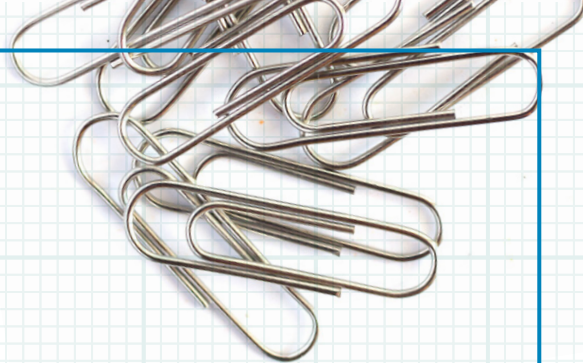


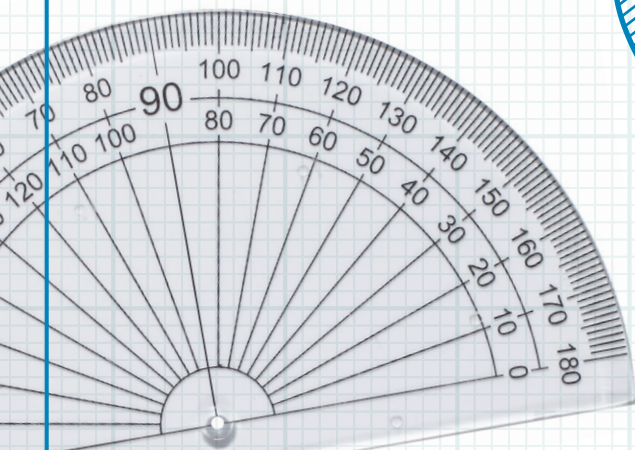
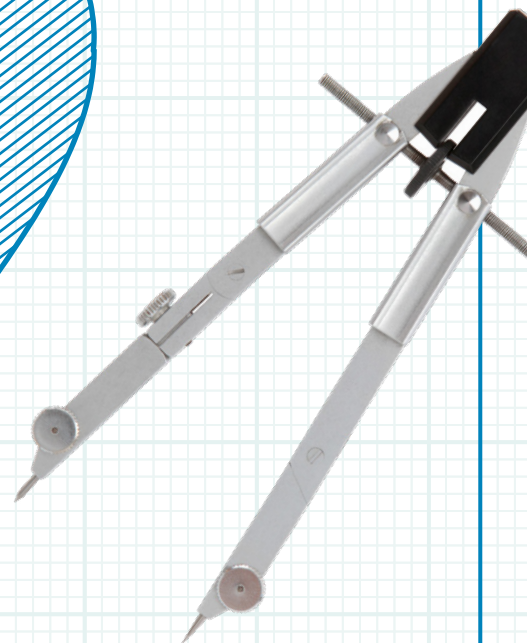
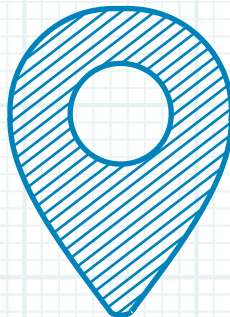
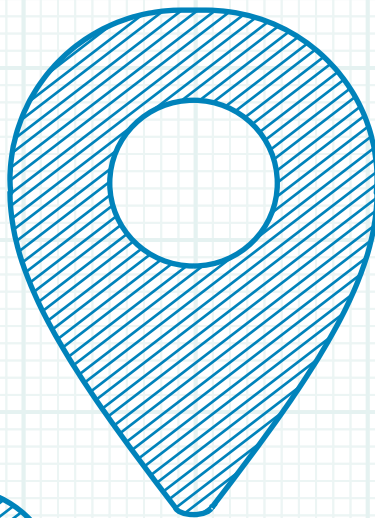
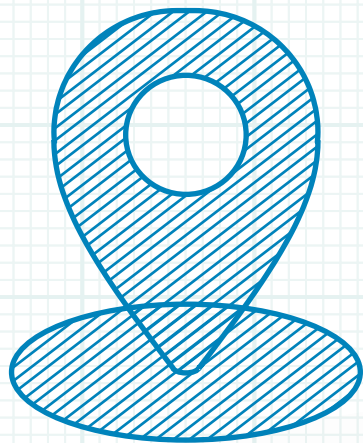


power to  
**change**

business in  
community  
hands



# Community business in place



A report prepared  
for Power to Change

WRITTEN BY:

John Hitchin,  
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Renaissance

DATE:

October 2018

SUPPORTED BY:



**NATIONAL  
LOTTERY FUNDED**

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## About this working paper

This working paper was produced as part of an evaluation and learning review of Power to Change's Community Business Fund, led by Renaisi. The Community Business Fund is aimed at community businesses who need funding for a business development project that will make them more sustainable, making grant awards of between £50,000 and £300,000. This paper takes some of the learning from the evaluation of the Community Business Fund, and other work, and applies it to wider questions about community businesses, the places that they exist in and how those two things interact.

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## About the author



Renaisi is a social enterprise committed to understanding what it takes to improve a place. For twenty years it has worked with individuals, communities, charities, social enterprises and government to understand what supports, influences and drives change.

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# 1. Introduction

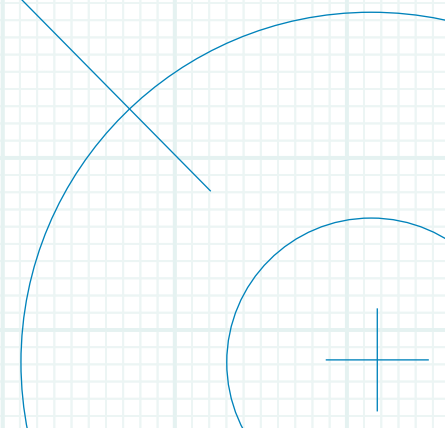
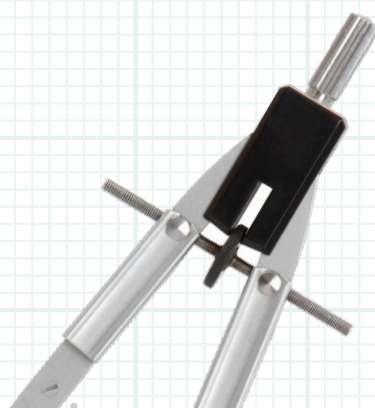
This short working paper is about community businesses, the places that they exist in and how those two things interact. It aims to explore evidence about their relationship in three broad question areas:

- i) Business creation in place: in which places are individual community businesses created, and is there something particular about those places?**
- ii) Geographic clustering of businesses: is it possible to encourage places to grow an ecosystem of community businesses?**
- iii) Impact on place: what do community businesses do to the places they exist in?**

This paper is designed to explore these questions through existing evidence, even though there is not as much of that evidence as we would like, and through data about a set of community businesses that have been supported by Power to Change and its Community Business Fund. It is not an exhaustive literature review, but a working paper that is aiming to make a point about what we do and don't know about these questions and suggesting where to go with that knowledge and uncertainty.

Whilst the paper has been produced as part of an evaluation and learning review of the Community Business Fund that has been led by Renaisi, it should not be seen as an evaluative document. Rather it is an attempt to take some of the learning from that and other work and apply it to a wider question. It contains the views of the author and does not necessarily represent the position of Power to Change or Renaisi.

The paper is structured into five sections: this introduction with some key definitions; an exploration of how Power to Change understands its work in supporting community businesses and how this connects to place; a summary of some existing knowledge about community-led approaches to improve place; a look at the data from the Community Business Fund; and finally, some recommendations and conclusions.



## 1.1 Key definitions

### Community businesses

Power to Change identifies community businesses as businesses led by local people that bring benefits to a local area. It defines them through four criteria:

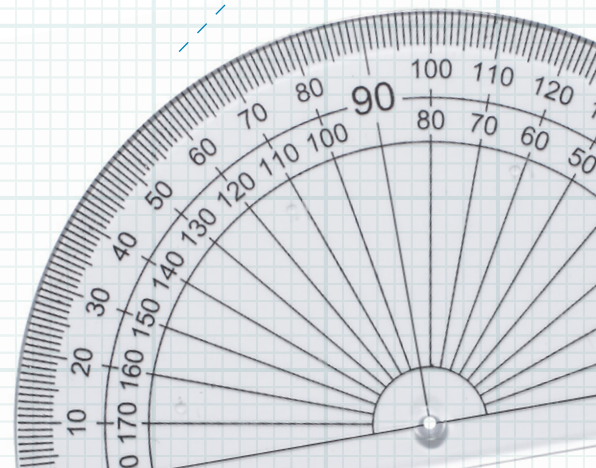
 <b>Locally rooted</b>	 <b>Trading for the benefit of the local community</b>	 <b>Accountable to the local community</b>	 <b>Broad community impact</b>
------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------

As the most recent research on the size of the sector has shown, there is a measurement problem here, as this is not a definition with a simple metric (Diamond *et al*, 2017). The research has estimated that the sector is, depending on methodology, between 4,300 to 8,000 businesses. The sector focused market estimate used in that research gives a figure of 6,600 community businesses in England.

Given that there is so much definitional uncertainty and estimation, much of what is known about community business is based on relatively small samples. This is to be expected in a nascent sector (nascent as defined, not necessarily as lived), and can perhaps be seen in relation to the growing evidence base around social enterprises, of which community businesses are a sub-set (Social Enterprise UK, 2017ii).

### Places

Place is a popular concept in public policy, and it will be explored in this paper. For the purposes of clarity, if it is not made explicit within the document the author takes place to mean the neighbourhood or ward in which the community business is located.



### ▶ **Power to Change's role**

Power to Change is a time-limited and independent funder, providing money, advice and support to help local people come together to take control through community businesses.

Its role has evolved since being set up in 2015, and programmes include those focused-on start-ups, on access to capital, on community shares and on the needs of very small local groups. There is also a focus on place-based approaches to supporting multiple community businesses within one location, and on supporting specific sectors, such as energy and housing.

The Power to Change Research Institute holds a wealth of information about community businesses, funding, publishing and collecting research, including evaluations, research reports, case studies and data sets.

### ▶ **The Community Business Fund**

The Community Business Fund (CBF) is Power to Change's biggest open funding programme. It is aimed at existing community businesses that need funding for a business development project to make their organisation more sustainable (Power to Change 2018i).

The grantees from within the fund are, by no means, a representative sample of community businesses, but they do allow for a large group of established businesses, with plans for sustainability, to be analysed in greater depth than has been possible in other circumstances.



## 2. The value and impact of community businesses

The Power to Change Research Institute has set out nine hypotheses to test about community businesses (Power to Change, 2018). These, rather bravely for a funder, underline the fact that much is not known about community businesses and their role in communities, local economies and as a vehicle for policy. Hypotheses are, therefore, much more honest for a funder to seek to test and explore. Below are those hypotheses that relate to the Power to Change ambition of transforming places.

**Table 1: relevant Power to Change hypotheses**

Transforming places Core assumption: Community businesses transform places by reducing contextual inequality, through corrections to market and government failures.		
Community business hypotheses	Knowledge	Community business delivers the products and services best suited to their area because they are locally rooted and closely connected to the communities they serve.
	Employment	Community businesses increase net employment by hiring people who would otherwise struggle to access the labour market, in jobs that allow them to develop the skills they need to progress.
	Agency	Community businesses increase involvement in local decision-making and levels of social capital because meaningful membership develops skills, voice and access to information.
	Sustainability	Community businesses are less likely to close because local people have a strong sense of ownership and a stake in their success.
Place hypotheses	Collaboration	Community businesses that collaborate with others in the local area are more successful because they can drive down costs through collective bargaining, mutual support and the ability to negotiate up and down their supply chains.
	Resilience	Community businesses that share a common vision with others in the local area are less reliant on local and central government support because assets and surpluses can be used to cross-subsidise otherwise non-viable activities.

In many of these, there is a 'place' angle that is worth exploring in relation to the three question areas of this paper.

– **Knowledge:** this hypothesis suggests that community businesses can deliver something that other types of businesses cannot (perhaps as a result of a market failure) or that they can deliver something better than other types of business as a result of the relationship between the community business and place. This knowledge appears to be an essential part of the relationship between the community business and place.

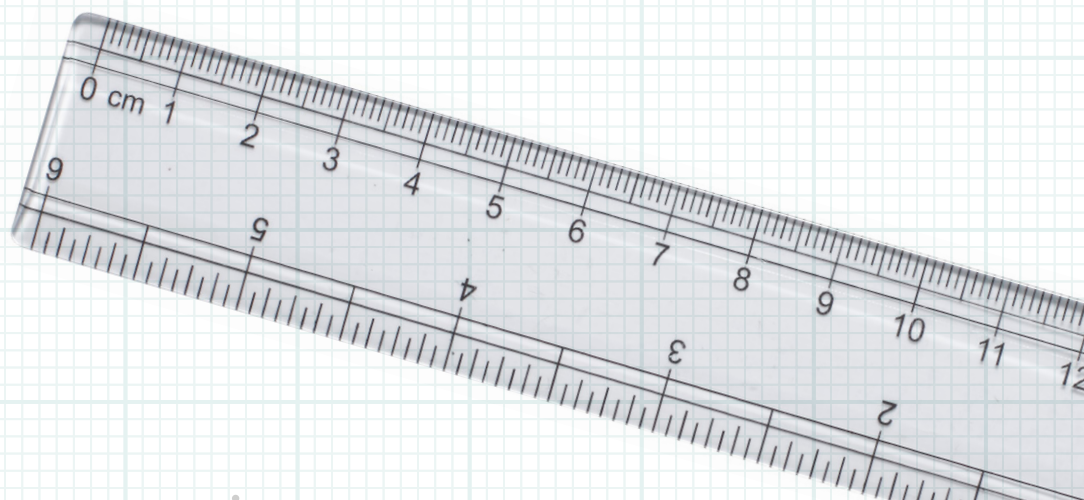
– **Employment:** this hypothesis is not necessarily place-based, but one might assume that the net employment gains would be felt locally, and therefore it is focused on the impact of the businesses on place. This possibly depends on the scale of the businesses.

– **Agency:** this hypothesis is clearly seen as an impact of the businesses – they both create direct opportunities for involvement in decision making, but also lead to greater social capital in the area.

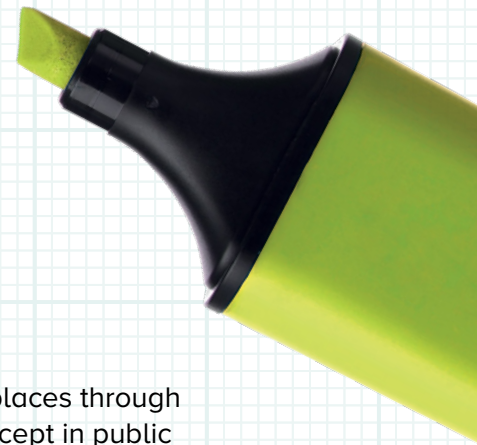
– **Sustainability:** this hypothesis has a weak place relationship in terms of the questions that this paper is interested in, but perhaps suggests something about local buy-in to those business models.

– **Collaboration and resilience:** these hypotheses suggest that having multiple community businesses in an area is good for those businesses and, by extension, the place.

As we explore the issues, we will consider how these hypotheses can support understanding. Whilst the hypotheses are an honest acknowledgement of the state of the evidence, this is not to say that we don't know anything, and these hypotheses are built from lots of experience and other work and related sectors and issues. It's not a blank slate that we're working from, but it's not a neat answer and way forward either.







## 2.1 The place problem

These hypotheses are all under the aspiration of transforming places through community businesses. Place is a popular, but problematic, concept in public policy. In our view, there are three key problems that are relevant here and worth highlighting before looking at community business and place, specifically.

Firstly, **what constitutes a place?** Individuals might define it from street, to neighbourhood, to local authority or to town or city scales. Given we're exploring businesses, the economic geographies or travel to work patterns can also be useful. The interplay between local involvement and economic activity suggest that a neighbourhood (ward) to local authority scale is most likely to be most relevant to this debate, but there will be exceptions. Unless specified, when place is mentioned in this paper, we mean neighbourhood (ward), but we appreciate that the concept is fluid.

Secondly, **what does it mean to intervene in a place-based way?** Everything that government, funders or organisations do happens in a place, but not everything is place-based. The British Academy defines place-based policy as “aligning the design and resourcing of policy at the most appropriate scale of place, in order to develop meaningful solutions, which improve people’s lives”, and we believe this has value due to the focus on both design and resourcing (British Academy, 2017). If a charity, for example, has a service that it delivers in fifty different communities thanks to fifty different local funders, and it delivers them the same way, then this is not place-based even though it is delivered at the most appropriate scale: it is service-based policy, because of how it is designed. Place-based has to build up from questions about that place, and answers that will frequently cut across services and ways of thinking. It is a good fit for community businesses, but these businesses can still be supported in a non-place-based way through targeting resource at the model and not local need.

Thirdly, **how do we know when we've successfully intervened in a place?** So much information about public or social sector intervention is collected or understood at either service level (who did what, and how did they experience it), and administrative data level, which is typically aggregated to local authority or sub-regional scales. Neither of these is particularly helpful for knowing how services connect and are transformed by place, or how things are happening at a micro-scale. This lack of scalable data bedevils many interventions and is one of the most significant barriers to place-based working. Given this, it is even more important to set clear aspirations and hypotheses of intervention (as Power to Change has done).

---

## 3. Knowledge about community approaches

This paper is exploring three question areas:

- iv) **Business creation in place: in which places are individual community businesses created, and is there something particular about the places?**
- v) **Geographic clustering of businesses: is it possible encourage places to grow an ecosystem of community businesses?**
- vi) **Impact on place: what do community businesses do to the places they exist in?**

Whilst the hypotheses described above highlight how much isn't known, this is not to say that nothing is known. The following sections explore some areas of evidence that can support our understanding of community businesses, but also other approaches to improving places, local economies and local control.

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### 3.1 Social enterprises in places

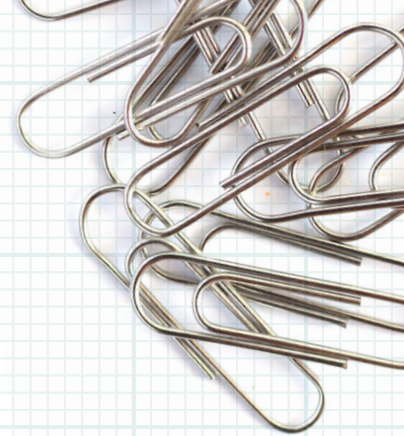
The most recent review of the social enterprise sector found that

**31%** describe themselves as community businesses.

(Social Enterprise UK, 2017ii).

These will be unlikely to fulfil all the criteria set by Power to Change, but it does speak to the scale and focus of operation of these businesses.

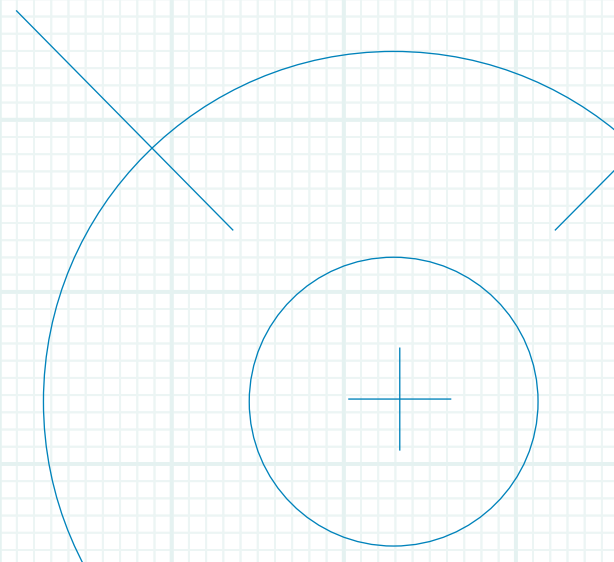
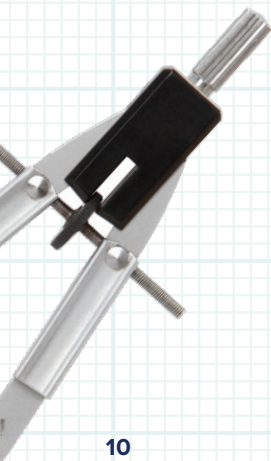
There is considerable overlap between the ambitions of social enterprises and community businesses, and rather like with community businesses, the relationship between social enterprises and places is an important one. We know from the same research that 28% of social enterprises are based in the most deprived communities in the UK and that 44% of them are employing people from disadvantaged groups. They are also growing their turnover faster than other UK SMEs. This speaks to the sorts of places that these businesses are emerging in, and their increasing sustainability.



Social Enterprise UK has also been leading a Social Enterprise Places programme for many years, and at the time of writing there were more than 25 accredited Social Enterprise Places in the UK. A report from the work of three years of that programme highlighted five important features about the places that were joining the programme (Social Enterprise UK, 2017i). Across the programmes these tended to be:

- **Key individuals** – most commonly these are social enterprise leaders with skills, confidence and partnership skills but these are also found in other sectors.
- **Social and economic deprivation** – there is a clear correlation between need and social enterprise activity in most of the Social Enterprise Places.
- **Geography** – several of the Social Enterprise Places are isolated from the main regional economic centres or have (rural) areas which suffer from such isolation. This leads to self-sufficiency, mutual support and local independence.
- **Institutional support** – many of the Social Enterprise Places benefit from the support of larger organisations: this can be the local council, the university, housing associations or larger private sector employers; they bring resources and credibility.
- **History and culture** – several Social Enterprise Places have a history of an alternative or non-conformist culture: a track record of independent thinking and action.

This suggests that social enterprises are different from other kinds of business in terms of both the success of the business and where they are located. The work of the Social Enterprise Places programme also highlights that whilst social and economic deprivation is important to the places where these business models emerge, it is not the only definition. They are both tackling a kind of market failure and building from existing assets and culture.



## 3.2 Community ownership of businesses

The most recent research into the community business market highlights a number of important trends, not least around the confidence of the community businesses sector, in contrast to other small businesses (Diamond *et al*, 2017). The researchers suggest that this could be because the businesses do not consider themselves to be as directly exposed in the light of political uncertainty or it could indicate a degree of short-termism amongst community businesses.

Alongside Power to Change, there are also other organisations looking at the role of different types of community business, such as community shops (Plunkett Foundation, 2017), community energy (Community Energy England, 2017), health and wellbeing services (CEEDR, 2017), and community pubs (Plunkett Foundation, 2018). This is complemented by work on different structures of ownership through community shares (Community Shares, 2018) and how finance can work for community business (Floyd and Gregory, 2017).

This thinking is added to by the resources and case studies on the Power to Change Research Institute site, and the work of more long-standing partners such as Locality and Co-operatives UK which overlap with the work of Power to Change in seeking to develop locally-owned approaches to supporting a change in communities.

In these reports and sites, there is a wealth of examples of successful businesses, of processes of change, and of places improving around those businesses. There is a strong link to themes that are emerging elsewhere of a problem (whether of deprivation, of market failure or of some kind of local disconnection), and some local assets being brought together to lead to change.

There is, however, very little empirical evidence of the role of the community businesses in that change (this change is not unique to community businesses). Power to Change has attempted to address this through boosting the Government's Community Life Survey in six pilot areas (Willis *et al*, 2017i). Whilst it showed a mixed picture of impact around those community businesses, it established a methodology that can be seen as robust and valid, and results that suggested some interesting positive change in at least one pilot area, and some impact on cohesion, local satisfaction and social action indicators (Willis *et al*, 2017ii). The real value of this approach will accrue if the survey is repeated in future years to build up a longitudinal dataset.

Overall, there is a lot of effort and work in this space, and whilst it is moving in a positive direction in regards to evidence, it continues to risk prioritising the anecdotal.

### 3.3 Developing very local economies

Power to Change recently published some research on neighbourhood economic models, which found that start-up rates are higher than average in local areas where:

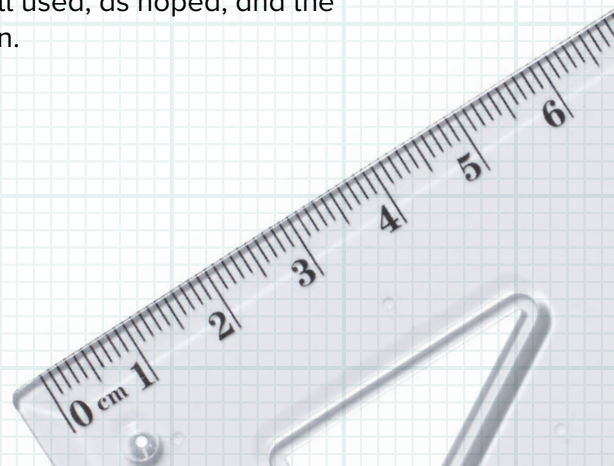
- Recent immigration, both from inside and outside the EU, is higher
- Income and education standards among residents are higher
- Levels of trust within a community – so-called ‘social capital’ – is higher, even where income is relatively low

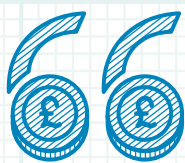
That important and valuable paper claimed that “this suggests that local economies are influenced by social class mix, migration, and social capital, in ways that address inequalities by generating employment and opportunity where there is too little of both” (Reeder, 2017). This will be picked up in the conclusions to this paper and can be seen as supportive of the more qualitative findings of the Social Enterprise Places report (above).

### 3.4 The role of community rights

Community and business approaches to local change are far from the only ones available to communities. There are four key rights that have been encouraged by the government since 2010: the rights to bid, to challenge, to build and to reclaim land. Alongside things such as neighbourhood planning, these have developed a market for interest in local change, and local ownership of the levers of change in communities, and they can connect to business approaches.

Many of these rights have led to positive examples of change, but a 2015 Communities and Local Government Select Committee emphasised the need for these rights to be made more well-known and easier for people to use (HCLG Select Committee, 2015). The rights are not being well used, as hoped, and the report summary includes the following key conclusion.





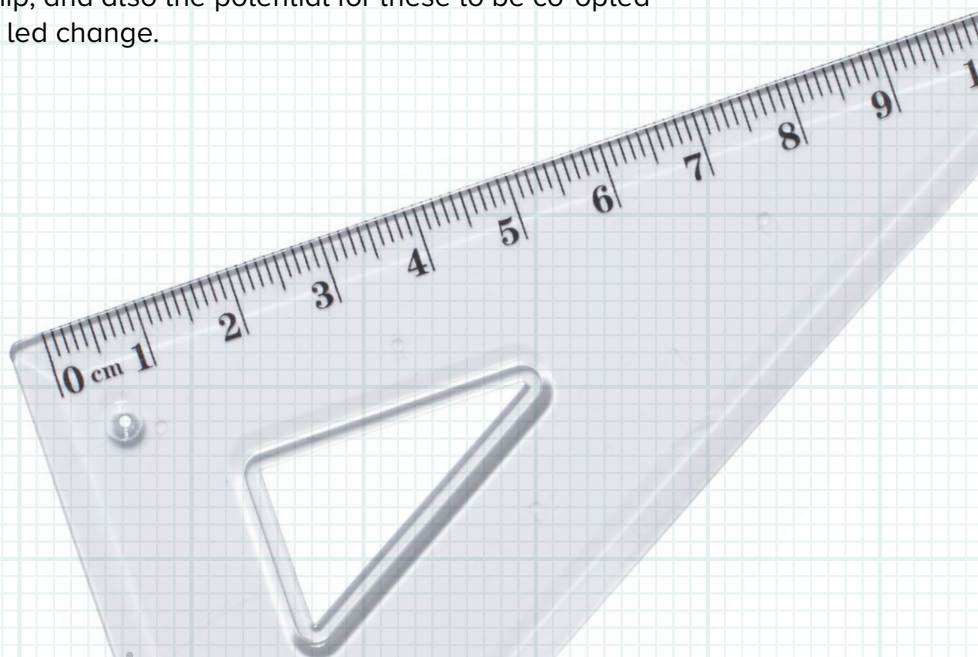
**These reforms will not amount to much, however, unless people are much more aware of the Rights. The Government should redirect resources to community group umbrella organisations that can provide face to face support to local people; it should ensure that advice to local people focuses on what they want to achieve, rather than the technicalities of processes; and it should target more communities in deprived areas, building their capacity with new means of community engagement, so that they are in time able to make use of the Rights.**

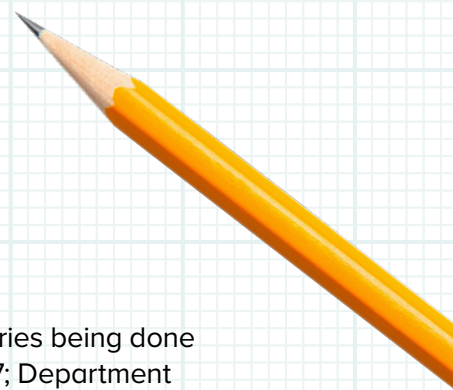


A key issue in awareness is always the availability of information, and Power to Change has worked with MySociety to develop an online database of assets of community value, making it much easier for councils and local people to locate the information about assets: [www.keepitinthecommunity.org](http://www.keepitinthecommunity.org)

Neighbourhood planning, in contrast, appears to be being used, but as a “proponent of sustainability and social purpose in the English housing market”, as opposed to a mechanism to drive house building, which was its intended purpose (Bradley, 2017). Neighbourhood planning has also tended to be used in more rural and affluent areas, on average.

These examples highlight the challenges of government-led approaches to encourage local ownership, and also the potential for these to be co-opted and supportive of locally led change.





### 3.5 Localism and the future of civil society

Finally, there is a considerable amount of wider research and inquiries being done into the future of civil society as a whole (Civil Society Futures, 2017; Department for Digital, Culture, Media & Sport, Office for Civil Society, and Tracey Crouch MP, 2018) and localism in particular (Locality, 2018).

The Commission on the Future of Localism emphasised a need to strengthen community power through institutions; powers; relationships; and, community capacity, and placed a large emphasis on the role of economic power.

Civil Society Futures centred its first year's report on power in the hands of people and communities, and again this contained a strong emphasis on place.

Given the ongoing pressure on local resources from the state and other funders, these reports show a desire to rethink and reframe the role of civil society in the coming years, and community business fits well with their vision.

### 3.6 Key issues

These are four key issues that emerge from this review that is relevant for this paper:

- There is a growing interest in community businesses, in building sustainable models, and also in how this can improve wider outcomes for places and communities;
- There is research, particularly from Power to Change and Social Enterprise UK, that is more precise about where these models emerge from and is not quite so neutral as to suggest that they either can or should happen everywhere;
- There is little empirical evidence about what social enterprises, community businesses or other forms of local interventions do to places; and
- The interest in place-based approaches tends to come from one organisation or sector at a time, leading to a 'place-based approach to x', rather than something which fulfils the aspirations of the place. The recent sector-wide reviews suggest some potential to shift this, but it will always risk being place-oriented rather than genuinely place-based.

## 4. Community Business Fund – a case study

Power to Change has been using the Community Business Fund (CBF) as a vehicle to support businesses to develop projects that will make them more sustainable. It is designed to move organisations on who have both a need and an opportunity, and so whilst it is not a representative sample of the community business market, it gives insight into a group that is in some way established but are not yet sustainable.

This section will use information about the CBF grantees to unpick what we know about the Power to Change hypotheses, and what we know about the three big questions of this paper:

**vii) Business creation in place: in which places are individual community businesses created, and is there something particular about the places?**

**viii) Geographic clustering of businesses: is it possible encourage places to grow an ecosystem of community businesses?**

**ix) Impact on place: what do community businesses do to the places they exist in?**

### 4.1 Business creation in place

The CBF sample is made up of 80 businesses, and their median characteristics are as follows:

Summary (median) characteristics	
Annual income	£276,292
Employees (full-time equivalents)	5.9
Age of enterprise	13
Years trading	9
% income from trading	42%
Deprivation decile <sup>1</sup>	2

<sup>1</sup> Based on the index of multiple deprivation decile of the primary postcode, with 1 being the most deprived.

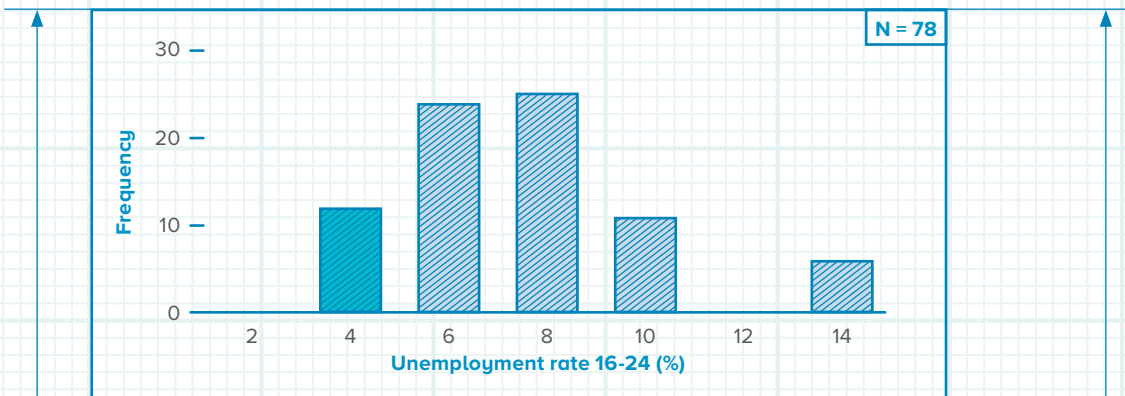


What this tells us is that the typical business in this fund is a small enterprise, that is reasonably mature, but that hasn't cracked a sustainable, trading business model, and is in a highly deprived (but not the most deprived) part of the country.

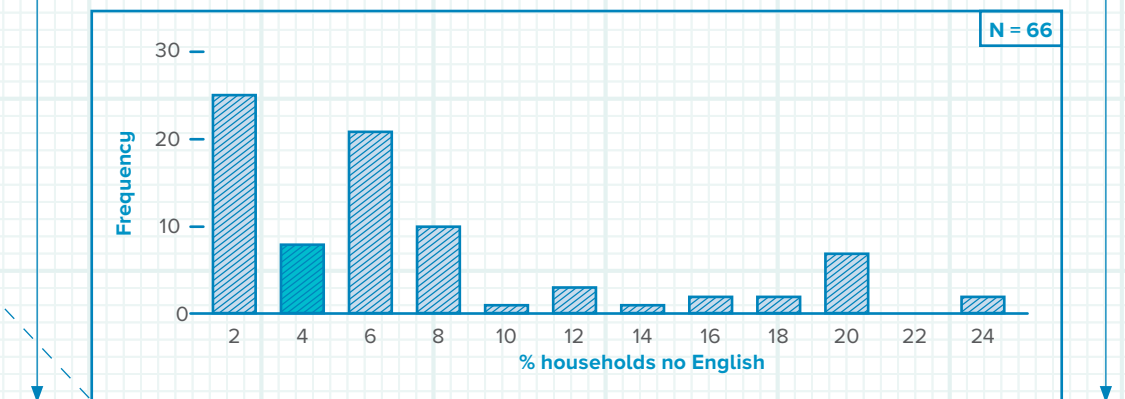
These characteristics don't tell us much about the places that community businesses are emerging from, but there are a number of other important things that can begin to widen our understanding.

We know that unemployment rates are consistently higher and that there are many examples of them being in places with higher percentages of households that don't speak English as a first language (see Figures 1 and 2 below).

**Figure 1. The unemployment rate for the grantee areas. N.B. the England average for the unemployment rate is 4.9% (highlighted in blue).**



**Figure 2. The percentage of households which contain no individuals with English as their main language in the grantee areas. (N.B the England average is 4% (highlighted in blue)).**



We also know that the CBF areas have very similar levels of social grade to England as a whole when looking at occupation, and almost exactly the same levels of skills in the population of the local authorities that the businesses emerge from and England as a whole.

Mean	Highly skilled			Low skilled
	<b>AB</b>	<b>C1</b>	<b>C2</b>	<b>DE</b>
<b>England</b>	<b>23%</b>	<b>30%</b>	<b>22%</b>	<b>25%</b>
<b>CBF Grantees</b>	<b>21%</b>	<b>29%</b>	<b>22%</b>	<b>27%</b>

A key area where the community business fund areas differ to England as a whole is in terms of the size of businesses in the area. 77% of businesses in those areas employ between 0-4 people, compared to 66% in England as a whole.

This strongly supports the research above; that community businesses emerge in places which are deprived, but not unskilled, with higher than average levels of migration and a local economy more dominated by smaller enterprises.

## 4.2 Geographic clustering of businesses

The CBF is explicitly about supporting individual businesses; it is not trying to build up practice in places, but by funding businesses, it has created a place effect. Out of the 80 businesses, five or more are found in four different local authority areas.

**Table 2: clustering of businesses in the CBF**

Local Authority	Grantee count
<b>Tower Hamlets</b>	<b>6</b>
<b>Liverpool</b>	<b>6</b>
<b>Bristol, City of</b>	<b>6</b>
<b>Bradford</b>	<b>5</b>

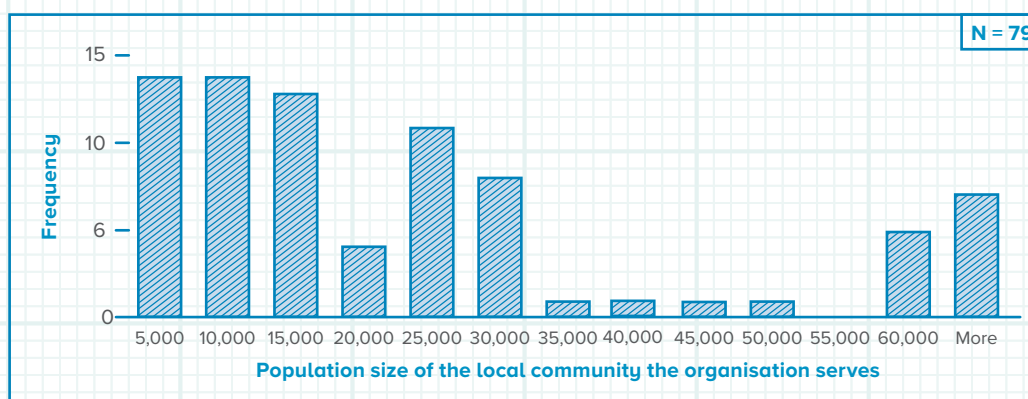
These are all areas with significant experiences of deprivation, migration, access to skills and a history of alternative approaches to working and organising.

### 4.3 The impact of the businesses on place

This section is not looking at the impact of the Community Business Fund on the grantees, but rather using it to find indicators of what businesses are doing to places.

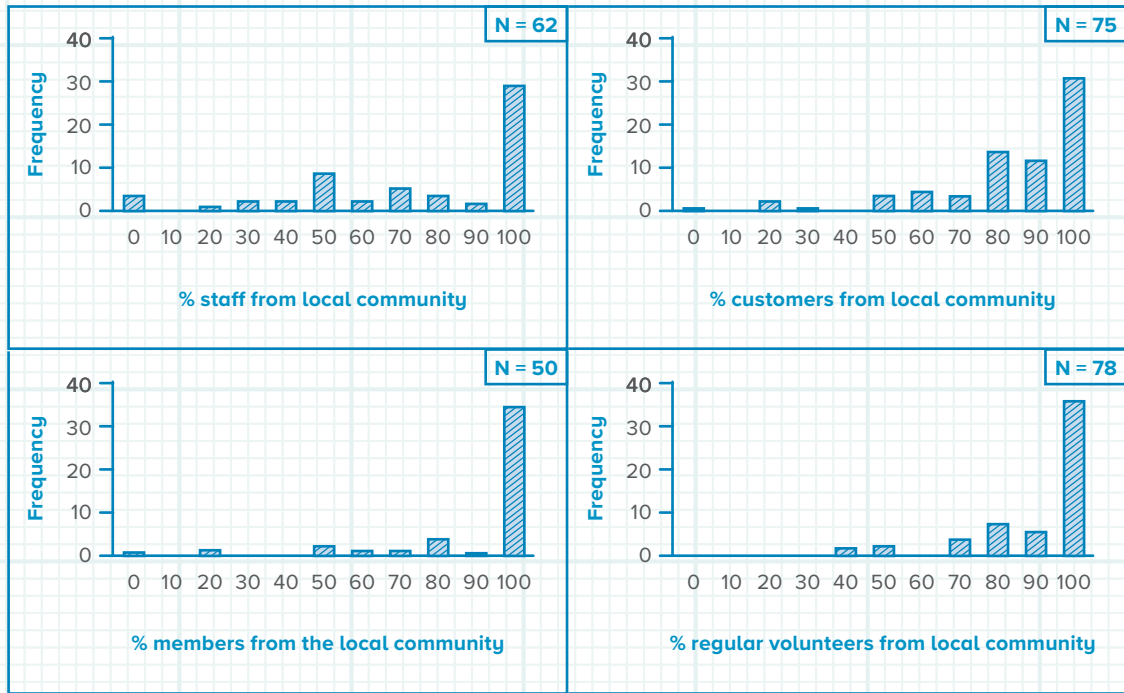
We can see that the businesses are aiming to serve communities of, typically, fewer than 30,000 individuals, although there are some anomalies (see Figure 3).

**Figure 3. The size of population served by the community business**



What then, do they do? They are highly likely to employ staff from local communities, to serve those communities with their products/services, to have volunteers from those communities and to have members of those communities as members of the business (see Figure 4). The challenge is that we don't know how this differs to other local businesses or charities.

**Figure 4. Histograms of staff, customers, volunteers and members from the local community**



In tracking the progress of the businesses that have been supported through the CBF, there is not yet much evidence to support the questions of this paper. Employment by the businesses is remaining static in the first months after investment, and there is a very small effect that suggests it might be slightly shrinking for those businesses with the biggest investments. This effect is not significant at this stage, but this counter-intuitive data point speaks to the challenge of us not knowing what these models do to local economies either as the businesses grow, or when they are established. Without good local employment and enterprise data, these effects of individual businesses get very hard to understand within a local economic context, and this is precisely the context that they are trying to reinvigorate and improve.

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## 5. The power of community business in place – an uncertain situation

This paper has highlighted that there are several things we do not know about the relationship between community businesses and the places, but that does not restrict ideas for how to take this issue forward.

### 5.1 Recommendations

There are three key recommendations for those interested in supporting both community businesses and the business-place relationship, which build from the three question areas:

#### **1. Recognise that the places which stimulate community business growth are atypical.**

Whether in other research for Power to Change, or the work of organisations such as Social Enterprise UK on their Social Enterprise Places programme, we do have evidence that these sorts of business models typically emerge in places that share some characteristics. These are economically deprived places, with a greater than average level of recent migration, a higher level of skills than is typical for their deprivation level, and they are places (although this is much harder to measure) with a history of alternative approaches to social problems and so have some of the assets and institutions that support these business models.

We believe that this means that effort should not be placed in trying to support the creation of community businesses in places that do not share at least some of these criteria. It does not mean that no resource should go to businesses in other places, as there are clearly successful businesses in places without these, but rather a place-based approach should focus on the areas that have the capacity to use it. If these conditions are not in place, then a place-based approach to community business is unlikely to be successful.

It is recommended that Power to Change look to continue to build the evidence for what these criteria are more precisely.

#### **2. Don't see community businesses as a success when thinking about places.**

If the first point stands, then structurally these places are more likely to establish these kinds of business models. The creation of more of them is not, therefore, a mark of success for those places. Too often, reports in the social sector celebrate the activity, but this places too little emphasis on more structural conditions. These business models may not be the right approach to bring economic resilience and local wellbeing to a place, but the local area is more likely to default to them. There is a risk that a focus on 'people-powered localism' celebrates the defaults of places, and not what it might take to improve

that place for local people. This statement is full of assumptions that others may challenge, but it is worth being critical about whether what we naturally do, either individually or collectively, is necessarily what we need. This is not to say that community businesses cannot be a significant agent of change, but it should never be viewed as a success in its own right as the above point highlights it is not ubiquitous, and it is contingent on place.

### 3. Prioritise building the local data

As has been highlighted by the Power to Change Research Institute in other work, there is not enough known about neighbourhood level enterprises and what happens around them. We do not know what happens to a local economy when a community business is set up. And fundamentally, that is all that matters and not the number of local employees of that business. It is essential that this data is collected in a way that allows for more nuanced understanding. If, for example, local employment does decrease as community businesses grow, then knowing when this happens would help to support growth of the model.

## 5.2 Reviewing the hypotheses

In terms of the hypotheses of Power to Change:

- **Knowledge:** We don't know it in comparison to other businesses, but the place contingency suggests that there is a local knowledge effect. Many of the CBF businesses that are being supported are more like community hubs than traditional enterprises, and it will be important to understand whether that knowledge is being used for sustainable models, whatever the business.
- **Employment:** There is currently little known about the role of community businesses in shaping local employment patterns. Data about one enterprise does not tell us much about what is happening in the wider labour market.
- **Agency:** The mixed results of the community life survey suggest that we don't have a clear answer to this.
- **Sustainability:** The CBF is designed to build sustainable models, and whilst there is no evidence yet to support this, there should be some review of whether sustainability is more likely in community business rich places, compared to others.
- **Collaboration and resilience:** These hypotheses suggest that having multiple community businesses in an area is good for those businesses and, by extension, the place. Much more needs to be done to have any clear understanding of the agglomeration effects of these businesses, but the four areas highlighted above that are particularly supported by the CBF could be a starting point.

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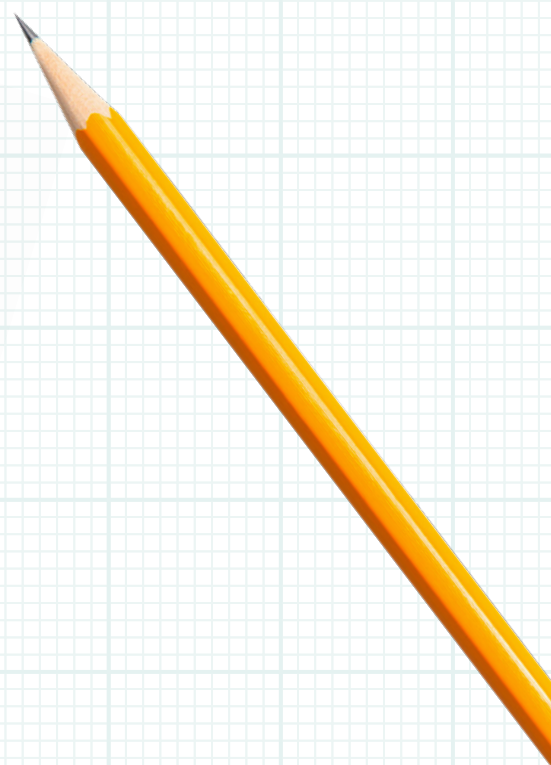
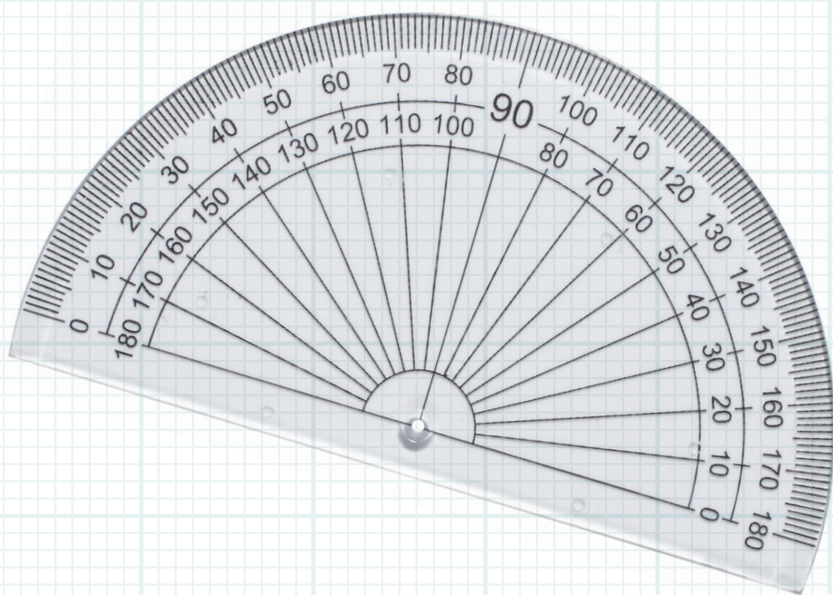
## 6. Conclusion

It is not always clear what organisations mean when they say they want to work in a place-based way.

Power to Change, through a combination of different funding models and its commitment to hypotheses about its work, has set out to test some of these relationships and to understand what it might mean to intervene around place and support the relationship between business, place and impact.

This paper has tried to highlight three simple ways of looking at the problem, which need to be kept separate to be clear about the problem, and three recommendations to take that forward.

Power to Change is in an excellent place to do it but to really succeed it will need the help of other organisations who prioritise place and alternative models to improving the socio-economic conditions of the places that we live. It will also need to work with others to break the problem of a local economy data gap.



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