

# **IN OUR HANDS**

## **Next Steps: Executive Summary**

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# EXECUTIVE SUMMARY

## THE IN OUR HANDS CONFERENCE

This report seeks to capture the learning highlights from the In Our Hands conference which took place in October 2019 with the goal of creating policy and practice to further community business in the Liverpool City Region.

Four key, interactive breakout sessions were held to encourage discussion between experts, community businesses, and local authorities on four specific themes.

## THIS REPORT

Discussions at the conference were recorded so that key learning from those conversations could be captured and shared. This report highlights those learning points across the four key themes, and makes recommendations to build on this learning in the future.

Liverpool City Region has a vibrant, growing community business sector, and is home to 84 community businesses who employ more than 600 paid staff. This is a key asset for the area, and its potential is aptly being explored and captured by the Metro Mayor, Combined Authority, and local authorities.

There are clear benefits for both local authorities and community businesses in working together. For local authorities, strengthening communities, retaining wealth in those communities, and delivering positive impact are key benefits. Whilst for community businesses some of the benefits relate to access to contracts, the potential to obtain community assets, access to funding, and access to support.

## KEY THEMES

A key theme which cuts across the four different strands of this report is that there is a lack of understanding of what community businesses actually are. This was raised both by community businesses and other stakeholders. Improving understanding of community businesses would have general benefits and benefits specific to the four themes below which are highlighted throughout the report. Community businesses are locally rooted, income-generating businesses which specifically benefit and impact their local community<sup>1</sup>.

### **Local authority procurement**

Local authority procurement is large, equalling around £100 billion in 2017/18. It can provide stable income for community businesses if they are able to secure contracts to deliver services.

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<sup>1</sup> See page 9 for the full definition of community businesses

In discussions at the In Our Hands Conference, the key topics were positive and negative experiences of procurement and the actions that both local authorities and community businesses can take to improve access to procurement for community businesses.

A key learning point from the discussions is that better collaboration and engagement is needed, including earlier engagement, easier access, and using plain English to talk about procurement.

Community businesses and supporting organisations could:

- collaborate to share information and skills, and understand the potential of bidding for contracts as consortia where possible
- develop a *Guide to Procurement for Community Businesses* and consider wider training, information, and advice on working with local government

Local authorities could:

- write and publicise plain-English guides to their procurement rules and processes with a view to making the process accessible to those who do not regularly deal with procurement processes
- consider their use of online procurement portals and how they communicate through them considering how to build better relationships with community businesses and other local contractors and making them more accessible to those who are not procurement specialists
- hold a procurement listening exercise to listen to community businesses and other local contractors about their positive and negative experiences of procuring from the local authority
- ensure they are implementing pre-market engagement activity where permissible and as early as possible in the commissioning process
- consider the services that local community businesses (according to the mapping exercise outlined in section 4) could help support or co-design and engage them on this process, ensure they are being invited to tenders, and engaged in pre-market engagement activities
- identify a single procurement officer who can be a key point of contact for community businesses, and the wider community and voluntary sector
- consider holding training, providing information, and offering advice for local community businesses in how to work with your particular local authority and its structures

### **Financial and business support**

Financial and business support is crucial to the health of the community business sector. Power to Change and local partners are developing work to improve access to finance and support for community business in Liverpool City Region.

At the In Our Hands conference, the discussion focused on this work so far and its recommendations. Key questions included what is needed to support community businesses in the future, what their future funding needs are, and what their future support needs are.

Community businesses raised many relevant considerations with respect to improving funding and support in the Liverpool City Region, which included:

- The need for community businesses to better understand support currently available to them by improving awareness and understanding of the support
- The need for support providers and other stakeholders to better understand what community businesses are and are not, improving the offer of financial and business support for community businesses
- Better capturing and articulating the value of community businesses and their impact
- Support and funding, which account for skills, training, and careers in community businesses
- Supporting community businesses to develop business plans
- Support that is grounded in a good relationship and understanding between community businesses and the provider
- Funding and support that better reflects the needs of community businesses at different stages of their life cycle
- Stronger community business networks and peer-to-peer support
- Community businesses having a say over the delivery of support and funding
- More standardised support and funding in the Liverpool City Region

Given that a body of work is currently ongoing to improve access to finance and support for community business in the Liverpool City Region, the themes described above should be considered and embedded in the design of any funding or support vehicle as it moves forward in the Liverpool City Region.

### **Community Ownership**

Across the UK, there are at least 6,300 community-owned assets—which have been found to improve local economic resilience and community wellbeing. These assets are often brought into community ownership to preserve or improve them or provide benefits for the local community. However, the community asset transfer process is complex and fraught with difficulty.

Improving the community asset transfer process was the key focus of conversations around community ownership at the In Our Hands conference.

Key learning points emanating from these discussions were:

- Community businesses should develop credible business plans for the asset
- Community Businesses should identify funding in an early a stage as is possible
- Community Businesses should ensure their legal status meets necessary requirements
- Local authorities often do not have Community Asset Transfer (CAT) policies even though they are considered to be very helpful where they are in place
- Local authorities often give tight deadlines for the CAT process
- Local authorities need to build trust and strong relationships with community businesses for CAT to be successful

Local authorities could:

- ensure they have an up to date CAT policy, developed in partnership with community businesses, which accounts for the complexity and difficulties of the process in a meaningful way
- create a localised, plain-English guide to CAT which contains an email address and phone number for a member of council staff who can answer incoming queries from establish and emerging community businesses
- assign one named individual to each CAT process as it begins as a main point of contact
- draw up a list of local voluntary and community sector organisations that can provide support and guidance to community businesses investigating or attempting CAT to be shared with community businesses when approached
- agree timescales for any CAT in discussion with the community businesses involved

Community businesses seeking to start or during the CAT process could:

- establish a single point of contact or project lead who can liaise with the local authority
- map out available funding pots as early as possible, prioritising them for approach according to their fit for the project, approaching them as early as feasible and aiming for non-repayable finance for initial work
- undertake a skills audit with existing partners

### **Influencing local government**

Local government is very important to community businesses. Not only because local authorities provide permissions over licensing and planning, but also

because they are key stakeholders in the local economy and communities. There are clear mutual benefits for community businesses and local authorities working together.

However, there is a low level of understanding about how both local authorities and community businesses engage with one another. The sessions at the conference on influencing local government discussed what community businesses do not understand about the workings of local government and how they can better influence local government—with input from both community businesses and local authorities.

This low level of understanding is exacerbated by a clear theme from the discussions: community businesses do not necessarily know where to start building a relationship with their local authority. There are clear information gaps between local authorities and community businesses understanding each other's purposes, functions, and processes. Better relationships between local authorities and community businesses can help to address this.

The workshop highlighted a range of things that community businesses can do in order to better influence local government. The bullet points below highlight the key points from the discussion that took place, but *a guide to local government for community businesses* is available on the Power to Change website (Hull 2019).

- Community businesses can approach local Councillors, inviting them to look around and to understand what community businesses do. This will help them see the worth of community businesses' work and connect to any support that might be needed.
- Community businesses can deepen their understanding of what they offer and be explicit about it with local authorities, telling their story with data and case studies will show their impact and the difference they make in the community. It is really valuable for community businesses to demonstrate their worth, and it can help them build productive relationships and have more influence.
- Building broad relationships will help community businesses grow their influence too. It is legitimate to and worth investing time in building strong working relationships with Councillors and Council staff (often referred to as officers). These relationships should be with different aspects of the Council to ensure greater resilience.
- The public sector reaches beyond local authorities and community businesses can too. Local authorities are not the only public sector bodies where community businesses can add value. This includes clinical commissioning groups, academy chains, colleges, universities, and NHS trusts. It is also worth considering building a relationship with local MPs.

Building on the points discussed above, local authorities could improve their relationships with community businesses in their area with specific next steps, making it easier for community businesses to understand and engage productively with them. They could:

- conduct an extensive mapping exercise of community businesses and social enterprises, including their area of focus or expertise, to produce a regularly updated list so better engagement can take place, including for example, inviting them to tenders, including them in policy consultations, and working with them on the co-design of services
- provide support to community businesses about planning, licensing, and other areas where the local authority's permission may be required, in plain English
- clearly highlight to which portfolio community businesses and the broader social economy belong
- share the community business and social enterprise mapping exercise results with ward members, highlighting those in their own ward
- hold a community business and social enterprise engagement event explaining the work of a local authority, the local authority's strategic goals, the role community businesses can play within that, and how the local authority will continue to engage them
- ensure that community businesses and the broader social economy is included explicitly in consultation strategies and investigate co-design approaches in partnership with communities on new strategies

## QUICK WINS FOR LOCAL AUTHORITIES

1. Local Authorities should map the community businesses in their district and identify a key contact at each community business mapped, providing community businesses with a named contact within the local authority
2. Local Authorities should lobby for community businesses to be recognised in the Local Industrial Strategy process and seek to provide them with representation on boards such as Local Enterprise Partnerships
3. Local Authorities should produce a 'jargon buster' for procurement to help community businesses
4. Local Authorities should include community businesses in market engagement as early as possible during procurement processes where the local mapping exercise shows that there are community businesses that work in relevant fields to the goods or services the local authority is considering procuring
5. Local Authorities should draw up, implement, and publish a transparent, plain-English community asset transfer policy
6. Local Authorities should train key staff involved in particular thematic areas like procurement and economic development in what community businesses are and are not seeking to increase the depth of support it can offer in doing so
7. Local Authorities should consider changes to procurement processes and the nature of the process, provide identifiable points of contact, clear instructions and review relationship with online portals (eg use of the Chest procurement portal) and check understanding of how to use these portals with providers including community businesses
8. Local Authorities should review their procurement processes so that public facing information that is written in plain English is available to such an extent that it would allow an individual to apply for and successfully obtain a relevant contract without expert procurement knowledge