



Research summary

Factors that contribute to community business success

For health and wellbeing, sports and leisure and community hub businesses

Community businesses are rooted in and accountable to local communities, providing services that benefit people in those communities. These businesses trade within a variety of economic sectors, offering services which range from older people's groups to skateboarding classes to community cafés. Understanding the common factors which contribute to and inhibit the success of these businesses is essential to their sustainability.

The outputs of this research include a main report which details a desk based review of evidence as well as analyses of an online survey and financial sustainability of three community businesses sectors; health and wellbeing, sports and leisure and community hubs. In addition, there are three shorter reports exploring 'what works' for each sector as well as 15 in-depth case studies (five in each sector). This research follows on from a series of sector specific reports published in 2017 which looked at success factors in community businesses in the transport, pubs and housing sectors. Together, they contribute to a broader body of knowledge into specific community business sectors and enablers for their success.

Common success factors

- **Financial self-sustainability** was the most commonly chosen success factor in the online survey, supported by the fact that a high proportion of respondents had increasing amounts of income from trading and contracting rather than predominantly relying on grants. A key aspect to financial sustainability was businesses' service diversification. A financial analysis on a small sample showed that the sports and leisure businesses and community hubs experienced net positive growth while those within the health and wellbeing sector were under more financial pressure. Although the financial analysis results must be treated with caution, this may be attributed to the complex contracting systems that health and wellbeing related community businesses encounter.

- **Community engagement** was deemed essential by survey respondents from all sectors and for community hubs in particular. The desk review offers the insight that 'community-orientated' areas are more likely to develop community businesses and therefore appreciate the ongoing benefit of engagement from local people. More specifically, **volunteer engagement** was found to be of paramount

importance to health and wellbeing businesses (likely because the survey shows that volunteer numbers are declining) and sports and leisure businesses (likely because the sector is considered to be growing).

- **Staff and volunteer skill sets and roles** were identified as key to all 15 case studies. This meant having a board or management that is knowledgeable, solutions-focused, financially savvy and aware of risks. Businesses in all three sectors noted the value of volunteers during the set-up phase and the importance of a few key employees to instil professional consistency.

- Forming **strong partnerships and local networks** and being able to effectively communicate ideas in a simple and coherent way was seen as the main driver of creativity. This skill set was seen as important for diversifying services and income streams leading to greater sustainability. This was especially true for the community hub businesses.

Barriers to success

- **Access to funding** was a barrier for all three sectors but especially sports and leisure and health and wellbeing businesses, who have a higher reliance on grant funding and expect this reliance to continue.

- **Asset transfer** from local authorities and elsewhere is increasing and may be more pertinent for hubs and sports and leisure sectors. However, there is still a deficit in capital for refurbishment, rebuild and upkeep. The desk review indicates that there is conflict within local authorities between the need for immediate revenue versus asset management for long-term social value, as well as a lack of finance and technical skills both in the local authority and community businesses. The prevalence of survey responses around a 'lack of funding opportunities', 'lack of local authority/government support' and 'limited people with relevant funding/business expertise' indicate barriers to asset transfer.

About the research

SERIO, an applied social, economic and market research unit at the University of Plymouth were commissioned to conduct this research in March 2017. The findings in this report are based on a desk review of academic and grey literature, an online survey of 126 respondents (30 health and wellbeing businesses, 23 sport and leisure and 73 as community hubs- a 30% response rate from a sample of 420), a financial sustainability analysis of a selected sample from the survey and 15 in-depth case studies (five from each sector).

The four reports and 15 case studies can be found at www.thepowertochange.org.uk/research/research-publications/



List of case studies

Sector	Community business	Location
Community hub 	Aspire Ryde	Isle of Wight
	BS3 Community Development (The Southville Centre)	Bristol
	The Cheese and Grain	Frome
	Netherton Community Centre	Netherton
	The Old Co-op Community Building	North Yorkshire
Health and wellbeing 	MSH Health and Wellbeing CIC	London
	The Sweet Project	Birmingham
	Unlimited Potential	Manchester
	Wellspring Healthy Living Centre	Bristol
	Zest	Sheffield
Sport and leisure 	Jubilee Park Woodhall Spa Ltd	Lincolnshire
	Origin Sports	Newcastle
	Projekts MCR	Manchester
	Stocksbridge Community Leisure Centre	Sheffield
	Timperley Sports Club	Manchester