

Plunkett Foundation – Community shops

Community shops are sustainable, democratic forms of business that succeed where commercial ventures have failed.

In a climate that sees around 400 commercial village shops close each year, community-owned shops not only represent a better form of business, they directly respond to some of the key challenges facing rural communities today like lack of services and isolation.

They trade primarily for community benefit and their interests are linked into community control. Community shops have open and voluntary membership, whereby members are part owners of the business and all members have an equal say in how the business is run, regardless of their level of investment.

There are many models for managing a community shop: the majority are managed and run directly by the community, mostly by a combination of staff and volunteers, and some by volunteer or staff only. A lesser number of communities decide to lease or rent the running of the business to individual tenants or commercial operators once they have secured premises in community ownership. Each community will find a solution which works best for them, but the model promoted by the Plunkett Foundation is to employ a shop manager and a team of volunteers. A paid manager can help to ensure that the finances, stock ordering and control, all aspects of legislation, and staff cover is consistently managed, and a volunteer team will contribute to the vibrancy of the shop, inject a range of skills and ideas, and reduce staffing costs.

Why are community shops important?

Community shops are an effective mechanism for safeguarding essential retail outlets in rural areas, but they also have wider social, economic and environmental benefits. With an estimated 300-400 village shops closing every year, community ownership is helping to preserve vital outlets and services for rural communities. The past five years have seen an average of 22 shops open under community ownership per year.

Community shops particularly benefit those who are disadvantaged by lack of personal transport, limited physical mobility, and those seeking employment or volunteer opportunities. They engage large numbers of the community and stimulate social activity and community cohesion:

177 - Typical number of members involved

7 - Average number of directors involved

30 - Typical number of volunteers involved

4 - Average number of staff

They also have a positive impact on the local economy; they have average turnovers of £161,000, support local producers and suppliers and create employment.

Community shops become the hub of their community: they are usually the only retail outlet for a 4 mile radius, they have long opening hours, and they host other services:

59% Host post offices

43% Have cafes

19% Are co-located with other community buildings such as the pub or village hall.

In addition to sourcing local food with lower food miles, community shops save rural residents car journeys to alternative food stores, saving on average an 8 mile round trip. Community shops collectively are estimated to save 4 million miles of car journeys a year.

Community shops are resilient forms of business

94% Success rate of community shops

46% Average small business success rate