyn Foundation (8)	BBC Children in Need (65)	The Henry Smith Charity (10)	Esmée Fairbairn Foundation (12)	Wolfson Foundation (47)	BBC Children in Need (3)
BBC Children in Need (15)	Masonic Charitable Foundation (4)	Virgin Money Foundation (3)	The Tudor Trust (7)	The Tudor Trust (42)	The Tudor Trust (9)	National Churches Trust (10)	Power to Change (39)	The Tudor Trust (2)

CFSTW&N = Community Foundation serving Tyne Wear and Northumberland

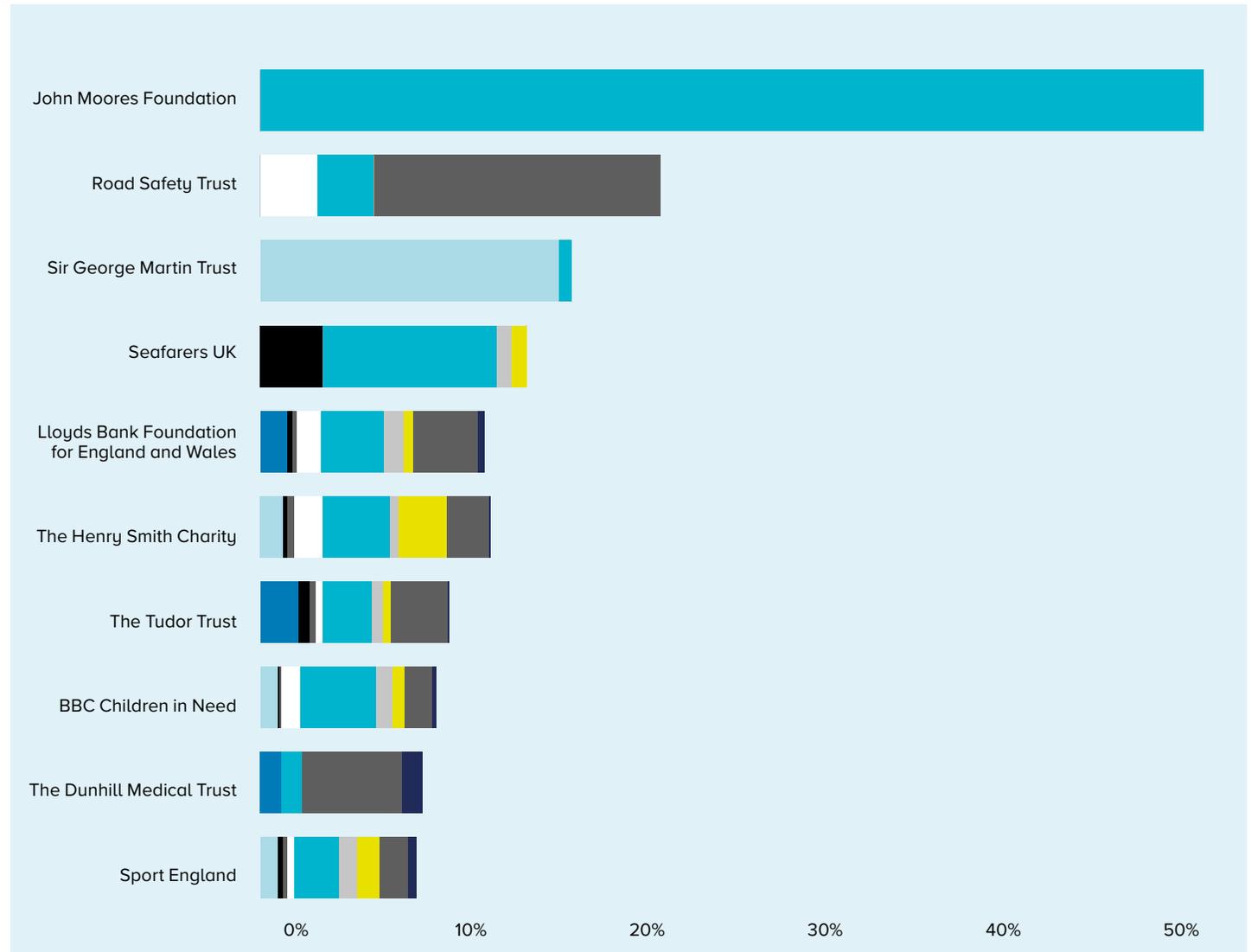
All grants made by the funders are included, not just those to Power to Change recipients. Region is only available for recipients with a postcode.

Fig.13. Funders concentrating in Priority Places

Funders with highest proportion of their reported grants in Priority Places

This table shows the proportion of the grants by each funder going to the nine Power to Change priority places. It shows the ten funders with the highest proportion of grants going to Priority Places.

All grants made by the funders are included, not just those to Power to Change recipients. Region is only available for recipients with a postcode



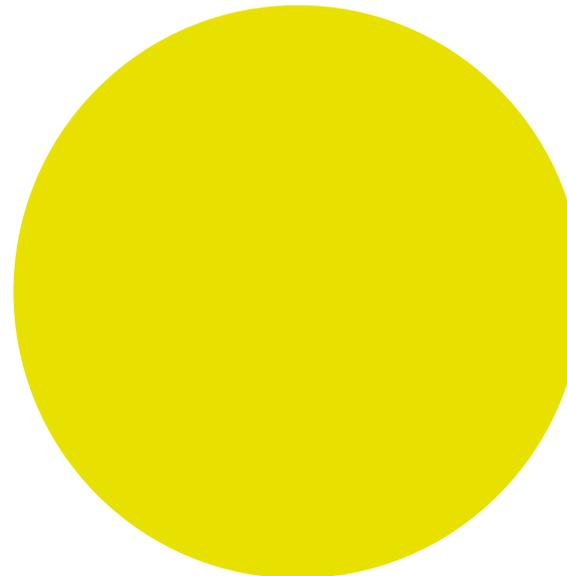
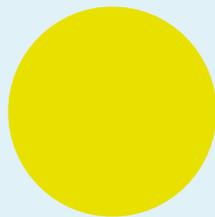
**How do Power to Change
grants compare?**

How do Power to Change grants compare with other funders?

Key Findings:

Power to Change is notably unique in the characteristics of its funding compared to other funders who fund alongside it.

Differences are particularly striking in the diversity of legal structures Power to Change funds, the spread of its grant sizes and much greater proportion of its funding going to young organisations.



Key findings: Power to Change

Key findings

- Power to Change has the second largest spread of grant sizes across the grant-makers funding alongside it. Only NLCF has a wider spread.
 - Power to Change's median grant size is smaller than most of its comparators, with only Co-operative Group, National Lottery's Awards for All, and Sports England having smaller median grant sizes.
 - Power to Change has longer-term grants in general than all of its comparators (50% of its grants have duration of 30 months or longer), with the exception being Esmée Fairbairn Foundation (60% of its grants have duration of 30 months or longer) (based on grants that have duration data on 360 Giving).
 - Power to Change is by far the most diverse funder in terms of legal structures, and has the highest proportion of grants made to Community Interest Companies (CICs) and registered societies (cooperatives and Community Benefit Societies).
- Power to Change makes a much higher proportion of its grants to young organisations than its comparators, with more than 20% of its grants going to organisations one year old or less, and more than 50% of its grants going to organisations five years old or less.
 - Power to Change makes a lower proportion of its grants to older organisations than its comparators (30% to organisations more than 10 years old).
 - Like other grant-makers, Power to Change funds a wide range of organizational sizes (based on charity recipients where data on size of recipients is readily available).

Key findings: Notable Comparators

Key findings

- Co-operative Group and Awards for All are the only comparators making exclusively small grants, both with maximum grant sizes of £10k or less.
- Co-operative Group and Awards for All stand out as concentrating on small organisations (60% and 53% of grants to sub-100k organisations respectively).
- Esmée Fairbairn Foundation stands out as making a higher proportion of its grants to medium and large organisations (over 90% to £100k+ organisations and 40% to £1m+ organisations).
- Sports England stands out for its significant concentration of grants to non-charity Companies Limited by Guarantee (37% of its grants). This is because this is a popular legal structure for sports clubs.
- National Lottery's Awards for All and Sports England follow Power to Change some distance behind in terms of proportion of their grant-making to young organisations.

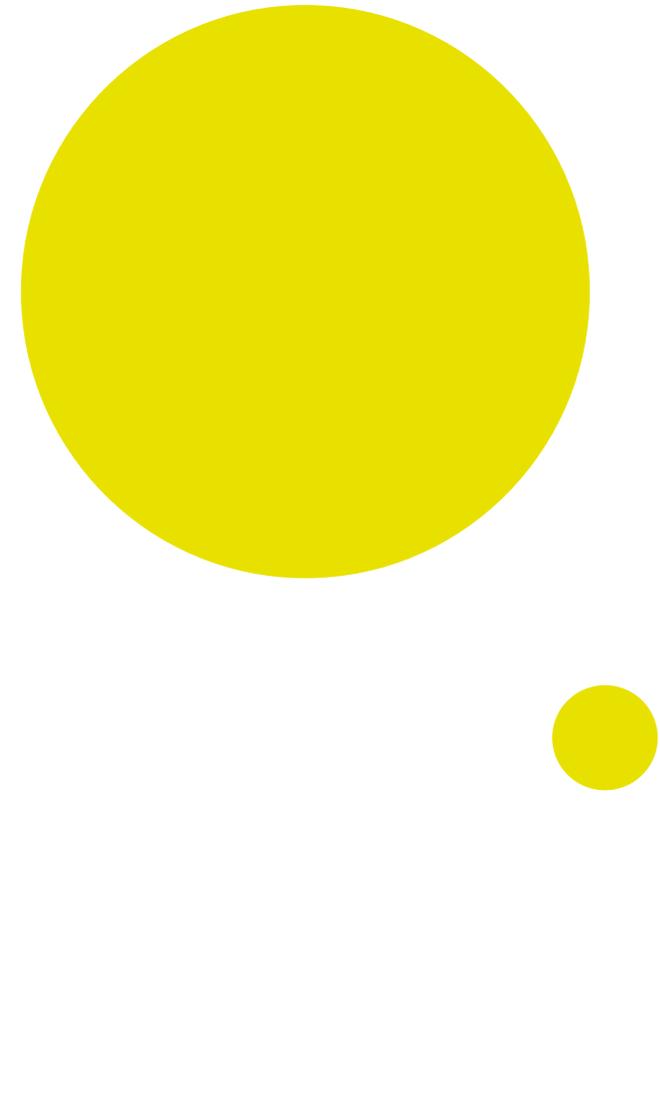
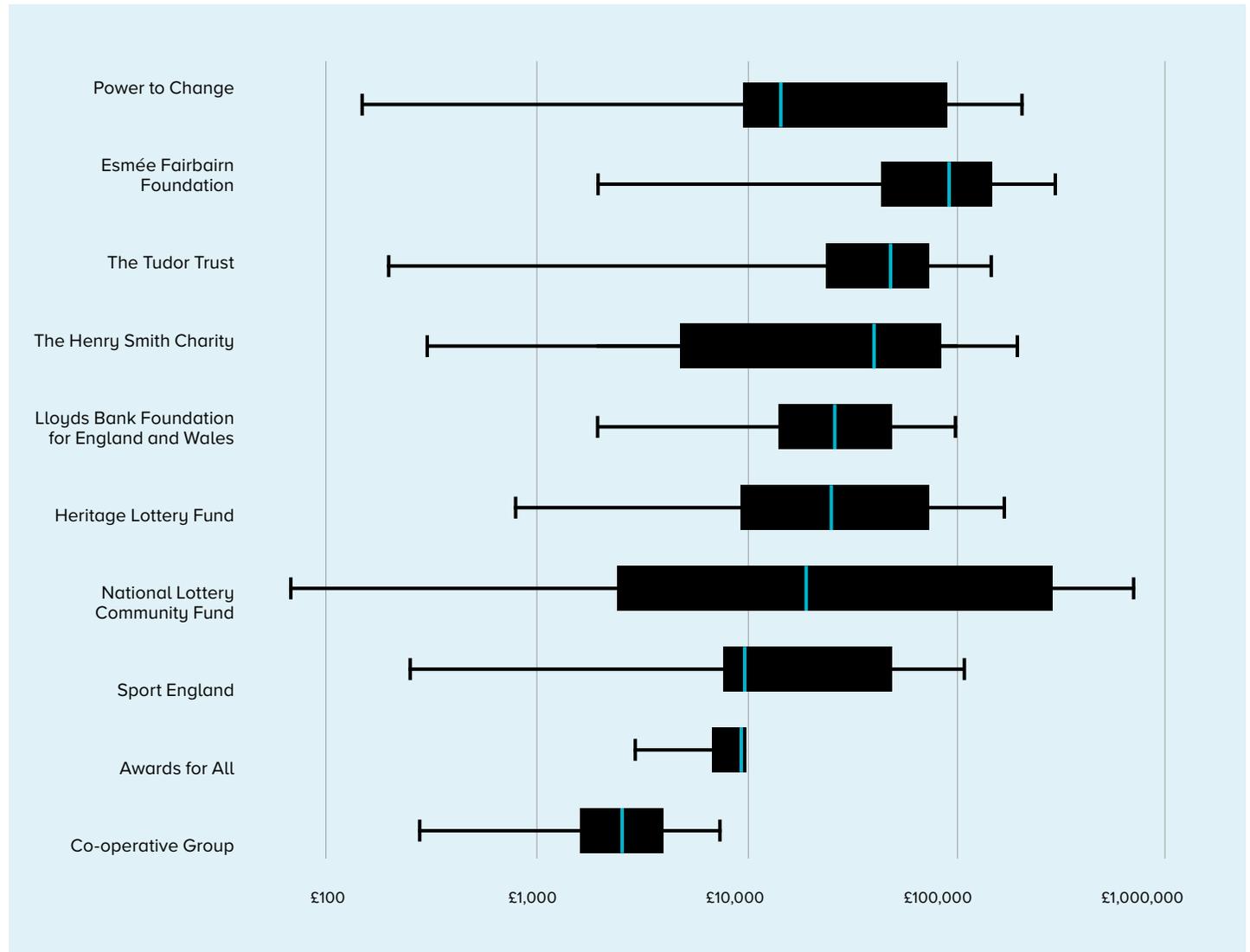


Fig.14. Size of grants

This chart shows boxplots for the amount awarded in grants across PtC and the eight top funders. All grants made by the funders are included, not just those to Power to Change recipients.



Boxplots shows how data is spread. The minimum grant size for each funder is represented by the whisker on the left, the largest by the whisker on the right. The left-hand side of the black box shows the first quartile of the data, the right-hand side the third quartile. The median average grant for each funder is shown as a blue line in the center of the box.

Fig.15. Duration of grants

This chart shows the proportion of grants made, by duration of award. Grants where duration is not known are not included (not all funders publish duration information). All grants made by the funders are included, not just those to Power to Change recipients.

[Click here explore the data](#)

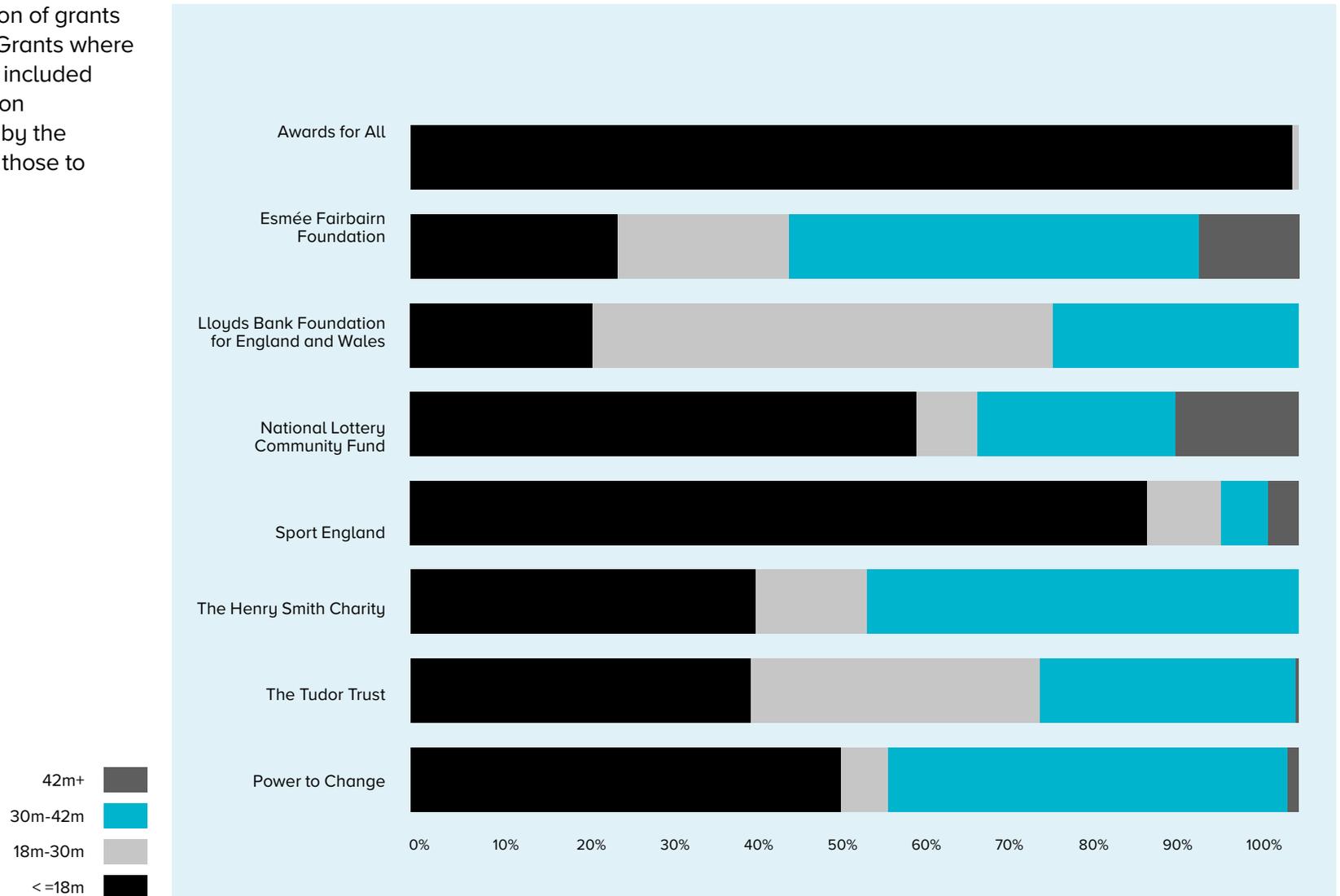


Fig.16. Size of recipient (by income, charities only)

This chart shows the proportion of grants made, by size of organisation (based on their latest income). All grants made by the funders are included, not just those to Power to Change recipients.

Only registered charities are included as organisation income is only available for registered charities

[Click here explore the data](#)

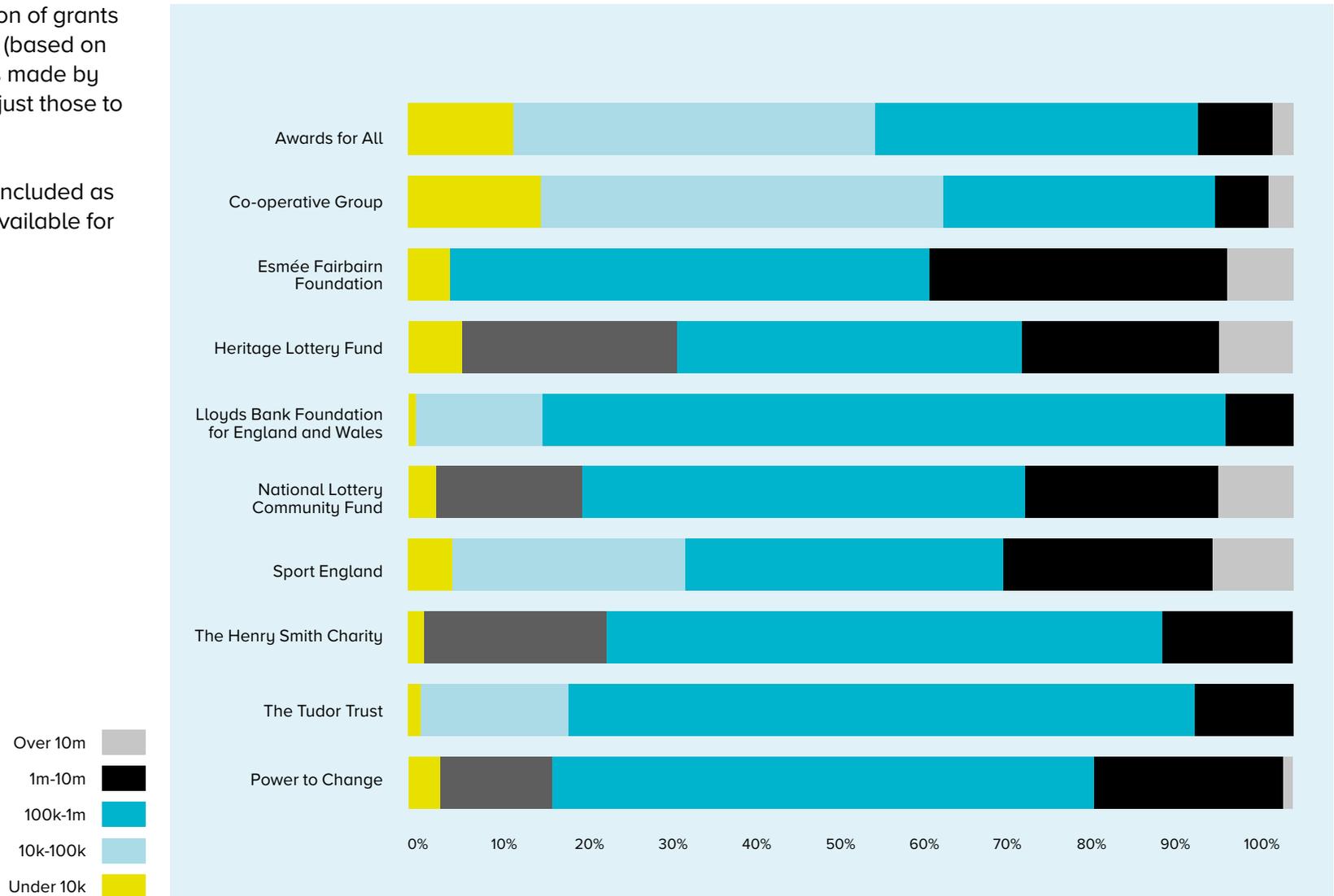
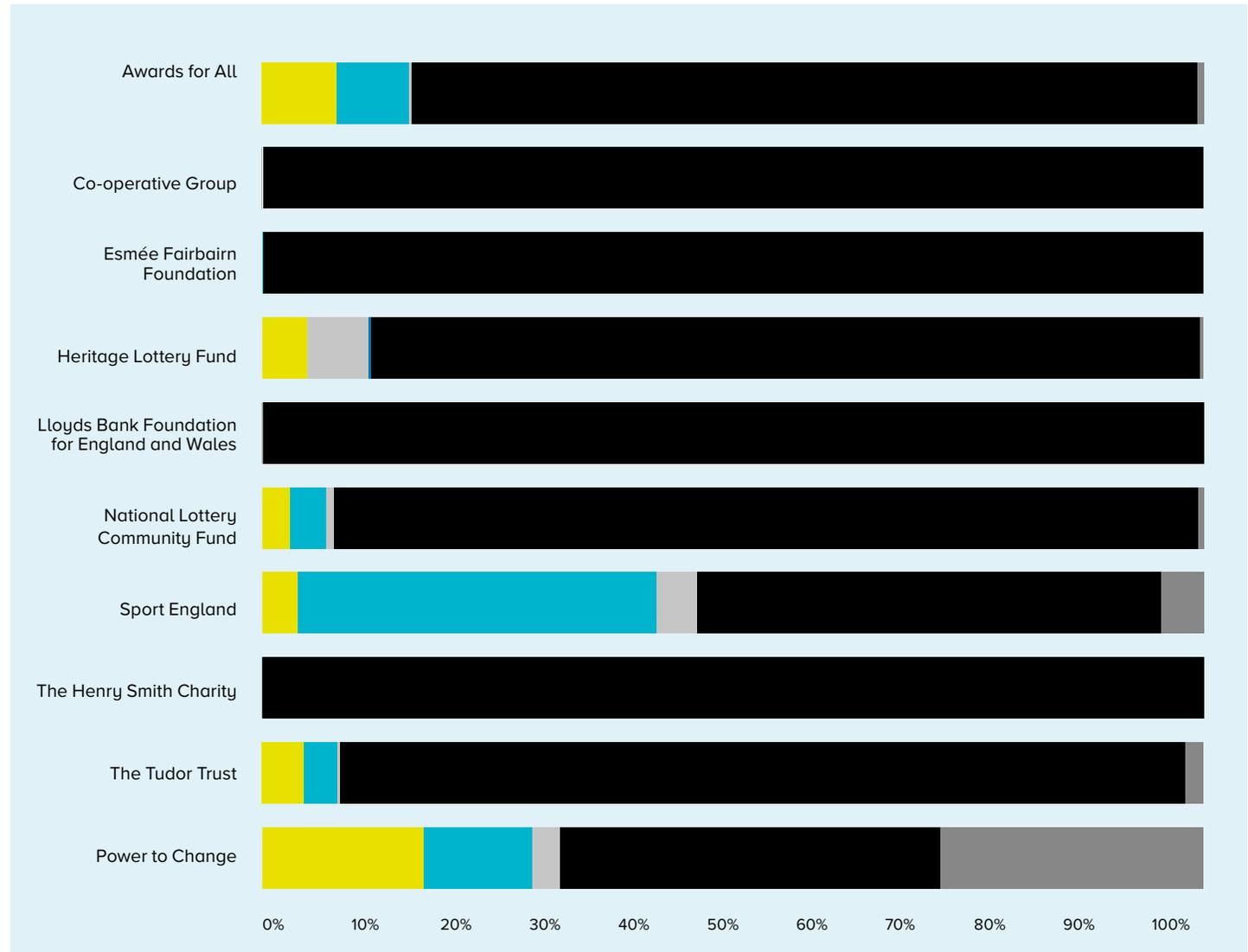


Fig.17. Proportion of grants made by type of organisation

This chart shows the proportion of grants made, by type of organisation. All grants made by the funders are included, not just those to Power to Change recipients.

[Click here explore the data](#)



- Community Interest Company
- Company Limited by Guarantee (excluding charities)
- Private Limited Company/Other
- Registered Charity
- Registered Society

Fig.18. Age of recipients

[Click here explore the data](#)

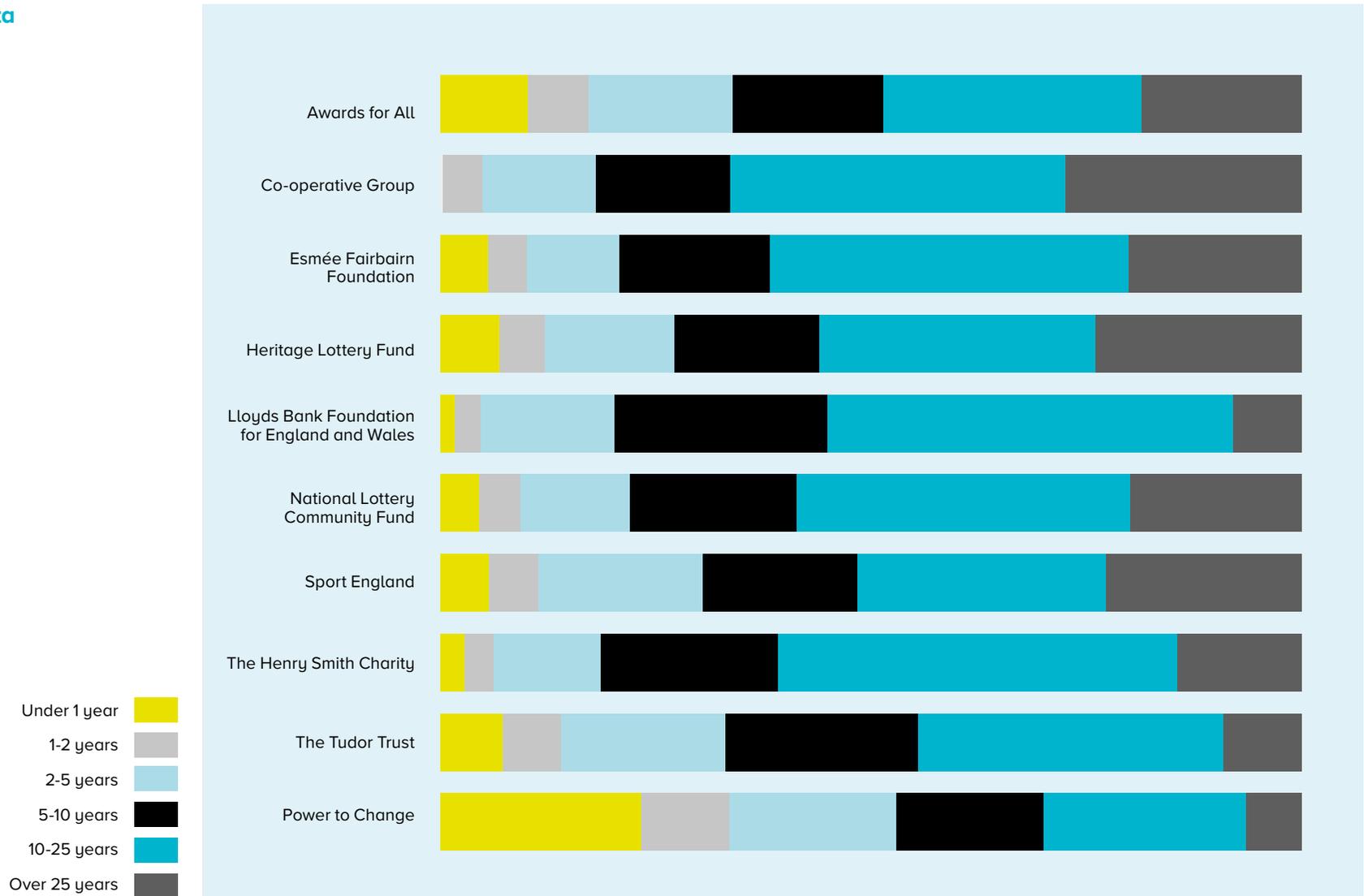


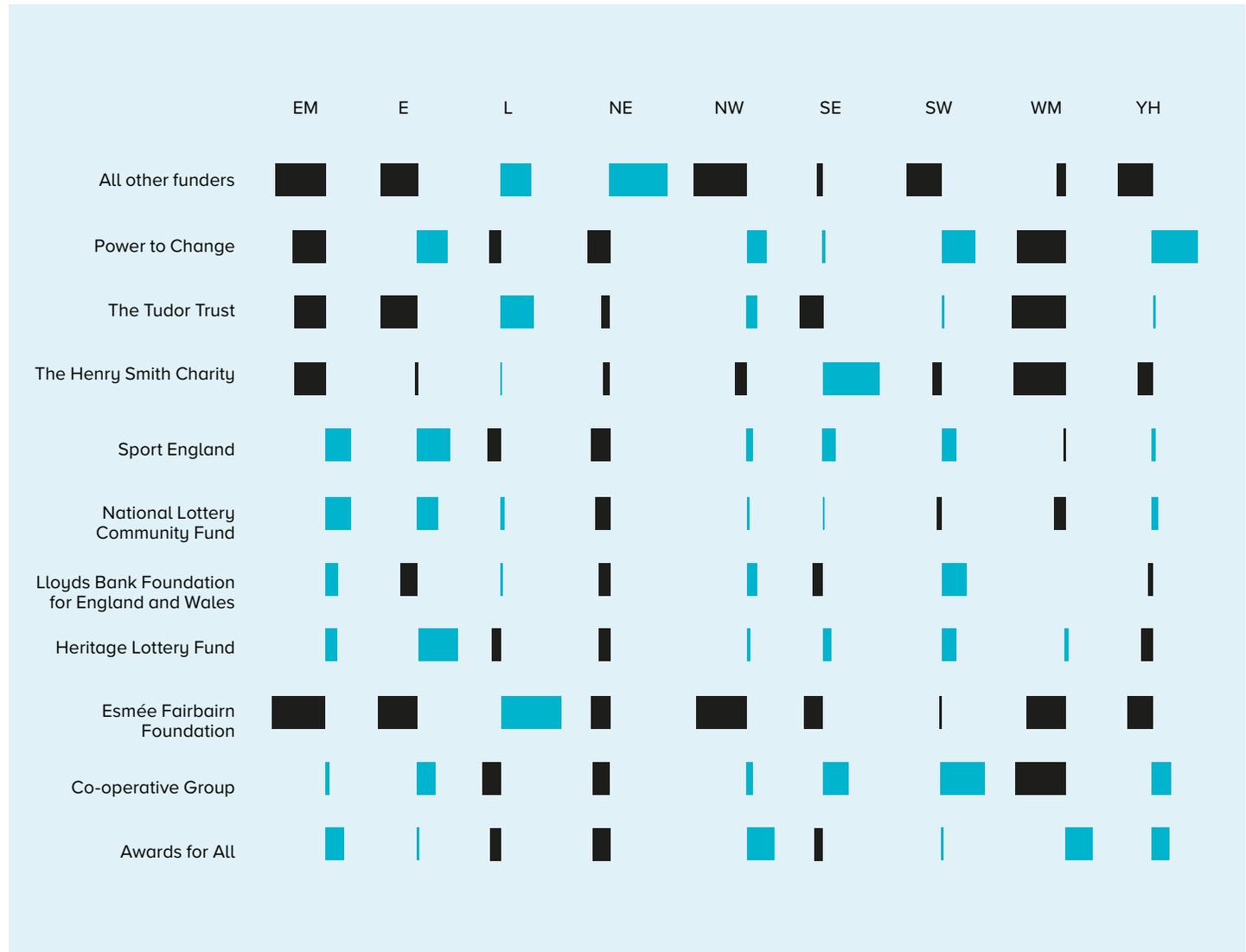
Fig.19. Region of recipients

This chart shows the relative difference in the region of grants recipients, by funder. Blue bars show regions where that funder is over-represented compared to funders as a whole, black bars show where the funder is under-represented.

All grants made by the funders are included, not just those to Power to Change recipients. Region is only available for recipients with a postcode.

[Click here explore the data](#)

EM = East Midlands
 E = East of England
 L = London
 NE = North East
 NW = North West
 SE = South East
 SW = South West
 WM = West Midlands
 YH =Yorkshire and the Humber



Next steps

While support exists for community businesses, Power to Change remains a key supporter. This report shows the majority of Power to Change grantees have not received funding from another grant-maker. Power to Change is more likely to fund start-up community businesses. It is also most likely to fund alone when it comes to small grants. This suggests a gap in support for community businesses from other grant makers.

Given the limited lifespan of the Trust, Power to Change will draw on the findings from this analysis to continue to raise awareness of the community business movement, and improve access to funding and support. We welcome enquiries from others interested in supporting us in this goal.

Methodology

Step-by-Step Process

- Downloaded latest full extract of 360Giving grants data from Grantnav. This data is made available by grant making foundations who publish it in a standard format defined by the 360Giving standard;
- Converted Heritage Lottery Fund data to 360Giving standard, and incorporate into the main dataset;
- Restricted to only grants made between 2013 and 2019 (period of Power to Change funding and shortly before);
- Reviewed company and charity numbers and made as complete as possible with addition missing company numbers from Charity Commission data;
- Generated organisation identifier for matching – default to company number, then use charity number if not available;
- Split National Lottery Community Fund (formerly Big Lottery Fund) into two parts:
 - National Lottery Awards for All (54,000 grants);
 - Other grant programmes (14,000 grants) (referred to herein as National Lottery Community Fund);
- Removed Power to Change data from the full file. The Power to Change data separately handled from Salesforce data (complete as of March 2019);
- Matched 360Giving data to Power to Change, based on organisation identifiers;
- Linked social investment deal data from the Social Economy Data Lab with 360Giving and Power to Change data.

Data caveats

360Giving data covers roughly 100 funders – some funders are not included.

There is a range of different funder types – some government departments and local authorities publish (though not all), plus community foundations and lottery funders. Not all funders publish for same length of time – some have just one year, others have longer time series. Not all organisation identifiers (charity and company numbers) are correct or present. This can mean that some matches are missed.

Data from the Heritage Lottery Fund (HLF) is extracted from open data that is published but not yet using the 360Giving standard, which has been converted to use the 360Giving standard. In particular, this involved adding charity and company numbers to HLF recipients based on recipient name, as they were not present in the data.

Only two social investors currently contribute data about their deals to the Social Economy Data Lab: the Community Shares Unit and Key Fund. 675 unique recipients have been identified in the Social Economy Data Lab datasets.

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