



### **Activity: Social innovation**

Read the case study of Eastville Community Shop. (There is a copy below and you can find it on the [website](#))

Entrepreneurship involves a process of creating social value from an idea. This typically has several stages:

- Recognize the opportunity
- Assemble the resources
- Develop the venture
- Capture the value

(1) Try and map the Eastville story on to the process. What were critical stages and what influenced the outcome? What other influences on the process were important?

(2) What do you think motivated the key players – Linda, Jane, James – to get involved?

(3) What do you think the challenges might be in sustaining and growing the venture?

(4) What lessons might they take forward if they want to start another social enterprise?

(5) Think of a social innovation you might wish to launch. What lessons might you take from the Eastville example to help you?

## Eastville Community Shop

Eastville is a small village in the south west part of England. It is a mixed community with a significant number of older people who have retired to the pleasant countryside living alongside young families who have moved there because of its proximity to the town of Moreton which offers many employment opportunities. Around 400 people live in the village and surrounding farms and in terms of facilities there is a church in the centre, two pubs, a filling station/car repair shop, a branch surgery where the local doctor attends on certain days and a small kindergarten.

Until a couple of years ago the village also had a Post Office, a small branch facility which offered a range of services beyond postal activities including payment of pensions, licensing, passport applications and currency exchange. Being in the centre of the village and visited by many people during the day it also provided a useful point for purchasing a small number of essential items like bread, milk and newspapers. It was largely a one-woman operation and received a subsidy from the national Post Office which has a policy of retaining facilities in rural areas to provide a service even if the actual operation is not financially viable because of the small customer base.

From the point of view of the village this was a valuable facility. Not only did it offer a range of services but it also provided a focal point for the community. It was somewhere where people could meet and exchange views and news, somewhere where notices could be displayed and information shared around the village. So it was with some concern that villagers heard that the woman running it wanted to retire; since there was no one else to take on the Post Office there was a risk that the whole thing would close.

Plenty of discussion followed and a number of people expressed the view that there was a real need for some way to continue the idea of a community shop. Eventually a group of active residents met in the local pub and out of that came a small group who agreed to explore possible options further. In particular there were three characters who played a major role in developing the ideas which eventually led to setting up an alternative community shop, one which is still operating today. They are:

**James** – a successful businessman who owns a large house in the village and has played a central role in many community projects. He brings considerable business skills and experience in some of the key aspects involved in setting up a business like project management, finance and legal affairs.

**Linda** – a pillar of the local community who has lived in the village for eighteen years and been involved in organizing a variety of projects. Still active in local politics she has been a core member of the national Green Party and although retired from that now is still very committed to their ideals. She is an experienced organizer and initiator of social ventures.

**Jane** – a former schoolteacher who lives with her family in the village and who moved there because of the sense of community. She has been a willing volunteer, contributing energy and enthusiasm wherever needed to help bring the village shop to life.

Let's look at the story in the words of, and through the eyes of, these three people:

**Jane:** 'OK well – I think it was 2005 .....Joan, the postmistress in the village, had been very central to life in the village... although it was not a shop, it was just a post office where she sold newspapers and stationery...but the space in the post office was very central to an awful lot of things which went on in the village, to the whole community.

And when Joan announced that she was retiring when she reached 60, and she put the PO business on the market (with her house as a separate sale) - well, pretty much everyone in the village was a little anxious. We knew that you don't make money out of running village post offices and their future then was not looking rosy..... I think Joan had to top up her income through selling other things, newspapers and stationery. So it was a real threat to the community but we just waited to see what would happen; unfortunately nothing happened and nobody was interested, time went on and it was getting closer and closer to the time when Joan wanted to retire. Then one day she decided that she wouldn't sell the Post Office as a business, she would just sell her house. And then when she put her house on the market –that was when millions of alarm bells rang as we realized we could lose the whole thing very quickly.

So a group of us had a few meetings in the pub and talked with others about different ideas. Like setting up something like a trading post which would be where people could buy in bulk, or where parcels could be dropped off or some other central place in the village which would replace some of the functions of Joan's enterprise – but without the post office.

I can't quite remember how we actually got to thinking that maybe we should buy it, but there were several meetings where we were exploring options and it probably came out of one of those. Having come up with that idea we put round a questionnaire to see if people would support a village purchase and we got a very positive feedback. We called a meeting in the Parish Hall and a number of people were supportive and said they would be supportive financially, and we thought we could also explore grants and things. But we ended up discovering that there were very few sources of money to buy an asset; if you already had a building or space or you owned something, then you could get grants to refurbish or extend that but you couldn't get money to buy a new asset. That stumped us for a bit but then someone came up with the idea of the National Lottery and we began to explore that option.

At the same time other people were visiting other community organizations, for example a village in Suffolk where the community had taken over the post office. That gave us the idea that a Community Shop might be possible and one of our core

group (James) had worked for an organization supporting communities developing projects, so he knew a lot about this. So it began to seem that there was a lot of expertise, a lot of knowledge in the village that we could tap, and there was a lot of support.

It wasn't easy at first - there were a few people who said it wasn't financially viable, we had once had a shop in the village square which sold basic items but that had closed down because the couple who ran it couldn't make a living. But we soldiered on because there was a core of people who were enthusiastic. I think there is a need to have more than one or two people doing this sort of thing.

Our first break came when we discovered we could get money from the National Lottery to buy an asset if it was linked to a community project and if it had very obvious community functions. We thought we'd apply for this but there was a requirement that if you got money from the National Lottery you had to raise some funds yourself. So we had to raise something like £30,000 ourselves and to do that we had to embark on a whole range of fund raising activities. In situations like this you need a community which puts its money where its mouth is and they did! We had around £16k of loans from people in the village, some of whom were only able to commit a small amount like fifty pounds. This was amazing since there was a risk - they were all unsecured loans and we couldn't guarantee they'd get their money back.

With this support we were able to get the money from the National Lottery which enabled us to buy the bit of Joan's house which was the Post Office and she decided to stay living in her house and helped a lot in the early stages by carrying on after her retirement to help keep it going. The national Post Office paid to employ a new sub postmaster and they trained him and we had enough money to also pay for a part-time shop assistant for the first 3 years. This gave us a breathing space; a way to build up the business to the point where we could generate enough income to pay wages ourselves.

But we also realized it couldn't just be a Post Office; we needed to pull people in by what we sold in the shop and so we chased other funding to help refurbish and extend. Linda and James got busy again and applied for additional money for this; that took about 18 months and we took out a loan which needed paying back at around £500/month – that was quite scary! We started off in a small way – I went and bought stuff from a warehouse to fill out the shelves. At the same time we ran a questionnaire survey to find out what people wanted the shop to do, what would make people come?

It took off slowly but with the support of the village the loan was repaid last year, and the other loans from the community are now all repaid as well. Some people even said 'we don't want it back' – that was brilliant; the bottom line is that as of last year we're now entirely debt free. Now we're trying to maintain what we've gained and change the nature of what we've got to keep people interested and supporting us – without that it will never pay for itself.

The shop was set up as an Industrial and Provident Society, a not for profit business. To all intents and purposes the village owns the shop and any profits that we make go back into the village. So, for example, at the Jubilee party the shop provided all the teas (£210 of tea and coffee); it's kind of there, generating some money, so people do know that if they spend money in the shop it will go back into the village. Now our Treasurer is working on changing the tax basis so that all the profits go back into the community.

Over time there's been a lot of involvement, mostly from volunteers. Both of the people who work in the shop do much more than they are ever paid for but the shop wouldn't run if there wasn't quite a large number of volunteers working – for example delivering newspapers. When we did the refurbishing and building people put in their time for free; for example an architect, a painter and decorator all gave their services for free and led the rest of a group of volunteers. And that's fun, we had a painting party. We limped along for the first year but then it got better.

So what you've got is a whole community pulling together, pretty much and that's the kind of story of Eastville really. There is a history of a lot of community projects, lots of clubs and activities – we have Women's Institute, an old peoples club, a flower show, a twinning with a French village, and so on. I chose to move to Eastville partly because of the amount of community activity which was already here. But it's important to remember how crucially those things depend on an individual or a couple of individuals; once those people move out it dies for a while but hopefully it picks up again in a different form.

It's a real centre of the web of village life and that's the important thing, not just the services it provides. When I got involved in the first place I didn't need it, nor did James or Linda; we have cars, we could always go shopping in Moreton where it's cheaper and there's more choice. But we always had the vision that it would be a centre, more than a village shop.... one of these lovely places where people come, sit around, have coffee and chat. We imagined all sorts of things ...maybe an internet access point...training for the elderly who were frightened of the internet and that sort of thing. And we wanted it to sell mainly local foods, as many local things as we could - but of course when you sit around and have a vision you're being idealistic and we've learned to compromise on some of this. Still our main dream was to help make it a village centre, we wanted it to be a hub and it does work as that now.

It's doing really well, we're bursting at the seams now, but there's a need for others to get involved. We're (James, Linda and I) spent - it does take up a lot of emotional energy. It still needs to grow but not too big – and it needs new people to take it forward....

*(Why did you get involved....?)*

It just was a need for the village – and I've always believed that if something is to be done then I should do something about it...I need a lot of things to do, I don't sit

around,...the concept of being bored I can't relate to that...I never get up in the morning and think 'what shall I do today'! ...I like being busy, I like doing things, and I feel that because of all I've spent my life doing – in special education I ran a support centre ...I always had some responsibility...I do feel responsible, I think, for what happens to me in my life. I don't feel that things are done to me, I feel I can do things...so I think it's a combination. I enjoy doing things with other people...I find it very exciting sitting around and talking about ideas.... I need some stimulating which is a challenge – once I'm in something it's important to stay committed to it...that's been to my detriment sometimes...but I'm not very good at putting myself first. That partly comes from being a Mum...and being a female...also because I don't feel that I'm the most important thing in the world...it's the old thing that 'its better to give than receive'...that is a very strong part of what motivates me...I'd rather give things away ...I don't like people giving things to me....

**Linda:**

..... If I tell you my story, it probably begins in Liverpool where I joined the Green Party where some members including myself set up a green shop. It was a worker co-operative; we didn't all work for money, we had other jobs but that was good experience. And I think that's where my background plays a role in the Community Shop story – my being in the Green Party and being very aware of green issues, climate change, how we ought to live. Things like local shops, local food are very important to me; I've been on the Parish Council for many years and we had a parish plan which I played a big part in. One of the things we wanted to do was set up some affordable housing... we tried to get together a group of people representing all different shades of the population.,. to form a local trust to help make this happen. We also had the idea of a shop but didn't really think that was a high priority at that time, though we did look into it. At the time we thought it wasn't going to be viable, wasn't going to be sustainable but we had looked at the idea. So when Joan said she wanted to retire and the Post Office looked like it was going to close we had this sort of group that wanted to do something about that.

We found the PO premises were for sale and we thought ' we must save the PO ...and we could have a shop as well...and the postmaster could have his salary from the PO so it would make the shop viable because we could just pay someone for their role on top of the PO.... So we began to imagine the possibilities, thought about what we could do. The big thing was to negotiate with the people who owned the premises and who wanted to sell the PO and the accommodation above it.....eventually we persuaded them that we could just buy the PO part and some land and the price for that would be sufficient for them to stay in their house. We came to an arrangement and then we had to start getting the money; we applied for a National Lottery grant ...James was good at that because he had experience and I had experience as well because I had applied for a couple of other projects in previous years - the Millennium Green and also for a path to Moreton and both were successful. I think perhaps that gave us encouragement because we had done other things and we knew it was possible if we had the will.

Once we had the basic funding it was all go, appointing a PO manager, doing lots of works ourselves on the shop...we had a tame architect, someone who also has very green ideas and we worked with him on making the building as eco-friendly as we could – for example the paint was special eco-friendly, and we got natural floor covering, and we used second hand wood and a local carpenter, second hand slate for the counter. And of course there was double-glazing and the roof was well insulated.., and we also later on applied for a grant for solar panels...and we managed to get two grants for those! When we interviewed for the person to run the shop we were very keen to hear what they had to say about using local produce and that sort of thing.

I think an important aspect of our shop is that we try to have something for everybody...getting the local community involved was so important for getting the grant...people did all sorts of fundraising.., and there were loans and gifts...amazing actually the amount of money which we raised quite quickly in the community...

You have to believe that it will happen. I think it helped that we'd done that project with the Millennium Green in the past... it was the same thing in that project, I remember people saying at the meetings we organized that 'you'll never get it to happen' – it helps sometimes to be obstinate and believe! And there was also the threat of losing something (the old Post Office) which mattered in the village ...perhaps you need that to spur you on, I think a lot of people needed that, they joined the group, donated money, to save the PO rather than promote the shop....

*(Have you always been active in community life like this?)*

It didn't start until I was in my forties actually...I always thought political thoughts but I was busy teaching, raising children, studying ...I suppose I have got a track record for getting involved, helping get things started – for example, there's another project starting in Moreton which is to save the bookshop and make it into a community bookshop...I went to the first meeting and was able to tell some of our experiences...I did say I couldn't get too involved in that because I have too many other things on...but they asked me to be an advisor...

It's interesting psychologically, you wonder sometimes why you do all these things... maybe it's to make you feel that you have some sort of value...I think perhaps without the projects I would have much lower self esteem... Sometimes you think about your funeral and I'd like to think they'll be able to say that she did all these things...I like to think I have done something with my life....

And it is very pleasing...I still volunteer on Sundays sometimes and enjoy doing that... and the Millennium Green when people say how lovely it is and how they enjoy it...it is very pleasing...you don't need money for these things do you?

**James:**

For me it was fairly straightforward, there was clearly a need to do something otherwise the village would lose a piece of its heart. I remember having the conversation with various people in the pub and on Saturday mornings walking the dog, and it became clear there was a lot of interest and concern. So we needed to channel and organize this and I set up a meeting in the pub for anyone interested. We had seven or eight people and we discussed options and a few of us – Jane in particular, she's always up for this kind of thing – agreed to explore it further. We did some research on other places which had set up community shops and I looked at the various legal formats we might need so that the whole village would own the shop, all the profits would go back to the village, etc.

Fund-raising was a big thing – once I'd done some basic numbers on what this was likely to cost we knew we'd have to raise quite a bit ourselves. The Lottery and other grant funding is a good route but you have to show the community is behind the project and usually that means raising half the money yourselves. We had various meetings and a lot of people turned their commitment to the idea into practical support through a series of small loans – some didn't have much to pledge but others were very generous. Anyway it started out as something the village clearly wanted because they were prepared to support it, not just with words but putting some cash into what was still a risky venture – we could have failed completely.

Linda and Jane were amazing, running round and mobilizing the village, organizing meetings and raising support, lots of small events like coffee mornings to help raise funds. I could bring a lot of project management skills because that's what I do in my day job – setting this up from the legal and financial side of things is pretty much like any business venture. The good news was that we succeeded so the project had the money – all we need to do then was to make it happen! We managed to buy the old Post Office building and had some money (and a lot of volunteer labour and gifts of materials) to set it up and we found someone to run it who was committed to the whole idea. It's the old thing of chasing resources from wherever you can find them and we were very lucky.

People began to use the shop, even those who didn't need to because they could travel to Moreton – they chose to support the shop even if the things were a little more expensive. It meant that the shop became a part of village life and everyone supported it because it was 'their' shop. The good news was that we made enough money to repay the loans to everyone who committed their money and to make enough surplus to keep improving things. It's now on a good footing, financially and legally, and that has meant that those of us who started it can hand it over to others to run. It takes a lot of time and energy, I don't mind, I enjoy it but you can't keep doing that forever. There are other things I'd like to do in the village and anyway I'm not sure it's good for the same people to keep at the centre, the thing needs to have a life of its own.....



Joe Tidd and John Bessant

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