



power to  
**change**

business in  
community  
hands

## **Invitation to Tender:**

# **Employment and skills in local economies- the role of community businesses**

**Suzanne Perry, Research Officer**  
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# Introduction

## About Power to Change

Started in 2015, [Power to Change](#) is an independent charitable trust endowed with £150 million from the Big Lottery Fund to address social need by growing community businesses in England. Our vision is better places through community business. Our [2016-18 strategy](#) and our [2017 Annual Report](#) provide further information on our objectives and activities. Our [definition of community business](#) guides our activities across funding, support, and research.

## Our activities

Power to Change offers funding and support to the community business sector. Funding and support comes in the form of open calls (such as our [Community Business Fund](#)) and targeted funding programmes, such as to support particular sectors or businesses at a certain stage in their life-cycle. An example of a targeted programme is the “[More than a pub](#)” programme, offering funding and support to community-owned pubs. Other targeted programmes are in development.

In addition to offering funding and support directly to the community business sector, we invest heavily in research and impact measurement. 5% of our £150 million endowment has been allocated to research into the community business sector. This funding supports the activities of the [Power to Change Research Institute](#). This research is being commissioned by the Research Institute and will form part of our ongoing programme. Please see the Power to Change Research Institute webpage for more information about the [research that the Institute has conducted since its inception](#) and the framework developed for measuring the [impact of Power to Change on places and the wider community business marketplace](#).

# Background to the research

## Why we want to look at this topic

The research that Power to Change has conducted to date tells us that skills and employability development are important as community business activities as well as for their social impact. For example the [Community Business Market in 2018](#) research showed a marked increase in survey respondents identifying training/education and employment information and guidance (IAG)/employability as secondary activities (5% and 2% respectively in 2017 compared to 27% and 20% in 2018), most likely indicating an under-report in the 2017 survey. As a combined sector including: employment IAG; training and education; and business support, ‘Business and employment support’ was the second most chosen sector in the survey, after community hubs. In addition, around three quarters of community businesses selected ‘increased employability’ as their *overall* social impact (taking both primary and secondary choices into account).

What is not clear from these findings is what activities are actually taking place under ‘business and employment support’, and whether and how they result in ‘increased employability’. Are community businesses predominantly delivering specific skills development services or are

community businesses tending to offer skills and confidence development to their (paid and unpaid) workforce as part of their day to day activities? Interestingly, but perhaps unsurprisingly, seven in 10 community business survey respondents that offered business and employment support were operating out of community hubs (multi-purpose community-led centres). We are keen to illuminate the employment and skills development activities of these types of businesses as well as others.

In addition Power to Change have a set of [hypotheses](#) which enable us to test our assumptions about the community business market. One of these is: “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”. (Note: we are in the process of updating this to include the volunteer workforce). For example the evaluation of our Community Business Fund found that a minority of grantees employed people who would otherwise face unemployment, either because of the economic situation of the surrounding area or because they had support needs that meant they were unlikely to gain employment elsewhere (Renaisi, 2019). Interestingly, in research funded by Power to Change, the Heseltine Institute at the University of Liverpool ([2019](#)) also found that community businesses in Liverpool City Region are concentrated in areas of high deprivation and offer employment opportunities to people living in these places. And NCVO ([2018](#)) research highlights that many people volunteer as a means to developing their skills as well as to do something for their communities.

The growing interest in local economic development, circular economies and local wealth building is important context for this research. The means of growing economies in such a way that “local people and communities benefit, social outcomes are secured and wealth is fairly distributed” ([Centre for Local Economic Development \(CLES\), 2018:1](#)) is gaining traction with local decision makers, but it is not yet mainstream. Key to these ideas is the concept of inclusive growth: ensuring widespread and good quality paid employment in a local area, often to those who may have otherwise found it difficult to find work. Whether community businesses in England have the capacity to deliver this is something Power to Change is particularly interested in and we have recently funded CLES to explore this (report forthcoming summer 2019; drafts can be shared with the successful bidder for this work). Other important context relates to the development of Local Industrial Strategies in England, and the focus on reducing inequality and raising productivity across the board.

Of central importance then is the need to identify which groups of people, who may have found it difficult to participate in the local labour market, are benefitting from community business opportunities to be part of a workforce or are recipients of skills development services. In addition, we are interested in uncovering the characteristics of community businesses that lead three quarters of them to cite ‘increase employability’ as one of their social impacts. How does this differ in comparison to traditional businesses - is it because they are more flexible, provide a different environment, take a different approach or other reasons? There will be differences too between businesses capacity to offer opportunities depending on their sector with some requiring more of their workforce to have specific skills, such as transport, housing and health and social care ([Perry, McNabola and Harries 2018 pp21-25](#)) whereas others can develop less specific skill sets (e.g. pubs, shops and cafés).

Power to Change is increasingly interested in how community businesses’ skills and employability development activities contribute to local economic development, the potential significance of this effect and how this can be encouraged. With increasing devolvement of central government budgets and skills policies to Local Economic Partnerships (LEPs) and local and combined authorities, combined with a general reduction in and competition for said

budgets, this research is timely and of interest for both the community business sector and central and local government.

### **What we will gain from this research**

From this research Power to Change and other interested parties will gain an understanding of the ways in and extent to which community businesses develop skills and increase employment and employability of local people, particularly those who might be disadvantaged and find it difficult to enter and/or progress in the labour market. In addition, the exploration of the subsequent impact of this on particular local economies will enable community businesses and Power to Change to advocate for and accurately communicate about community business' current and potential contribution to local economic development.

Further to this, we hope that the published work will help community businesses engage with LEAs and combined authorities and to have a place at the table when discussing local industrial strategies, area-based regeneration initiatives, and other topics of interest to those stakeholders.

### **The intended audience(s) and how we will share findings**

- Policymakers and commissioners in central and local government with an interest in skills, local economies and community businesses
- Those interested in understanding, supporting or investing in the community business sector – this includes Power to Change, as well as other partners
- Academic researchers, think tanks and research institutes who are interested in local economic development and community businesses
- Community businesses and organisations who want to better understand or evidence the impact of their skills development capacity on local economies

Findings are predominantly to be shared with local and combined authorities as well as central government via key contacts which Power to Change holds. The findings may be shared at meetings, events, general communications, consultation responses and/or select committees amongst other streams of communication. The findings will also be actively circulated to our general and research specific readership as well as those of our wider networks and referenced in future related publications and work.

## **The research**

### **Research aim**

The aim of this research is three-fold: firstly it will seek explore the ways in which community businesses contribute to employment and skills development, be that through formal service delivery or workforce (employees or volunteers) development. In addition it will identify the socio-economic groups that the beneficiaries belong to. Thirdly, it will aim to identify the ways that the development of employment and skills contributes to local economies and the extent of this contribution.

## Research questions

### Mapping

In what ways do community businesses contribute to employment and skills development in their local<sup>1</sup> area?

Which demographics and groups are particularly supported/served by community businesses in terms of their employability and skills development?

What kind of workforce (jobs, wages, skill type and level, volunteer roles) and skills development opportunities are offered by which types of community businesses?

What uniquely characterises community businesses in comparison to other organisations in terms of their capacity/suitability for skills and employability development activity?

Are there any notable geographic or sectoral trends?

### Impact measurement

What impact does community businesses employment and skills development activity have on local economic development?

Are community businesses skills and employability development activity having actual impacts on individuals? E.g. increased employability.

What role do community businesses play in supporting the employment and skills goals of other local organisations (such as, but not limited to, local authorities, LEPs, Combined Authorities)?

How successful are community businesses in engaging local economic stakeholders and in articulating the impact of their activities?

## Methodology

We appreciate that this is a complex area and therefore suggest that a staged approach for the work, to develop and test a method before expanding the scope of the work. We suggest an initial feasibility phase conducted in one case study area.

We anticipate that the research will require a mixed methods approach. This should include

- A **mapping exercise** that provides
  - A detailed account of the types of employment-related activities undertaken by community businesses
  - A detailed account of the beneficiaries of this activity – the groups that community businesses are helping to develop their skills

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<sup>1</sup> Power to Change have identified three distinct ways of defining what we mean by a community business' 'local community'; 1. A red line on a map. Often drawn along political lines rather than organic. Prevalent amongst organisations growing out of past regeneration programmes. 2. Natural neighbourhoods. Local residents define the boundaries often in an unofficial way. 3. Radial. An organisation's area of benefit is that within a certain radius around it. (See [Harries and Miller, 2018 p10](#)) However defined, a collection of local neighbourhoods with community businesses delivering on skills and employability may have an impact on a wider local economy which may include a collection of these local communities but may have the political boundaries of a Parish, ward or combined or local authority for example.

- An **economic analysis of the impact** of skills and employment development by community businesses in their local economy
- A **system view** – portraying how community businesses sit within the local ecosystem, relationships with local authorities, and whether they are visible as formal employment and skills development providers or are providing more informal activities

We want the findings from the above feasibility phase to enable us to ascertain how far it is possible to evidence the connection between community businesses' skills development activity and their impact on local economies. Taking account of the results of the feasibility stage we would then expect the study to continue in at least three more areas using either the same or altered research methods or tools.

To account for different types of labour markets, we want to see a comparison between urban and rural localities as well as a 'deprived' area and more economically buoyant (but not particularly affluent) one. We are keen for some of the localities/community businesses chosen are within some of our [Empowering Places](#) or priority Cities and Counties (Suffolk, Liverpool City Region and West of England).

We understand that looking at four distinct areas will not make findings from this study generalisable. However, we expect significant amounts of demographic, economic and historical context to be included for each area so as make a particular case for each as well as apply the findings to places with similar conditions.

To support this work, Power to Change will provide access to relevant datasets where possible. Information may include anonymised administrative and evaluation data about our community business grantees as well as data about the communities they are situated in.

We expect this study to take no longer than nine months.

We invite bidders to suggest to us alternatives to the above to ensure use of the most appropriate methods to answer our research questions.

## Quality

Research quality is important to us. The Research Institute aims to build a robust social and economic evidence base around community business, that will stand as a legacy of Power to Change. We invite bidders to consider how they can work with us to deliver high-quality research, and to make alternative proposals where they feel an amended budget or approach could deliver better quality. The Research Institute benefits from the support of an academic Research Panel (see Annex A) who will provide peer review advice to the Research Institute.

This research project will have an Advisory Group comprising relevant individuals from local and central government, other funders, community businesses and interested intermediary organisations. We invite bidders to make suggestions for Advisory Group members in their bid.

Proposers should set out how they ensure their work adheres to ethics guidelines, and how they embed equality and diversity in their research.

# Deliverables

## Reporting and dissemination

The following are the anticipated deliverables for this research:

**Literature review** to include any examples of how other types of business/organisation's impact on the local economy has been measured and any other relevant literature and resulting research framework.

**Short feasibility report and presentation to the advisory panel** to consider the initial results and guide discussion to help support and steer the next stage of the research.

**Main report structure** to be agreed with us in advance of report-writing.

**Main report** presenting the findings from the research activities outlined above aimed at Power to Change and policy makers and shapers.

Research reports should contain an executive summary and a methodology section, and all sources must be clearly referenced using the Harvard system. A bibliography should be included as an appendix, along with other relevant information such as lists of consultees or interviewees, where relevant. All research reports are published under Creative Commons licence.

**Case studies** should be written so that they can also exist as stand-alone outputs (a case study template can be discussed with us after project inception). These will be added to our case study library on our website and shared widely through our communications activities.

**Other outputs** (such as articles, blogs) which we may do independently or work with the successful supplier to co-author the outputs.

Reports should be presented in Microsoft Word format. We will undertake graphic design and publication at Power to Change, this does not need to be included in your budget.

## Other deliverables or outputs

Anonymised **datasets**. It is our intention at the Research Institute to make the underlying data from all of our commissioned research openly available via our website.

Bidders should budget for participation in one **dissemination event**.

# Project management

## Timescales

Our timescales for commissioning this research are as follows:

Suppliers invited to tender	12:00 Monday 20 <sup>th</sup> May
Confirm intention to bid	12:00 Monday 28 <sup>th</sup> May
Suppliers respond	09:00 Monday 17 <sup>th</sup> June
Selection	Panel review 17-22 <sup>nd</sup> June Interviews (if required) will be held by Skype Monday 24 <sup>th</sup> June between 13:00 and 16:00
Successful bidders notified	No later than 17:00 Wednesday 26 <sup>th</sup> June
Project inception	Week commencing Monday 1st July

## Budget

We have reserved an indicative budget of £50,000 excl VAT for this work. As part of your proposal, please provide detailed costings for the research, showing costs per phase and per individual member of the team. Please also address our emphasis on research quality and how this can be achieved within the available budget.

## Project management day-to-day

The Project Manager for this work will be Suzanne Perry, Research Officer at the Power to Change Research Institute.

In addition to the research advisory group noted above, a member of our Research Advisory Panel will conduct a peer review of the first draft of the main report in order to ensure research quality and robustness. See Annex A for further details.

# How to apply

Please confirm your intention to bid by 12:00 on 28<sup>th</sup> May by emailing Suzanne Perry, [suzannep@powertochange.org.uk](mailto:suzannep@powertochange.org.uk)

Please submit a proposal of no longer than 8 pages outlining how you would deliver this research to Suzanne Perry, [suzannep@powertochange.org.uk](mailto:suzannep@powertochange.org.uk) by 12:00 Monday 17<sup>th</sup> June.

Your proposal should cover the following:

- Understanding of this brief
- Approach to doing this work
- Detailed timetable
- Price breakdown
- Team, including individual profiles
- Track record with examples of projects completed relevant to the brief

We are happy to receive single organisation or consortium proposals.

We will assess proposals against the following criteria:

- Demonstrated understanding of community business
- Demonstrated understanding of local economies
- Demonstrated knowledge of different groups who may be disadvantaged in the labour market
- Suitability of methodology
- Capacity in team for economic analysis
- Quality of research proposed
- Capability to carry out proposed research including ability to reach and work with community businesses
- Relevant experience of team and of organisation

# Appendix A: Research Governance

The Power to Change Research Institute is supported by a Research Advisory Panel.

Members of the Panel support the Power to Change Research Institute by advising on priorities for the Institute's forward research programme, as well as ways to make research outputs relevant and accessible to the widest possible range of audiences.

Members of the Panel also help to ensure that research produced by the Power to Change Research Institute is of the highest quality, by advising on questions of design and methodology. Panel members may also be invited to join Advisory Boards for specific research projects and to peer review Research Institute publications.

## Advisory Peer Review

A member of the Research Panel will be invited to peer review each of our research outputs.

The identity of the Peer Reviewer will remain confidential. Peer Review will take place during the final drafting phase as follows:

- First draft report (or other output) submitted to PtC
- Draft shared with relevant PtC staff and Peer Reviewer
- Combined feedback given to research authors by PtC Research Institute team
- Research authors re-draft and finalise report (or other output)

## Panel Membership

- Stephen Aldridge - Director of Analysis and Data at the Ministry for Housing, Communities and Local Government
- Charlotte Aldritt - Director, Centre for Progressive Policy
- Prof. Nick Bailey - Professor of Urban Regeneration, University of Westminster
- Sarah Longlands - Director, IPPR North
- James Henderson - Director of Policy, Performance and Communications, Sheffield City Council
- Charlotte Hollins – Manager, Fordhall Farm
- Finn Jensen - Director/Company Secretary, Pennine Community Power
- Iftikar Karim - Senior Manager, All Saints Action Network
- Dr. Neil Lee - Assistant Professor of Economic Geography, LSE
- Prof. Fergus Lyon - Professor of Enterprise and Organisations, Middlesex University
- Prof. Cathy Pharoah - Co-Director of the Centre for Charitable Giving and Philanthropy, CASS Business School
- Dr. Alan Southern - Co-Director, Heseltine Institute, University of Liverpool
- Prof. Marilyn Taylor - Visiting Research Fellow, Institute for Voluntary Action Research
- Christian Van Stolk - Vice President, RAND Europe
- Ed Wallis - Policy and Public Affairs Manager, Locality