



**Research Proposal to better understand
the size, scale, scope, potential growth
and future pipeline
of Village Halls
as Community Businesses**

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Introduction

This is a partnership research proposal from Rural Action Yorkshire (RAY) and Durham Community Action (DCA), with RAY acting as lead body. RAY and DCA are sister rural community councils, which support communities in neighbouring rural areas. Both organisations have a long track record of collaboration and supporting vibrant and viable rural communities. We are part of a national network of 38 independent organisations, coordinated by Action for Communities in Rural England (ACRE).

Both partners provide infrastructure support for voluntary and community sector groups and organisations. We also develop and deliver projects and programmes which benefit the communities we serve. Part of our core work is to support Village Halls and other rural community buildings to meet the needs of their local communities in sustainable and inclusive ways including: the provision of information, business planning, training, and advice. We work with management groups through face-to-face and case work interventions, and we also provide a range of resources and publications. We also maintain strong relationships with parish councils and public service partners and undertake research, which provides detailed data on issues affecting village halls and influences public policy.

RAY covers the whole of Yorkshire, but we propose to focus our research in North Yorkshire (the largest rural County in England) and one which comprises 491 Village Halls. Similarly, DCA will focus on the Durham Dales area, comprising a further 83 Village Halls.

Evidencing Need

We note from the 'Community Business Market 2016' Report that Power to Change (PtC) conservatively estimates that around 900 of the 10,000 village halls across England would likely meet the four community business tests of Accountability, Place, Impact and Trading. This would equate to 9% of all Village Halls being categorised as Community Businesses.

We know from our community development work, and support programmes for village halls (such as Village SOS, Developing rural community hubs in North Yorkshire, Doncaster, Leeds and Kirklees) that a growing number of village halls are adopting more creative and enterprising approaches to generating income and local impact and looking to develop new of service delivery. This is particularly the case in areas where cuts in public sector funding and proposals for integrating health and social care, have generated a need for more local based, preventive services, bedded into the communities. Rather than simply hiring their Village Halls out as a venue, these Halls are investigating what services their local residents want and then working with local volunteers to co create and deliver these services. We have successfully supported the creation of three Village Care Schemes – a video of this work can be found here: <http://www.youtube.com/watch?v=1txFWADITdb>

We believe that a sizeable proportion of Village Halls have the potential to transition to being community businesses, and could therefore become a significant sub sector of the Community Business market. There's a growing trend of diversification and innovation amongst Village Halls in response to both push and pull factors. Village Halls provide well known and located community managed assets and are excellent bases from which to develop and deliver a range of services of benefit to the local communities they serve.

ACRE's Village Hall Survey 2015 found that: *'The most popular uses for village halls are preschool and nursery groups; fitness classes; dance classes; clubs and groups for older people, including luncheon clubs, retirement clubs, the University of the Third Age; and organisations for young people – including Scouts and Guides, youth clubs, and Girls' and Boys' Brigades'* and *'Around 1,000 village halls, or 10 percent, host a community enterprise such as post office, community shop, coffee shop, library, cinema or farmers' market'*.

We understand and are really pleased that PtC would welcome further research to better understand the potential for Village Halls, as existing and future Community Businesses and believe we are well placed to undertake this research.

There is a very diverse range of understanding, language and interpretation from public, private and voluntary sectors about Social Enterprises, Community Enterprises, Social Firms, Community Businesses and Social Entrepreneurs – often terms are used interchangeably and inconsistently. Preliminary desk based research reveals no definitive lists or maps of community businesses across the two areas covered in this proposal, nor are there representative or umbrella bodies supporting or championing community businesses in the two rural areas. RAY and DCA, however, do maintain databases of the community buildings and Village Halls in the areas, together with details about their governing models and management groups.

Currently the term Community Business is being used in both areas to describe enterprising and entrepreneurial behaviours in groups and organisations which provide services with social and community benefits. There is no single legal structure or governance model for Community Businesses, which further confuses the market place. There is therefore a substantial piece of work to be done with stakeholder organisations, and Village Halls themselves, to educate and inform about the definitions, opportunities, social value and benefits of Community Businesses.

North Yorkshire County Council's (NYCC's) website contains a list and map of just 23 'social enterprises' (See: (<http://www.northyorks.gov.uk/article/26280/Social-enterprises-in-North-Yorkshire>)). York, North Yorkshire and East Riding Local Enterprise Partnership (YNYER LEP) website, whose vision is to '*make York, North Yorkshire and East Riding a great place to grow a business, combining a quality business location with a great quality of life*' does not segment businesses and no mention can be found of either community businesses or social enterprises on their website. There is no community business or social economy champion on their board and anecdotal evidence suggests that they have a particular focus for traditional private share capital type companies. Similarly searches on Business Support York and North Yorkshire (www.bsny.co.uk) reveal nothing for social enterprise or community business. Social Enterprise Yorkshire and Humber's website (www.seyh.org.uk) lists just four social enterprises in North Yorkshire. Additionally conversations with Dave Thornett, Business Development Manager at the Key Fund reveal that they do not segment along Community Business lines but prefer to talk about the whole social economy and target their loans and investments at trading for social purpose organisations.

Anecdotally we know there are many great community businesses across the patch both within Village Halls and as part of the wider third sector ecology, however, they seem to be either under the radar or simply not identifying themselves as Community Businesses, so they are certainly not given the profile they merit. As we launch the research across the two Counties, we would aim to raise the profile and awareness of Community Business with key stakeholders, not just Village Halls and rural community buildings. This would offer additional value and outcomes to the research project.

Since 2011 North Yorkshire County has suffered £116 million of cuts to public services, with another £80 million planned, amounting to a 36% overall reduction in funding, compared to 21% in urban areas. County Durham has experienced a similar level of funding contraction, which is now affecting front line community services. The public sector continues to experiment with new delivery models, outcomes based commissioning and encouraging new roles for empowered citizens and communities to re-engineer service delivery. There is a strong policy drive from Public Health, the NHS, Community Safety, Adult and Childrens' Services and Sports and Culture to support and develop community level, preventive, support services, which sustain communities and enable people to live longer in their own homes without needing to access mainstream public services, particularly with regard to health, wellbeing and social care.

The need for Community Businesses in rural areas is clear, they are being created to save the last pub in the village, sustain rural shops under threat, to improve connectivity between

isolated residents and to hold transferred assets from local authorities as they divest themselves of buildings, assets and services which are no longer needed or wanted.

Village halls are often best placed to undertake these activities and sometimes the only organisations in communities able to do so. Notwithstanding this, they still suffer from images and associations not dissimilar to the those portrayed on the Vicar of Dibley. In truth this may be appropriate for some village halls, but is equally far from reality for many others.

Government statistics identify around 70,000 social enterprises in the UK, contributing £24 billion to the economy and employing nearly a million people – it is not clear how many of these could be Community Businesses too. Since 2005, over 11,000 Community Interest Companies have been founded, and the last five years has seen significant development in social investment to support the growth of this movement. Social enterprise is thriving – it is outperforming its mainstream small and medium-sized enterprise (SME) counterparts in almost every area of business: turnover growth, workforce growth and job creation, innovation, business optimism, start-up rates and diversity in leadership. The SEUK Report presents the sector as:

- **At the forefront of economic recovery:** The proportion of social enterprises that grew their turnover over the past 12 months is 52%. A greater proportion of social enterprises are growing than mainstream SMEs (40%).
- **Making a profit, making a difference:** 50% of social enterprises reported a profit, with 26% breaking even. Almost all use the majority of those profits to further their social or environmental goals.
- **It's all about business:** 73% of social enterprises earn more than 75% of their income from trade.
- **Stronger than ever in public services:** 27% of social enterprises have the public sector as their main source of income, an increase on 2013 and 2011. 59% of social enterprises do some business with the public sector.
- **Innovation pioneers:** The number of social enterprises introducing a new product or service in the last 12 months has increased to 59%. Among SMEs it has fallen to 38%.
- **Job creators:** 41% of social enterprises created jobs in the past 12 months compared to 22% of SMEs.
- **Not just any jobs:** 59% of social enterprises employ at least one person who is disadvantaged in the labour market. For 16% of social enterprises, this group forms at least half of all employees.
- **Paying fair:** The average pay ratio between social enterprise CEO pay and the lowest paid is just 3.6:1 – for FTSE 100 CEOs, this ratio stands at 150:1.
- **Appropriate funding and finance still key:** 44% of social enterprises sought funding or finance in the last 12 months and 39% believe its lack of availability is a barrier to their sustainability. Just 5% of SMEs think access to finance is a barrier.

Research Focus

Given the statistics and statements above, it is surprising that LEPs and other Business Support Agencies are not targeting support at this sector of the economy – whether they be social enterprises, community businesses, cooperatives or CICs. This is particularly pertinent in North Yorkshire where the LEP has a priority to support micro and small businesses.

The business base and economic infrastructure in rural areas is underpinned by micro and Small Medium Enterprises. North Yorkshire and County Durham are almost entirely rural areas whose economies are reliant on micro and SME businesses. LEPs and other Business Support Agencies are not prioritising or targeting support at this sector of the economy, which, given the scale of these rural areas, implies there is a significant gap, and need for a consistent, coherent and informed approach to fostering the growth of social enterprises, community businesses, cooperatives or CICs.

To gain a better understanding of the needs and opportunities for community businesses, we will focus our research on Village Halls as Community Businesses. We would use a mix of

qualitative and quantitative research methodologies, using primary and secondary research methods to explore the following research questions:

1. *Using Power to Change's four tests: how many Village Halls/rural community buildings qualify as Community Businesses (both now and pipeline). Is the percentage of those sampled greater or fewer than the 10% a priori estimate previously used?*
2. *To what extent is the term 'Community Business' understood and used by Village Halls, rural community buildings, business support providers and other stakeholders?*
3. *What factors are contributing to Village Halls and rural community buildings becoming Community Businesses (push and pull, opportunity and necessity factors)?*
4. *What are the perceived advantages/benefits and disadvantages/risks/disbenefits for Village Halls/rural community buildings identifying/branding themselves as Community Businesses? Do Village Hall/Community Building Community Businesses feel supported and networked?*
5. *What are the key challenges and barriers to Village Halls/rural community buildings either establishing themselves as Community Businesses or growing their Community Businesses? How many have an appetite to transition? What support do they need, where do they go for support, are there any gaps?*
6. *Amongst those surveyed and interviewed, what is the likely pipeline of transitioning Village Halls/rural community buildings into Community Businesses and indicative timescales? What would a support offer look like, locally and nationally through ACRE and the ACRE network?*
7. *Do Village Hall/rural community building Community Businesses capture and report on their social value and social impact? If so how?*
8. *What role do key individuals play when sitting on Boards and Committees of village halls/rural community buildings in transforming them into Community Businesses? What factors need to be in place to encourage and nurture the right mix of skills, experience and enterprising behaviours when recruiting new committee members/directors?*

Methodology

Our research will include primary and secondary research, using qualitative and quantitative research methodologies. As can be seen from the workplan below, we propose to employ a range of research methods including: desk based secondary research; undertaking primary research using different aide memoires for semi structured face to face interviews with 50 Village Halls; 10 Business Support providers and 10 Stakeholder organisations; conducting a large scale e-survey with our 574 Village Halls and using our local relationships with these to drive up response rates to encourage greater sample sizes; case study development to add nuance and interest to the research.

DCA is currently partnering with Newcastle University, through the Centre for Rural Economy (CRE), to host a PhD placement. The research brief, extending over 5 years, is to examine the barriers and opportunities for social enterprise in rural areas. The studentship will add value to this research with respect to aligning research methodologies, and applying baseline information from inception, and from previous studies through the CRE across the North East, into the small business environment in rural areas.

Track Record and Credentials

Rural Action Yorkshire

RAY has been supporting rural communities since 1937. We do this in a number of ways, from providing advice, support and information to village halls and rural community hubs, to statistical reporting for Defra, to co developing and co producing projects to support disadvantaged/vulnerable individuals within rural communities eg. older people who may be socially isolated, low income people who may struggle to pay fuel bills etc. Over the past few years we have been delivering projects to support the development of rural community hubs, often working with Village Halls and other rural community buildings to ensure they

become sustainable through the development of trading activities (eg. Village SOS Projects, Community Hub Model Development). RAY benefits from close working relationships with a number of stakeholder organisations who will be involved in this research. We have agreement from the LEP to use their Pop Up Cafes as additional business support for Village Halls committees. We hold the grant for VCS capacity support and volunteering on behalf of NYCC Stronger Communities team. Key Personnel to be involved in this project include:

Nick Scott, RAY's Business Development Manager

Nick works one day per week for RAY. She also runs her own management consultancy and is an experienced researcher and manager with over seventeen year's experience of providing high quality research, evaluation, business development and organisational development commissions. She has a degree in Psychology combined with Business, Management and Administration and a Masters in Regeneration. In the past she has managed and delivered research contracts for a range of clients including: Researching Access to Finance for Third Sector organisations for the Cabinet Office; Evaluating the impact of capacity building grants and loans to grow and develop social enterprises for the Key Fund Yorkshire; Researching the state of women's enterprise in Yorkshire and Humber for Yorkshire Forward and Examining Asset Based Development for Manor and Castle Development Trust. She is an experienced project manager who delivers projects on time, to budget and with meaningful insights. Nick would be the project manager for this commission.

Qualifications: Combined BA Degree Psychology & Business, Management and Administration (University of Leeds 1987), MSc Regeneration (Sheffield Hallam University 2004), RSA Fellow (2014 – present).

Kathryn Chapman, Maggie Farey & James Russell, Development Officers

Kathryn, Maggie and James bring decades of experience at the coal face of rural community development work, supporting village halls, parish councils, rural communities and buildings to support vibrant and viable rural communities. They already run 3 district wide Village Hall networks in North Yorkshire and are launching 4 more in 2017 to cover all 7 districts across North Yorkshire. They benefit from considerable community capital and rural networks, which will be brought to bear when conducting the e-survey and in depth face to face semi structured interviews.

Durham Community Action

DCA (www.durhamcommunityaction.org.uk) has been supporting communities across County Durham since 1935. They are recognised through the County Durham Partnership as the primary voluntary and community sector support organisation for the County. They provide advocacy and representation on behalf of communities to the partnership Board and through a number of thematic partnerships in the County. Together with our colleagues in the ACRE network, they work with government departments such as DEFRA to report on policy roll out in rural communities and, through their experience and knowledge of the communities they serve, are also able to help shape and influence policy.

Their work with communities is delivered through a series of five key priorities: Getting Voices Heard, Enabling Enterprise, Supporting Volunteering, Promoting Better Health and Helping Communities. They have a small team of community development specialists and advisers, who broker community networks, provide training, information, advice and case work support for community groups and organisations. They also have a long track record of incubating sustainable new community initiatives which address community needs. Key personnel to be involved in this project include:

Yvonne Probert, Head of Community Services

Yvonne is responsible for the delivery of DCA's services to communities, including relationships with key partners, community enterprise, volunteering, VCS support and health and wellbeing. She supported the start-up and continues to support the Community Buildings Network for County Durham - a peer to peer group for community building trustees, and is currently supporting them to develop co-production approaches to bulk buying, community energy, and joint marketing. She has worked in various community development roles over 16 years, specialising in community enterprise and Development Trusts. This includes a period as an Executive Board Member of the Federation of Northumberland Development Trusts, and CEO for Prudhoe Community Partnership. She has recently worked successfully as a consultant with a range of projects and partnerships, applying her expertise in business planning, fund raising and supporting Trustees of Voluntary sector organisations to plan and manage community based services.

Qualifications: Registered membership of: Institute of Enterprise and Entrepreneurs and Chartered Institute of Management. BSc Hons degree (2.1 Plant & Environmental Biology, St Andrews University), City and Guilds 7307 Teaching Adults Certificate, Diploma in Business Excellence, ODPM Evaluation training (University South West England), ONC Certificate in Grantsmanship, SFEDI Introduction to Enterprise Mentoring, CMI Level 5 Management.

Kate Burrows, Communities Manager

Kate manages DCA's team of community support staff. She leads on relationships with the VCS and public sector for health and wellbeing, and coordinates the collection of data and monitoring to evidence the impact of our work and to inform future development.

Kate has worked in the voluntary sector for 8 years, initially specialising in debt and money advice, and more latterly, leading on the establishment of the Advice in County Durham Partnership, which now has a cross sector membership of 120 organisations which provide advice for people, and which has also developed a "no Wrong Door" policy, using a single referral portal for clients, across a diverse range of specialist support providers.

Kate spent the first half of her career in education, working for 6 years in senior management roles, in a large comprehensive in London. Her roles there included head of Business and Education, Business Enterprise Coordinator, and latterly, Assistant Head Teacher.

*Qualifications: BEd in Business Education (with Distinction) - University of Sunderland
BTEC HND in Business & Finance – Sunderland Polytechnic (1989 – 1991)*

Proposal management and delivery

We propose establishing a Steering Group from the outset to guide and oversee project delivery. We envisage this group meeting on a bi monthly basis with no fewer than 5 meetings over the nine month project delivery timescale. Members of the Steering Group will comprise: Nick Scott, Business Development Manager, Project Manager and Chairperson; Yvonne Probert, Head of Community Services at DCA, and Vice Chairperson; Kate Burrows, Communities Manager, DCA; Representative from PtC Research Institute; Member from NYCC Stronger Communities Team; Kathryn Chapman, RAY Development Officer; Two Yorkshire Village Hall Community Business representatives to be identified/decided; Durham Community Building Network representative and Katie Aitken McDermott, PhD Researcher, Centre for Rural Economy, Newcastle University

A Memorandum of Understanding (MoU) will be drafted and signed by all Steering Group members, clearly identifying the purpose, aims, objectives and expectations of the group and its members. For instance the same research methods will be used across the two geographies and a more detailed workplan than the one contained in this proposal will be agreed, worked to and monitored. RAY will be the lead contractor and a sub contract will be issued to DCA which will clearly link to the agreed deliverables in this workplan.

Risk Assessment

Risk	Mitigation	Impact
Village Halls not engaging in the research process	Using a variety of techniques to reach the Village Halls eg. face to face at Village Hall networks, via staff members they trust, direct contact, social media and through stakeholder organisations eg. NYCC. Potentially offering a small incentive for completing and returning electronic surveys, sweating social capital and personal contacts	Low
Key personnel being ill	CEO at both RAY and DCA are used to running similar projects and could cover in the short term while personnel recover or are replaced.	Low
Loss of data	Both organisations back up electronic data on a weekly basis	Low
Poor fit with national context	Leah Swain, CEO at RAY has spoken to Richard Quallington at ACRE would be supportive of this proposal. Both CEOs work on national ACRE business development so would be well placed to work up a national proposal of support to Village Halls to move to Community Business models if the research demonstrates the need and appetite. Findings will be shared across all other Rural Community Councils through ACRE.	Low

Community Business Sub Sector Benefits

We believe our proposed research would benefit the wider community business sector in the following ways:

- (i) *Provide a more robust basis for calculating the number of Village Hall Community Businesses than is currently used. There are 490 Village Halls across North Yorkshire and 83 Village Halls across Durham Dales – thereby providing a good sample size from which to extrapolate information and to be used as a basis for estimating elsewhere.*
- (ii) *Identify a likely pipeline of future Village Hall Community Businesses to inform future policy and strategy development, locally, sub regionally and nationally*
- (iii) *Informing, educating and raising the profile of Village Halls as Community Business amongst village halls themselves*
- (iv) *Raising the profile of Community Business at strategic, business support and wider community levels*
- (v) *Provide a map of Village Hall Community Businesses including, type, size and scale and stage of development*
- (vi) *Supporting networking opportunities amongst community businesses – in turn creating a club and buzz and bringing community business out of the shadows and into the mainstream*
- (vii) *Identifying rural Village Hall Community Business champions and network spanners – ie. those who can cross/span different networks and sectors*
- (viii) *Communicating the needs and issues facing Village Hall Community Businesses – both extant and aspiring ensuring those who exist to support businesses are better able to meet these needs*
- (ix) *Celebrate the range and scope of Village Hall Community Businesses across the and all the good work they deliver in terms of employment creation, trading with social purposes and social value creation through case studies, workshops, promotional materials, websites and workshops both in the two areas and via the national ACRE network.*
- (x) *Identify key challenges and barriers and how these might best be overcome for transitioning Village Halls*

Intended Audiences for these Activities

Intended audiences for this research will include: Power to Change, ACRE national network, Key Fund Yorkshire, County Councils, the two LEPs, Business Support Agencies – specialist and generalist eg. SEYH, Cooperatives UK, Locality, Business Support North Yorkshire, UnLtd, Village Hall and Community Building networks, funders and other stakeholders who have an interest both community businesses, village halls and rural issues.

Subject to the agreement of the Power to Change RI, we would look to share the research findings in the following ways: Executive Summary Reports paper and electronic versions, downloadable pdf documents on RAY, DCA and ACRE websites, via presentations and workshops, local newsletters, website articles on our own and others websites. Shared in pdf report, website downloads, presentations and sub county workshops. With NYCC, LEP and

