

Research Institute Report No. 27

Employment and skills

The role of community businesses

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Contents

1. Executive summary	3
1.1 Background	3
1.2 Key findings	4
2. Introduction	11
3. Methodology overview	13
3.1 Stage two: Roll out	13
4. Key findings from literature review	15
5. Key findings	16
5.1 Introduction	16
5.2 About the community businesses	16
5.3 Community business workforce (employees and volunteers)	20
5.4 How community businesses contribute to employment and skills development	34
5.5 Community business service users	50
5.6 Situation pre-community business involvement and currently	50
5.7 The community business offer	63
5.8 How community businesses operate within their local eco-system	66
6. Economic analysis of the impact of skills and employment development	76
6.1 Approach	76
6.2 Results	79
6.3 Discussion and Summary	88
7. Overall conclusions	90
7.1 Community businesses' contribution to employment and skills development	90
7.2 Socio-economic groups of beneficiaries being supported by employability and skills development	92
7.3 The ways the development of employment and skills contribute to local economies	95
7.4 Economic analysis of the impact of skills and employment development	96

About this paper

This report, commissioned by Power to Change in September 2019, explores how community businesses' skills and employability development activities contribute to local economic development. It aims to help Power to Change and community businesses to better communicate about community business' current and potential contribution to local economic development. This report presents findings from twelve community businesses that were studied in depth.

About the authors



SERIO is an applied research unit, based within the University of Plymouth, providing specialist evaluation and research services to public, private, and third sector organisations, both regionally and nationally. SERIO employs a core interdisciplinary team of research professionals from a variety of backgrounds and, additionally, collaborates with academics from across the University of Plymouth, as well as other external specialists, to provide the best possible expertise and insight. Our services enable our clients to make informed decisions and develop effective policy and strategy.

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1. Executive summary

1.1 Background

The aim of this research is to provide new, robust evidence to the knowledge base around how community businesses' skills and employability development activities contribute to local economic development. To do this, Power to Change commissioned SERIO, an applied research unit at the University of Plymouth, working alongside economists from the Business School, to research the contribution of community businesses in skills and employability development, and how these activities contribute to local economic development. The research had the following three aims:

- Explore the ways in which community businesses contribute to employment and skills development.
- Identify the socio-economic groups of their beneficiaries.
- Identify the ways the development of employment and skills contributes to local economies, and the extent of this contribution.

The research was conducted between September 2019 and July 2020. During phase two (January to July 2020), twelve community businesses were studied in depth. Data was gathered by means of interviews with community businesses and local stakeholders, online surveys with community business employees, volunteers and service users, and an economic analysis of the data collected. The businesses were mainly located in urban areas – either in a city or a town. As a result, it is likely that these businesses will face different contexts and challenges from community businesses based in more rural areas.

1.2 Key findings

Community businesses support people who are disadvantaged in some way

Community businesses aim to **support people who are disadvantaged in some way**, and provide employment and volunteering opportunities to, and support service users from, those belonging to a socio-economic group who are disadvantaged from the labour market in some way.

Table 1 highlights that, when compared to the general working population and general population, it is evident that community businesses are:

- Engaging with **higher proportions** of people with a **long-standing physical or mental illness or disability**, through employment or volunteering and as service users.
- Through their volunteering opportunities and service users, they are engaging with **higher proportions of those with a caring responsibility**.
- Supporting **higher proportions** of service users identifying their **ethnicity as BAME**.

Table 1: Supporting employees, volunteers and service users who are disadvantaged from the labour market

Socio-economic characteristic	% of paid staff	% of volunteers	Benchmarking data (paid staff)	Percentage of service users	Benchmarking data (% of general population)
Long-standing physical or mental illness or disability	20%	25%	13%	29%	18%
Caring responsibilities for someone who is sick, disabled or elderly	11%	23%	14%	18%	10%
Ethnicity identified as BAME ¹	10%	8%	12%	20%	15%
English not first language	8%	10%	8%	9%	8%

¹ Black, Asian and Minority Ethnic

Community businesses are moving people from unemployment into work

Community businesses often **support people who were previously unemployed** or face some form of disadvantage from the labour market who may not otherwise be able to access opportunities available to them. Anecdotal examples were provided by community businesses **of volunteers who have progressed into employment** as a result of their role at the community business. The survey amongst employees and volunteers also indicates a positive shift in individuals' situation from their position before being involved in the community business, with reductions in those out of work and looking for paid employment and increases in those volunteering and being in paid employment part-time.



18%

of employees surveyed were out of work and looking for work previously (5% moving into full-time employment and 14% into part-time employment)



11%

of volunteers indicated they hoped to gain employment as a result of their involvement with the community business

Community businesses understand and are trusted by the local communities they represent

Community businesses are viewed as being **embedded and trusted within their local communities**, with high levels of knowledge and understanding of the communities they serve and the challenges they face. Providing **employment opportunities** for local people with similar backgrounds to the local community **ensures staff** can better **relate to the local community** the business serves. As Table 1 illustrates:



29%

of service users have a long standing physical or mental illness or disability, as do 25% of volunteers and 20% of paid staff



18%

of service users have a caring responsibility, as do 23% of volunteers and 11% of paid staff



While 20%

of service users identified their ethnicity as BAME this compared with just 8% of volunteers and 10% of staff, however ethnicity data is very localised and the findings are heavily skewed by survey data from a small number of community businesses. Where substantial data is available for all beneficiary types (survey data from employees, volunteers and service users) from a single community business the profile is a much closer match, with close to half of both service users and paid staff identifying their ethnicity as BAME



For 9%

of service users English is not their first language, as is the case for 10% of volunteers and 8% of paid staff

Community businesses offer flexibility to staff and volunteers

The community businesses in the research provide employment and volunteering opportunities for local people in the communities in which they operate, which are usually deprived areas, and as a result are often **more flexible** about the requirements that volunteers, in particular, must meet. Many organisations **tailor the volunteering role to the individual**.

Community businesses provide skills development and training opportunities

In the last 12 months, **65% of employees and 27% of volunteers received formal training**. Furthermore, of those that received formal training, this resulted in a formal qualification for 60% of full-time employees, 32% of part-time employees and 21% of volunteers. In addition, **84% of employees and 48% of volunteers received informal training**.

In comparison, in the **Employer Skills Survey (2017)² businesses reported that 62% of their workforce received training (formal or informal) in the last 12 months**. This demonstrates that even though community businesses may have fewer resources (capacity and finances) to provide training, this group of community businesses are delivering a comparable proportion of formal training to and a greater proportion of informal training than more traditional businesses.

Furthermore, community businesses are providing these opportunities to paid staff and volunteers who are disadvantaged from the labour market some way (see Table 2).

² Employer Skills Survey (2017) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/746493/ESS_2017_UK_Report_Controlled_v06.00.pdf The UK Employer Skills Survey is one of the largest business surveys in the world, with the data based on survey responses from over 87,000 employers.

Table 2: The proportion of socio-economically disadvantaged staff and volunteers receiving formal and informal training

Socio-economic characteristic	% of paid staff receiving formal training	% of volunteers receiving formal training	% of paid staff receiving informal training	% of volunteers receiving informal training	Benchmarking data (% of paid staff receiving training)
All paid staff and volunteers	65%	27%	84%	48%	62%
Long-standing physical or mental illness or disability	61%	23%	89%	62%	
Caring responsibilities for someone who is sick, disabled or elderly	70%	42%	80%	50%	
Ethnicity identified as BAME ³	89%	25%	89%	100%	
English not first language	29%	40%	71%	60%	

Table 2 highlights that community businesses are:

- Providing training to a broadly comparable proportion of paid staff when compared with more traditional businesses.
- Providing formal training to higher proportions of paid staff with a caring responsibility and those who identified their ethnicity as BAME.
- Providing formal training to higher proportions of volunteers with a caring responsibility and those for whom English is not their first language.
- Providing informal training to higher proportions of paid staff with a long-term health condition or a physical or mental disability and those who identified their ethnicity as BAME.
- Providing informal training to higher proportions of volunteers with a long-term health condition or a physical or mental disability, caring responsibilities, those who identified their ethnicity as BAME and those for whom English is not their first language.

³ Black, Asian and Minority Ethnic

The profile of community businesses' formal training and qualification offer could be raised amongst key stakeholders

Many stakeholders viewed community businesses as providing primarily informal training and skills development activities for employees, volunteers, and external service users. This highlights **that stakeholders are generally unaware of the formal training and qualifications that many community businesses provide**. There is an opportunity for community businesses to promote their training and skills-development offer more widely.

Community businesses provide more than just training and upskilling



70%

of survey respondents cited increased confidence as a benefit of informal training and 27% for formal training

Other benefits of both formal and informal training amongst paid staff and volunteers include developing new skills and knowledge, in turn enabling them to carry out their role more effectively, and increased employability, helping to move volunteers closer to the labour market or into employment.

For service users, other benefits include networking skills, practical skills, health improvements and improving their personal situation, and it is evident that the training provided to service users provides more than simply new skills; these **skills and increased self-confidence enable them to improve, and in some cases transform, their lives**.

Volunteer roles are typically lower skilled than those of employees in community businesses, reflecting that volunteers are not there to fulfill particular jobs in the business but to support it and gain valuable skills, and these **skills and experience gain can result in volunteers progressing into paid employment or self-employment**.

Community businesses' social value predominantly comes as a result of people engaging with the business as a volunteer or service user, rather than through the training provided

The economic analysis highlights that community businesses **are contributing to local economies as a result of their employment and skills development opportunities and local people's engagement with the community business**, although it is difficult to quantify the exact extent. However, based on the data collected it is clear that the social valuation of community businesses is greater than, or equal to, the gross value added (GVA) valuation.

The analysis highlights that social value tends to be derived more from the **act of regular volunteering and participation by service users** than through training.

The evidence suggests that community businesses 'do what they say on the tin', that is their economic value is felt far more within the community that they serve rather than within the business *per se*.

2. Introduction

Community businesses are usually established by local communities in order to meet a local need, whether that is to revive local assets, protect the services on which people rely or address local needs. Power to Change define community businesses as:

	<p>Locally rooted</p> <p>They are rooted in a particular geographical place, drawing employees and volunteers from the local area and responding to local needs, such as high levels of urban deprivation or rural isolation.</p>
	<p>Trading for the benefit of the local community</p> <p>They are businesses with any profits remaining in the local area for the benefit of the community. Their income comes from things such as renting out space in their buildings, trading as cafes, selling produce they grow or generating energy.</p>
	<p>Accountable to the local community</p> <p>They are accountable to local people, for example through a community shares offer that creates members who have a voice in the business's direction.</p>
	<p>Broad community impact</p> <p>They benefit and impact their local community as a whole. They often morph into the hub of a neighbourhood, where all types of local groups gather, for example to access broadband or get training in vital life skills.</p>

Power to Change is an independent trust whose funding is used to strengthen community businesses across England by helping local people come together to take control and make sure their local areas survive and stay vibrant. Power to Change invests heavily in research and impact measurement in order to better understand the community-business marketplace and the challenges it faces.

Research already undertaken by Power to Change has highlighted that 'business and employment support' and 'employability' are important to community businesses, both as business activities and for their social impact. However, this previous research did not explore the details of the business and employment support activities that are taking place, or if and how these activities result in increased employability.

Power to Change is interested in testing its hypothesis that ‘community businesses improve skills development amongst local people by creating jobs and providing development opportunities for those who would otherwise not actively participate in the local labour market’. The government’s plans for the development of local industrial strategies in England also offer an opportunity to further develop the growing interest in local economic development; circular economies and local wealth building; and the concept of inclusive growth – ensuring economic growth benefits everyone, with a focus on employment opportunities for those who may otherwise find it hard to work.

The aim of this research is to provide new, robust evidence to the knowledge base around how community businesses’ skills and employability development activities contribute to local economic development. To do this, Power to Change commissioned SERIO, an applied research unit at the University of Plymouth, working alongside economists from the Business School, to research the contribution of community businesses in skills and employability development, and how these activities contribute to local economic development. The research had the following three aims:

- Explore the ways in which community businesses contribute to employment and skills development.
- Identify the socio-economic groups of their beneficiaries.
- Identify the ways the development of employment and skills contributes to local economies, and the extent of this contribution.

3. Methodology overview⁴

The research consisted of an initial literature review of relevant research to contextualise how other types of businesses and organisations have measured their economic impact in order to draw comparisons between more traditional businesses and community businesses in terms of measuring economic impact.

As this is a new area of research, the main research took a staged approach, with stage one involving the development and testing of a research approach, as detailed in the Technical Appendix. SERIO took into account learnings from this stage to revise the approach for stage two.

3.1 Stage two: Roll out

A targeted approach was taken, focusing on recruiting community businesses with a high quality and well-functioning employment/ skills/ training offer for their beneficiaries (paid staff, volunteers and service users). Eligible community businesses were offered an incentive of £300 for participating in the research as a thank-you for their time and contribution. A total of 12 community businesses participated in stage two of the research, which was the target sample size.

Drawing upon the reflections from stage one, all research tools were reviewed and refined in collaboration with Power to Change. Telephone interviews were undertaken with representatives in senior or management positions from the 12 community businesses, who then distributed the online survey to their staff, volunteers and service users. To encourage response, a Love2shop gift voucher for the value of £5 was offered to all beneficiaries completing the online survey as a thank you for their contribution.

The primary research was undertaken during the Covid-19 pandemic. This presented additional challenges as community businesses' engagement with their employees, volunteers and service users was impacted, as a result both of businesses being unable to operate as normal and of employees being furloughed. In addition, the research team was unable to undertake visits planned with the community businesses to incorporate face-to-face interviews with community business representatives and their beneficiaries to help maximise engagement. As a result, beneficiary response rates were lower than anticipated, and this was particularly the case amongst service users. Telephone interviews were undertaken with 12 stakeholders representing the local authorities, Local Enterprise Partnerships (LEPs) and representatives of the social enterprise and community business sector.

⁴ Full details of the methodology are contained within the Technical Appendix.

Finally, an economic analysis of the impact of skills and employment development by community businesses was undertaken using the HACT Social Value Bank which evaluates, in monetary terms, the well-being improvement of things like regular volunteering and participation in community activities and hence can be used to quantify some of the broader socio-economic impacts of community businesses. The metrics required for this particular valuation methodology were able to be collected through the telephone interviews with community businesses and online surveys amongst their beneficiaries.

The findings presented here are based on the 12 community businesses that participated in the research and a sample of their beneficiaries, and are therefore not representative of the community-business sector as a whole. As highlighted above, the response from beneficiaries was lower than anticipated, so the survey findings and subsequent economic analysis draw conclusions from the more limited data that were collected.

4. Key findings from literature review⁵

Research around local economic growth and the inclusive-growth agenda highlights the fundamental role community enterprises can play in addressing the needs of disadvantaged areas, as well as linking the community with businesses and mainstream services.

It is evident that there is a diverse array of approaches to measuring and demonstrating impact, including a growing number that focus on social impacts. Notably, traditional demand-based approaches do not take into account the more social impacts emerging from skills and employability development activities, and therefore supply-based analysis is more appropriate when looking to measure the impact community businesses have on the local economy.

Research undertaken by the Institute for Voluntary Action Research (IVAR) for Locality suggests that a single approach will not be meaningful for every case and there is a need for varied and bespoke approaches (Locality, 2017). The research acknowledges that the organisation in question should be involved in the design of the approach and encouraged to highlight ‘contributions’ and the role played in wider social, economic or environmental change, rather than focusing on ‘attributions’.

As well as the more tangible aspects measuring economic growth, such as job creation, local supply chains and gross value added (GVA), the literature also highlights the importance of businesses’ developing the softer skills of their workforce and beneficiaries, and how this in turn contributes to the local economy by, for example, increasing employability through confidence building or developing interpersonal skills.

The following summarising points relating to community businesses can be drawn from the literature:

- Established demand-based approaches will capture some economic contributions of community businesses but fail to account for the full economic impact of community businesses and their distinctive impact on social outcomes that benefit local communities.
- Alternative measurement approaches, particularly on the supply-side, can address some of the gaps. However, it is widely acknowledged that approaches and methodologies are constantly evolving.
- There is an increasingly broader acceptance of the positive impacts of skills and employment activity on the local economy but it is still likely that the contribution of community businesses is being underestimated.

⁵ The full literature review is contained within the Technical Appendix.

5. Key findings

5.1 Introduction

This section provides an overview of the key findings from the telephone interviews with the 12 community business representatives and strategic stakeholders, and online surveys with the community business beneficiaries (employees, volunteers and service users).

5.2 About the community businesses

The 12 community businesses varied in size, scale and scope of activities undertaken but, as a result of the recruitment criteria, all were ultimately underpinned by a focus on providing training and skills development activities to support people into employment. The majority of businesses discussed their training and skills development offer as evolving over time, based on the needs of the community and being responsive to this, in both what they offer to external people and in training their own employees and volunteers to meet the needs of the local community. Table 3 provides a summary of the community businesses participating in the research, the majority of which were located in urban areas, either in a city or a town. As a result, it is likely that these businesses will face different context and challenges from community businesses based in more rural areas.

Table 3: Overview of participating community businesses

Community business	Location	Established	Business type	Size of business (no. of employees)	Aim and purpose
198 Contemporary Arts and Learning	London	1988	Arts organisation/charity	Micro	Nurture and support the career of emerging, under-represented artists and advance public interest in the visual arts.
BCB Training	Barnsley	2001	Charity and social enterprise	Micro	Provide training and education in the construction industry, with opportunities for some of the most difficult-to-engage local residents.
Bristol Wood Recycling Project	Bristol	2004	Social enterprise and cooperative	Small	Wood recycling/reselling/furniture manufacture.
Café Indie	Scunthorpe	2013	Cooperative	Micro	Daytime café, evening music venue, underpinned by employability project that provides work experience, training and youth work support to young people aged 16–25.
Chichester CDT	Chichester	2010	Community development trust	Micro	Community development by developing skills and supporting projects that create local opportunities, employment and community spirit.
Goodwin Development Trust	Hull	1994	Social enterprise, community development organisation	Medium	Operate 20 services from 15 different sites throughout Hull, including children's centres and nurseries, conference centre, community college, disability care facilities, sports pitches, a youth and arts centre, with further investment in building high-quality social housing, plus renovating empty properties to create additional social housing.
Halifax Opportunities Trust	Halifax	2000	Charity and social enterprise	Medium	A charity supporting communities to become self-sustaining. Offers support for the unemployed to get back into work, citizenship and ESOL classes to promote integration and various qualifications and apprenticeship opportunities to help people upskill.

5. Key findings

Community business	Location	Established	Business type	Size of business (no. of employees)	Aim and purpose
Homebaked Co-operative Anfield Limited	Liverpool	2013	Cooperative	Small	Bakery & café. Aims to provide quality affordable food for community; quality jobs for community; training for community.
Renovate CIC	Glossop	2015	Community Interest Company	Micro	Bridge the gap between training and employment by enabling trained people to receive hands-on work experience within the community. Provide people who have been unemployed the opportunity to gain work experience and a reference allowing them to move to paid employment.
Royds Community Association	Bradford	1992	Community association	Small	Economic and social regeneration along with step change in life opportunities for local people. Provision of community buildings for health, community activity employment, business start-up, advice and for rent. Provision of contracted activity in health, economy, environment, neighbourhood management and neighbourhood development.
Southern Brooks Community Partnerships	Bristol	1988	Community partnership	Medium	Provide practical support to help people get on in their lives, including training courses, job clubs and one-to-one support. Also operate a community café and youth centre to support people of all ages to change their lives and communities. Ultimately aim to build sustainable communities by improving community cohesion, reducing poverty and reducing loneliness and isolation to improve health and wellbeing and skills and learning.

Community business	Location	Established	Business type	Size of business (no. of employees)	Aim and purpose
Wellspring Settlement	Bristol	1911	Community hub	Medium	A community resource centre providing a range of services to build cohesive communities, support people into employment and manage personal finances, as well as providing family support services. Also operates a café and provides space for tenant organisations.

Source: SERIO community business interviews

The response rate amongst employees and volunteers of the community businesses was mixed. Employee/volunteer surveys were not received from three of the businesses, and this was generally a reflection of the challenging circumstances at the time of the primary research (see section 2.1). Amongst businesses where survey responses were received the response rate varied widely, from 3% to 100% response. A total of 168 survey responses were collected from employees and volunteers across all businesses. Of these 168 responses, 118 were received from employees and volunteers of two community businesses, which therefore means that findings will be skewed towards the views of beneficiaries of these businesses.

The 12 community businesses employed an average (mean) 49 employees, although this is skewed by two organisations employing more than 180 employees. Without these two organisations the average is 21, which is closer to, albeit still greater than, the average number of employees of community businesses surveyed in 2019,⁶ which was 14 (Higton et al, 2019). The average number of volunteers in this sample is also greater than national figures. The average number of volunteers engaging with the community businesses who had volunteers at the time of interview is 50, compared to the community businesses surveyed in 2019, which was 32.⁷

Full details of the demographics of survey participants can be found in the Technical Appendix.

5.3 Community business workforce (employees and volunteers)

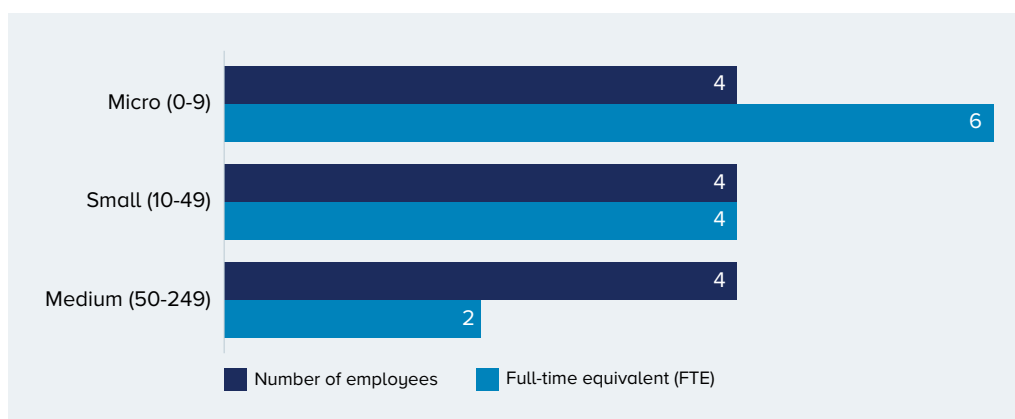
This section focuses on details regarding the community businesses' workforce, exploring the make-up of the workforce in terms of both paid staff and volunteers. All but one of the community businesses taking part in the research are run by paid staff and volunteers, with the remaining business being run by paid staff only.

At the time of interview, the community businesses taking part in the research together employed a total of 585 paid staff, with numbers ranging from three up to 191 across the individual businesses. Chart 1 below highlights the size bands of the businesses taking part, both in terms of the number of employees and the number of full-time equivalent (FTE) roles. Due to part-time positions at many of the businesses, a greater number of businesses were micro in size when analysing FTE (6 businesses), compared to small (4) and medium-sized (2) businesses.

⁶ Power to Change Community Business Survey 2019, Base = 310

⁷ Power to Change Community Business Survey 2019, Base = 309

Chart 1: Size of community businesses – employee numbers (n=12)



Source: SERIO community business interviews

Community businesses also provided details on the number of volunteers at their business, for both trustee/committee members and other volunteering capacities. All the community businesses involved trustees, board members or committee members. At the time of interview, the number of people engaged in trustee, board or committee member roles across all businesses totalled 93, ranging from three to 16 across the individual businesses.

Details on the numbers involved in other volunteering capacities are provided in Table 4 below. At the time of interview, the community businesses taking part in the research together engaged with around 485 volunteers, ranging from 10 to 150 across the individual businesses, with one not engaging with volunteers at the time of interview and another not engaging with any volunteers generally. Medium-size businesses (based on employee numbers) tend to have a higher number of volunteers, with three of the four having 50–150 volunteers. Volunteer numbers for small and micro businesses were more varied, and ranged from 1–49 for all.

Table 4: Number of volunteers engaged with community businesses (n=12)

Volunteer numbers	No. of community businesses
0–9	2
10–49	7
50–150	3

Source: SERIO community business interviews

5.3.1 Requirements of employee and volunteer roles

Community business interviewees provided information on whether their paid staff or volunteers need to meet any requirements in order to be considered for employment or recruitment. The majority of interviewees indicated that employee roles are more likely to have requirements, compared to volunteering positions. The most common requirement for employees is to have qualifications essential for the position, such as qualifications in childcare, youth work, finance, construction or health and safety. Interviewees also commented that for many paid staff roles, similar to roles in more traditional businesses, potential employees should meet the essential requirements of a job description and personal specification. Some experience is also desirable, although not important for every role.

Due to the nature of the work amongst many of the community businesses, a DBS (Disclosure and Barring Service) check is also a requirement for paid staff and some volunteers. Interviewees generally indicated that volunteer roles are more flexible, with competences not always needing to be met prior to commencing, and that roles can be tailored to the individual.

Interviewees also emphasised the need for staff and volunteers to have values that echo those of the business and for employees in particular to have an understanding of the social purpose of the business. For some, the social-values element is as important as relevant work experience.

‘When recruiting we look for people that fit the bill in terms of social inclusion [skills] as much as industry experience ... People’s social awareness is as important as any other skills they can bring because of the range and variety of people who come through the door as volunteers.’

Community business representative

5.3.2 Situation pre-community business involvement and currently

Interviewees discussed the situations of paid staff before they came to work for the community business as varied, which was reflected in the responses of survey participants. The majority of interviewees stated that some of their staff were previously in employment, and 76% of survey participants were previously employed or self-employed (see Table 5). Several interviewees highlighted that some of their workforce were previously unemployed, including long-term unemployed: 18% of survey participants were out of work and looking for work. Interviewees discussed those who were unemployed as including people further from the labour market, for example, people with learning disabilities, carers, people who were in custody or those who lacked confidence.

Some interviewees reported that some employees started with the business as volunteers and had progressed to a paid role as a result of the experience they had gained through volunteering; 3% of survey participants were previously volunteers, however, where they had previously volunteered was not specified. In addition, 10% of employees stated that they were previously in education and 3% were homemakers.

The circumstances of volunteers prior to volunteering with the community business were even more varied and wide-ranging. The majority of participants (49%) were previously employed or self-employed, 16% were retired and 16% were homemakers. Other previous situations of participants included volunteering (9%), unemployed and looking for work (7%), and unable to work (4%). Interviewees also highlighted that some volunteers are people experiencing homelessness.

'They're unemployed typically or economically inactive, people that are caring for family, lone parents, and they want to get back into the workplace.'
Community business representative

'They are from diverse backgrounds. Some people want to just have a change from day to day life, they might work in offices, have professional backgrounds ... other people who have been homeless, or suffering from mental health issues and looking to get back on their feet. Some people are referred from care agencies and are looking for structure in their day and social integration. Also, retired people still have lots to give and they want to contribute to the work we do, they are valuable members and give a lot.'
Community business representative

Table 5: Situation pre-involvement with community business and currently (n=168)

Situation		Paid staff		Volunteers	
		Before	Currently	Before	Currently
Employed, full time	No.	43	45	11	9
	%	42%	44%	19%	16%
Employed, part time	No.	17	49	14	14
	%	17%	48%	25%	25%
Self-employed	No.	17	11	3	4
	%	17%	9%	5%	7%
Out of work and looking for work	No.	19	1	4	4
	%	18%	1%	7%	7%
Out of work but not looking for work	No.	2	0	0	0
	%	2%	0%	0%	0%
Homemaker	No.	3	4	9	8
	%	3%	4%	16%	14%
Student/ in education	No.	10	4	4	4
	%	10%	4%	7%	7%
Retired	No.	0	1	9	10
	%	0%	1%	16%	18%
Volunteer	No.	3	2	5	20
	%	3%	2%	9%	35%
Unable to work	No.	0	0	2	2
	%	0%	0%	4%	4%
Other	No.	1	1	3	0
	%	1%	1%	5%	0%

Source: SERIO employee and volunteer online survey
N.B. Participants could select multiple responses

The majority of participants had been in their previous position relatively long term; 58% of participants had been in the same position for over 2 years (see Table 6). This was particularly the case for those who were employed or self-employed; 69% of full-time employees, 74% of part-time employees and 73% of those who were self-employed had been in their position for over 2 years. However, participants who were previously out of work and looking for work tended to have been in that position for a shorter period of time; 74% were short-term unemployed (unemployed for less than 12 months), compared to 26% who were long-term unemployed (unemployed for 12 months or more). Responses from those who were previously volunteers were more mixed; 50% had been volunteering for up to 1 year and 50% for 2 years or more.

Table 6: Length of time in previous position before involvement with community business (n=168)

Length of time in previous position		Employed– full time	Employed– part time	Self-employed	Out of work and looking for work	Out of work but not looking for work	Home-maker	Student/ in education	Retired	Volun-tee	Unable to work	Other	Don't know/prefer not to say	Total
Up to 1 year	No.	9	3	5	17	0	0	5	2	4	2	3	1	44
	%	16%	2%	3%	10%	0%	0%	3%	1%	2%	1%	2%	1%	26%
Over 1 year, to 2 years	No.	8	5	1	5	2	1	2	3	0	0	0	0	24
	%	15%	16%	5%	22%	100%	8%	13%	27%	0%	0%	0%	0%	14%
Over 2 years	No.	38	23	16	1	0	11	9	5	4	0	2	0	98
	%	69%	74%	73%	4%	0%	92%	56%	45%	50%	0%	40%	0%	58%
Don't know	No.	0	0	0	0	0	0	0	1	0	0	0	1	2
	%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%	50%	1%

Source: SERIO employee and volunteer online survey

NB: Participants could select multiple responses for 'previous position'

Paid staff were also asked about their current situation. In addition to being employed, some paid staff are also in education, homemakers or volunteers. Previously, 18% of staff were out of work and looking for work, compared to only 1% now (a freelancer), highlighting that the community business has provided employment for people who were previously unemployed. The current situations of volunteers are more varied; 48% are also employed or self-employed, 18% are retired, 14% are homemakers and 7% are students.

The proportions of volunteers who are out of work and looking for work (7%) or unable to work (4%) are unchanged.

Survey participants were also asked what best describes their main position within the community business (see Table 7). More than half of all participants (55%) are employees of the organisation, with 25% employed full time and 30% employed part time. More than a third of participants (34%) are volunteers and 6% are freelancers.

Table 7: Main position within community business (n=168)

Position within business	No.	%
Paid staff member – full time	42	25%
Paid staff member – part time	51	30%
Volunteer	57	34%
Freelancer	10	6%
Don't know	8	5%

Source: SERIO employee and volunteer online survey

Those participants who are currently employed by a community business or self-employed were asked if their salary has changed since becoming involved with the community business. Almost half of all participants' (47%) salary has increased, and for almost a third (32%) their salary has stayed the same. Only 17% of participants stated that their salary has decreased.

Those participants whose salary had changed were asked if they felt their involvement with a community business had contributed to this; of the 49 participants who answered, 67% felt that it had compared to 27% who felt it was unrelated. The remaining 6% were unsure. The majority (20%) of participants who felt it had contributed attributed this to progressing within the community business, including both formal job promotions as well as taking on additional responsibilities. Other participants discussed their salaries as increasing due to organisational or funding growth (12%), development of their own skills (12%) or increased confidence (2%). A further 4% of participants highlighted that their salary is higher as they were previously unemployed. Finally, 18% of participants chose to accept a salary decrease to join a community business.

Volunteers were asked how often they volunteer for the business and for how many hours. More than half of all volunteers (57%) volunteer on an ad-hoc basis, as and when they are needed or are able to. This compares with just over a third (36%) who volunteer for regular hours. In total, volunteers contribute 192 hours per week to the community businesses, for an average of 4.5 hours per week

per volunteer. However, there is significant variation within this; some volunteers contribute 1–2 hours per month and some contribute 20+ hours per week. Comparably, recent research commissioned by Power to Change shows that 2.1 hours per week per volunteer on average are spent volunteering at a community business (Nicol Economics, 2020), demonstrating a higher average volunteering rate for the 12 selected businesses in this research.

Employees, freelancers and volunteers were also asked about their specific role within the business, with their responses categorised based on the ONS Standard Occupational Classification (SOC) (see Table 8). Paid employees and freelancers tend to work in higher-skilled roles, whilst volunteers are in lower-skilled roles.

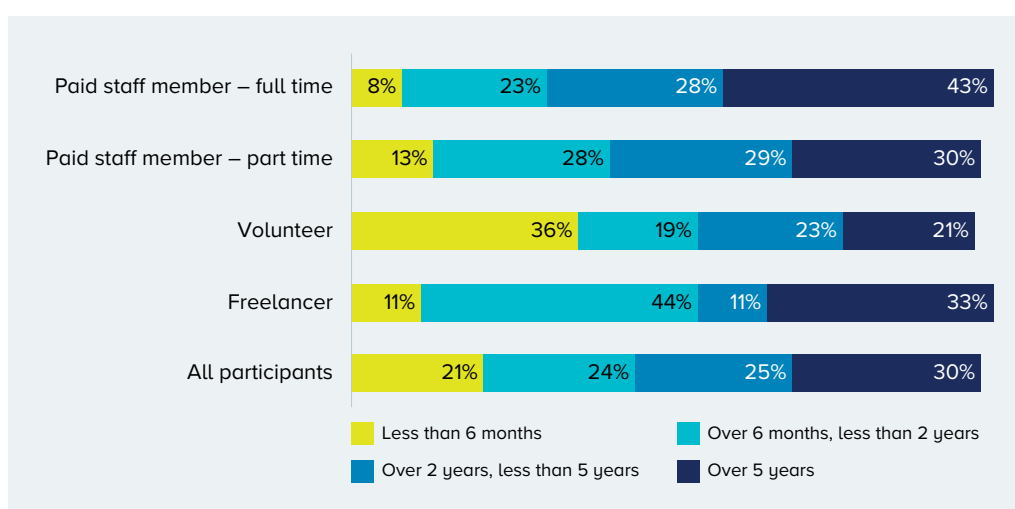
Table 8: SOC job classification of roles with community business

SOC job classification		Employees and freelancers	Volunteers
Managers, directors and senior officials	No.	11	0
	%	13%	0%
Professional occupations	No.	14	0
	%	17%	0%
Associate professional and technical occupations	No.	39	0
	%	47%	0%
Administrative and secretarial occupations	No.	6	5
	%	7%	11%
Skilled trades occupations	No.	2	0
	%	3%	0%
Caring, leisure and other service occupations	No.	5	0
	%	6%	0%
Sales and customer service occupations	No.	1	0
	%	1%	0%
Process, plant and machine operatives	No.	0	0
	%	0%	0%
Service delivery/product manufacture	No.	5	39
	%	6%	89%

Base: Paid employees and freelancers (n=83), volunteers (n=44)
Source: SERIO employee and volunteer online survey

The length of time that survey participants have been involved with the community business varied (see Chart 2). Paid employees, both full time and part time, have generally been with the business relatively long-term; 70% of full time and 59% of part time employees have been with the business for 2 years or more. Furthermore, 43% of full-time and 30% of part-time employees have been with the business for 5 years or more. For volunteers, the picture is more mixed; 21% have been involved with the business for 5 years or more and more than a third (36%) joined within the last 6 months. A significantly higher proportion of paid employees have been with the organisation for 5 years or more compared to volunteers (36% compared with 21%), while a significantly higher proportion of volunteers have been with the community business for 6 months or less (36% compared with 10% of paid employees).

Chart 2: Length of time involved with community business based on role (n=156)



Source: SERIO employee and volunteer online survey

When asked what their employees have gone on to do following their roles in the community business, several interviewees stated that some employees had gone on to work in a similar role elsewhere and some had left to set up their own businesses. Other destinations included undertaking education or starting a family. Several interviewees described their organisation's staff turnover as, anecdotally, being very low, with a considerable number of employees having worked in the business for many years, and some progressing up through the organisation.

All of the 11 interviewees whose businesses have volunteers stated that many of their volunteers have gone onto paid employment elsewhere. Additionally, several indicated that some of their volunteers have secured paid employment within the community. Some indicated that volunteers have set up their own business or become self-employed, and some have gone on to further education or higher education.

Several businesses provided examples of how the opportunity to volunteer within their business has supported individuals to go on to paid employment:

'[The volunteer had] never worked before and he was 21. He built up his confidence, he didn't speak, he was very shy, but he really took to our supervisor with years of experience. He's quite a gentle person and he really took to him and learnt a lot from him and eventually got a full-time job in a factory. But his confidence has built so much that he could take a bigger place [of work].'
Community business representative

'Recently one person who had disabilities and wanted an admin/finance role volunteered for about 12 months. He came to help at the launch of a new service, met a local employer who sponsored the event and was quickly offered a paid post with them. Volunteers also often go onto paid employment with us.'
Community business representative

5.3.3 Employee and volunteer recruitment

Interviewees explained that the vast majority, if not all, of their workforce (paid staff and volunteers) live within the local area in which they operate. Some businesses actively recruit employees locally whilst others do not, but interviewees commented that was how it generally pans out. All businesses with volunteers actively recruit them locally. Interviewees discussed recruiting employees and volunteers locally as impacting on the local economy by improving employment prospects for local people and regenerating the local area.

Community business representatives as well as employees and volunteers stated that the most common way of joining the business is through either seeing an advert for a job or volunteer opportunity or through word of mouth; that is, being made aware of an opportunity by a friend or family member who is involved with the community business. Some interviewees highlighted that word of mouth is particularly relevant for recruiting people who are disadvantaged from the labour market, mainly because the organisation is embedded within the local community and local people know about it or use its services.

Other routes include through having previous links to the organisation, primarily through working or volunteering for another organisation that worked in partnership with the community business, as well as being approached by or referred to the business. Some interviewees also noted that some people joined as employees or volunteers after receiving support or training from the business as a service user, or through undertaking placements or work experience, and that this was increasingly the case for those from disadvantaged backgrounds; a small number of survey participants indicated that this was how they first joined the business.

Employees and volunteers were also asked what attracted them to get involved with a community business, compared to a more traditional business. The majority of volunteers were attracted to the business due its focus on supporting and benefitting the local community (37%) and because of the opportunity to 'give back to' or support the local community (34%). These were also the most commonly cited reasons for paid staff, at 47% and 21% respectively. Other drivers for volunteers included because the values of the organisation align with their own (16%), the flexible nature of the organisation (16%) and the supportive and welcoming environment (10%). The motivations for paid employees were largely the same, although organisational values and the supportive environment were cited by a higher proportion of employees than volunteers, at 34% and 27% respectively, for both.

Whilst the vast majority of both paid staff and volunteers felt that it had been easy to get involved with the community business, this was significantly higher for volunteers (89% compared with 76% of paid staff). This is likely to be because, as discussed in section 4.3.1, there are generally fewer requirements that volunteers must meet to join community businesses compared to paid staff. Only 2% of paid staff and volunteers found it difficult to get involved. For paid staff who experienced barriers or challenges in getting involved with the business, those most commonly experienced were understanding the nature of the community business and its activities or lack of qualifications or experience. For volunteers, the main barriers were the time commitment required to volunteer and transport links and costs involved in getting to the business. A small number of both paid staff and volunteers highlighted competition for roles as an additional barrier.

Employees and volunteers were asked what they hoped to gain from their involvement with a community business (see Table 9). For paid employees, the most popular response was employment (83%), as is to be expected. Around two thirds of employees also indicated that they wanted the opportunity to give something to the local community (66%), hoped to gain experience of being involved with a community business (65%) and skills development opportunities (62%). Only 43% hoped to gain training from their involvement. This may reflect that employees are more likely to already have the training required for their role.

A significantly higher proportion of volunteers wanted to give something to the local community (80% compared to 63% of paid staff). Meeting new people was important for almost two thirds (61%) of volunteers. Around half of volunteers also indicated that they hoped to gain volunteer opportunities (54%), experience of being involved with a community business (50%) and skills development opportunities (48%).

Table 9: What participants hoped to gain from their involvement with community business

Expected gain	Paid staff		Volunteers	
	No.	%	No.	%
Employment	75	77%	6	11%
Volunteer opportunities	21	21%	29	54%
Experience of being involved with a community business	64	65%	27	50%
Giving something to the local community	62	63%	43	80%
Training	39	40%	19	35%
Skills development	61	62%	26	48%
Meet new people	54	55%	33	61%
Other	2	2%	2	4%

Base: Employees (n=98), volunteers (n=54)

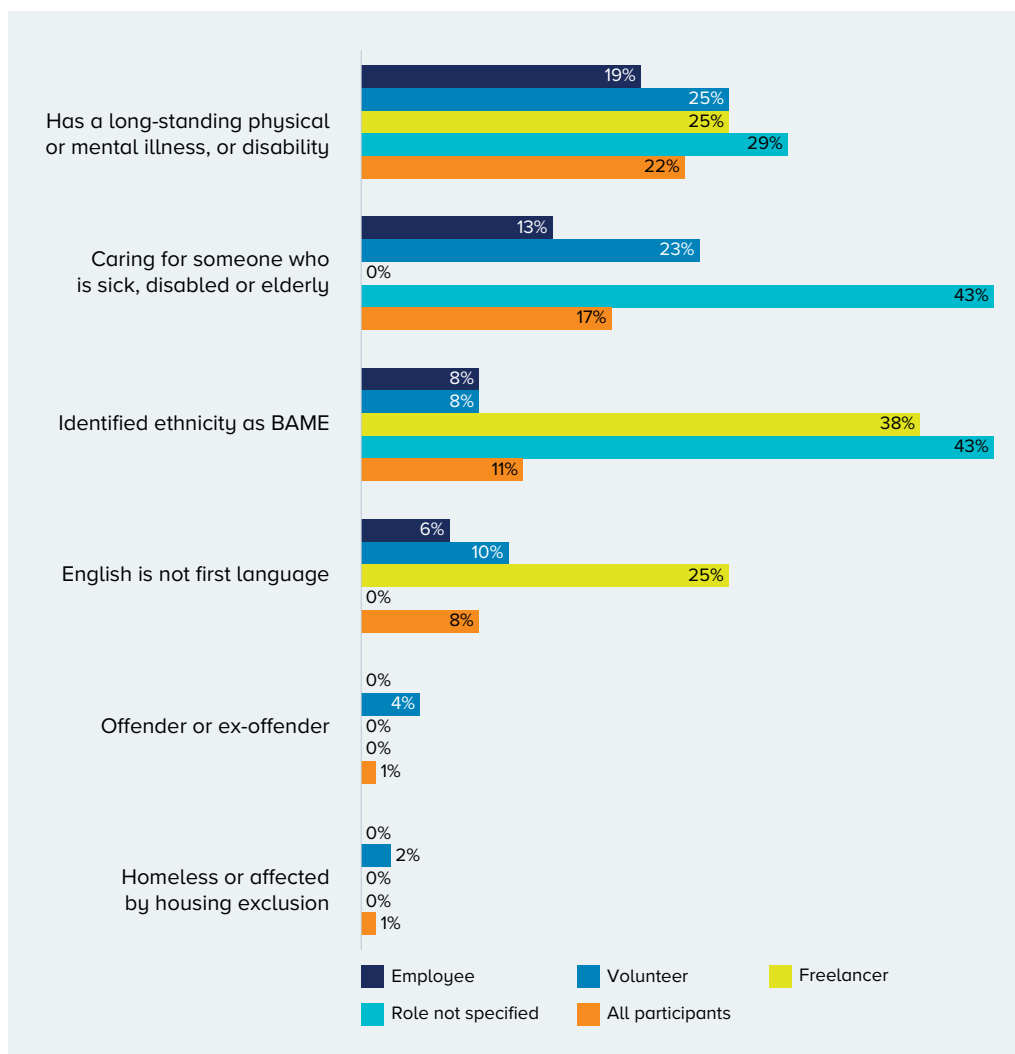
Source: SERIO employee and volunteer online survey

N.B. Participants could select multiple responses

5.3.4 Disadvantaged from labour market

All of the community businesses taking part in the research recruits paid staff and volunteers who are disadvantaged from the labour market. This is reflected in information provided by employees and volunteers who completed the survey; a significant proportion are disadvantaged from the labour market in some way (see Chart 3):

Chart 3: Percentage of participants who are disadvantaged from the labour market (n=147)



Source: SERIO employee and volunteer online survey

Several interviewees explained that their organisation recruits paid staff who are disadvantaged from the labour market because social inclusion and equality are key values of the organisation or because a key goal of the organisation is to help people out of poverty and into employment. Some discussed recruiting people who are disadvantaged from the labour market as being important to enable their customers who are from similar backgrounds to be able to relate to staff, and another organisation does so to fill a gap in providing employment to those who are disadvantaged from the labour market.

Interviewees felt that employing those who are disadvantaged from the labour market can result in many possible positive outcomes for the individual. These include improved physical and mental wellbeing, and increased skills and qualifications levels, as well as enabling them to become financially self-sufficient. Softer outcomes for the individual include increased confidence and self-esteem and a sense of belonging, all of which can improve personal and family relationships. Several interviewees highlighted that for some individuals from disadvantaged backgrounds, it can provide them with access to employment they would not otherwise get. In addition, some have experienced individual and sometimes generational long-term unemployment. Finally, several interviewees described providing employment to those who are disadvantaged from the labour market as potentially life-changing for them and their families.

'It is quite life changing to be honest. So it has helped break family cycles, where there has been family unemployment for years, and they've come to us and they are doing some amazing things now'.

Community business representative

Similarly, interviewees discussed why they recruit volunteers who are disadvantaged from the labour market and the impact this has on the volunteers and the local community in general. Some of the businesses are located in deprived or disadvantaged areas purposefully so that they can provide the local people with opportunities to get closer to the labour market and some organisations' values aim to assist those who are disadvantaged. Specific impacts of providing volunteering opportunities to individuals who are disadvantaged from the labour market include that volunteering: upskills the individual; provides them with work experience and prepares them for employment; builds confidence; reduces isolation; and is life changing.

'Volunteers come from all walks of life, with a heavy bias towards those that are disadvantaged in the labour market. In particular, those experiencing mental health are becoming more of a deliberate focus [for the business] as the years go by ... A lot of the volunteers come from a background of mental health issues... You realise that this person is wanting to get back into society and work after suffering a period of mental health issues. We work with a lot of people for whom anxiety and depression is a big thing. I think a lot of people come to us because they know we are a safe space and we are not judgemental and we are able to tailor the work to the individual that comes to us. Increasingly at the moment we are finding more support groups in the community are referring people with mental health issues to us.'

Community business representative

5.4 How community businesses contribute to employment and skills development

This section focuses on the employment and skills development activities provided by community businesses to their workforce, including both informal and formal training and development. This encompasses detail of the types of training provided and the impact on participants. In addition, barriers to accessing training are outlined, along with the future outlook for survey participants.

Interviewees explained how the skill sets of employees and volunteers typically develop after a period of working with them. Responses varied, with a number of interviewees highlighting the softer skills that individuals develop through working or volunteering with them, and it was generally felt that skills develop significantly. The most commonly reported responses were:

- Team working skills develop
- Communication skills develop
- Confidence increases
- Specific skills increase through attendance on courses e.g. food hygiene
- Decision-making skills and initiative develop
- Time keeping improves
- Individuals develop in areas where they request training

‘For volunteers, a lot revolves around confidence. [They] turn up shy and unsure and end up developing a positive peer network, working around their issues and their confidence improves as a result. So communication is a huge one.’

Community business representative

Overall, in the last 12 months, 50% of survey participants have received formal training and 69% received informal training. Furthermore, for 39% of participants receiving formal training, that training led to a formal qualification. The proportion of participants receiving training, as well as impacts and barriers experienced, varied based on both their role within the organisation and socio-economic group. This is explored in more detail below.

5.4.1 Employee and volunteer formal skills training and development opportunities

All 12 community businesses provide formal training to employees, with some of this training resulting in formal qualifications. Formal qualifications are predominantly National Vocational Qualifications (NVQs), but three organisations have also supported employees to achieve GCSEs and higher-level qualifications, including degrees. However, there is substantial variation in what training is offered. The vast majority provide formal training that is a requirement of the role an employee is carrying out. This type of formal training is what the majority of interviewees highlighted as resulting in formal qualifications for employees, including qualifications in childcare, youth work, safeguarding, leadership and management, and food hygiene. Many also provide issues-based training, for example in mental health, domestic violence and addiction, to provide employees with a greater understanding of the issues that may be encountered by the individuals the organisation supports. Many also provide training based on the needs of an individual, as identified through the appraisal system or meetings with their line manager. This training is not necessarily a requirement of their role but enhances the skills and knowledge of the employee to support them in that role. Several also provide training related to functional business requirements, for example first aid and health and safety training, which also sometimes results in formal qualifications.

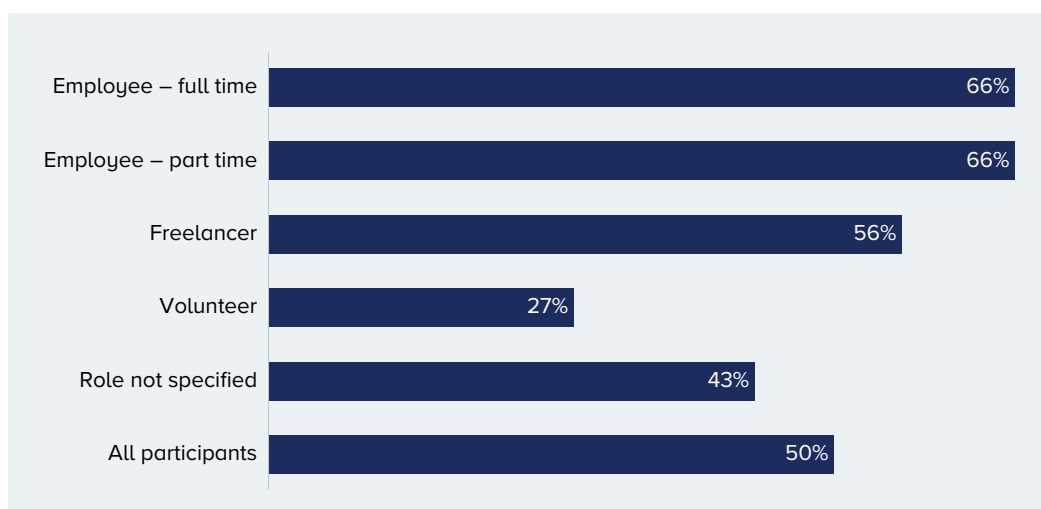
The formal training offer for volunteers is very similar to that for employees; all but one organisation with volunteers provide some form of formal training for volunteers and some of the formal training results in formal qualifications. However, three organisations offer predominantly informal, on-the-job training, in line with the type of volunteer roles offered. The type of formal training offered mirrors that provided to employees, with the key difference between formal training provided for employees and volunteers being that the formal training offer for volunteers tends to be directly related to the skills and knowledge required to carry out their role. Only one organisation facilitates formal training that may be completely unrelated to a volunteer's role, building the formal qualifications offer around the individual:

'There's no fixed range of what's available. We look at the individual. Not linked to just the role, it's for them as an individual. You've got to think of the café as a vehicle, it's our way of getting to know them and thinking about what skills are transferable. If they want to become a lawyer, I can still see skills they can develop that'll be relevant and transferable at the café, and try to find ways to explore how to progress down that path with the right support.'

Community business representative

Employees and volunteers who responded to the survey were asked if they had received any formal training from the community business in the previous 12 months; 50% indicated that they have (see Chart 4). A significantly higher proportion of paid employees (66%) received formal training than volunteers (27%). This employee figure is comparable to the Employer Skills Survey (2017)⁸, in which businesses reported that 62% of their workforce received training in the last 12 months.

Chart 4: Proportion of participants receiving formal training (n=153)

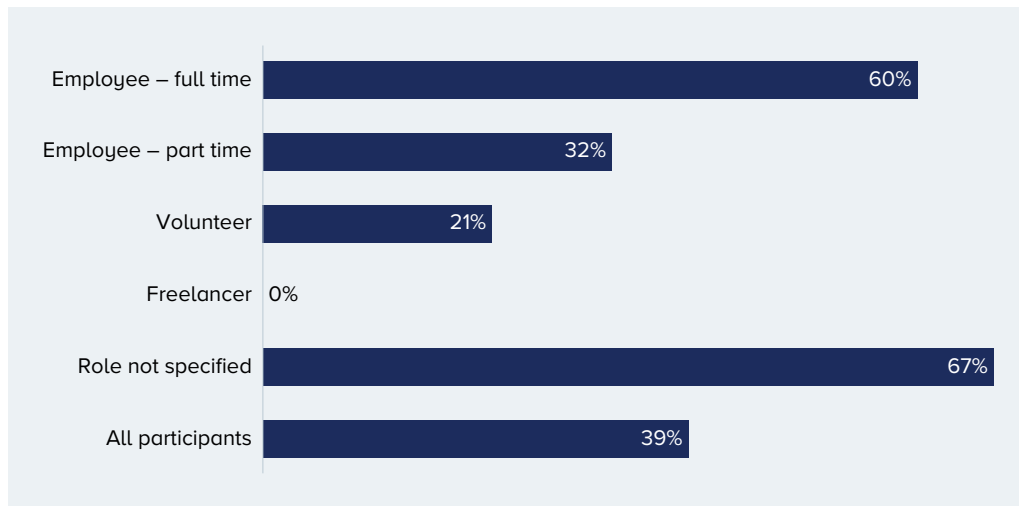


Source: SERIO employee and volunteer online survey

Of those who have received formal training, 39% have received a qualification (Chart 5). However, there is variation based on participants' position within the business; a significantly higher proportion of full-time employees (60%) have undertaken formal training that has resulted in a qualification than part-time employees (32%) and volunteers (21%). No freelancers have undertaken training that has resulted in a formal qualification, which is to be expected given the nature of their role.

⁸ Employer Skills Survey (2017) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/746493/ESS_2017_UK_Report_Controlled_v06.00.pdf The UK Employer Skills Survey is one of the largest business surveys in the world, with the data based on survey responses from more than 87,000 employers.

Chart 5: Proportion of participants receiving formal qualification (n=75)



Source: SERIO employee and volunteer online survey

Formal qualifications achieved are primarily role specific, including food-safety training, health and safety, health and social care, and forklift training. A small number of participants have undertaken leadership and management training. Formal qualifications are typically NVQs at levels 2–5, although one respondent has gained a diploma.

Further analysis of who has received training indicates that many individuals who are disadvantaged from the labour market in some way have received formal training (see Figure 1).

Figure 1: The proportion of socio-economically disadvantaged staff and volunteers receiving formal training

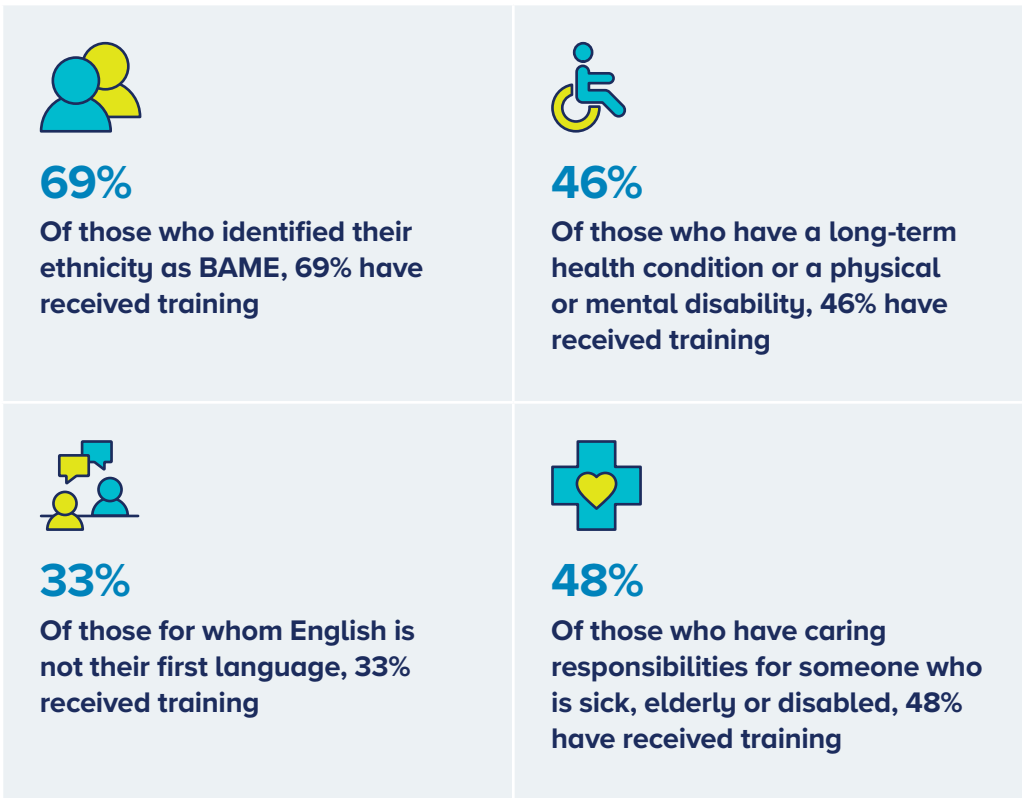


Table 10 displays the types of formal training participants have received in the last 12 months. As shown, the most common type of formal training received is team working (25%). This is followed by customer handling skills, management skills and computer literacy / basic IT skills, all of which 17% of participants have received. A large proportion of participants have received ‘other’ types of formal training (58%). For the majority, this is formal training related to their specific role within the organisation. Other training received includes safeguarding and mental health and wellbeing, as well as business-essential training including health and safety, first aid and GDPR.

Table 10: Types of formal training received from community business (n=77)

Type of formal training		Employee – full time	Employee – part time	Volunteer	Freelancer	Role not specified	All participants
Team working	No.	8	3	6	1	1	19
	%	32%	10%	40%	20%	33%	25%
Customer handling skills	No.	4	6	2	1	0	13
	%	16%	21%	13%	20%	0%	17%
Management skills	No.	6	5	1	1	0	13
	%	24%	17%	7%	20%	0%	17%
Computer literacy / basic IT skills	No.	3	5	3	0	2	13
	%	12%	17%	20%	0%	67%	17%
Motivating yourself or others	No.	5	3	3	0	1	12
	%	20%	10%	20%	0%	33%	16%
Persuading or influencing others	No.	3	4	1	1	0	9
	%	12%	14%	7%	20%	0%	12%
Sales skills	No.	1	0	1	1	0	3
	%	4%	0%	7%	20%	0%	4%
Time management	No.	2	0	1	0	0	3
	%	8%	0%	7%	0%	0%	4%
Other	No.	13	20	9	2	1	45
	%	52%	69%	60%	40%	33%	58%

Source: SERIO employee and volunteer online survey
N.B. Participants could provide multiple responses

Survey participants indicated how many hours each type of formal training had run for in total. Table 11 displays the total number of hours of training undertaken by participants for each training type, as well as the average number of hours per person. The training that lasted longest was management training, with an average of 41 hours per person. This training is considerably longer than other types of training as it is typically a higher-level course, usually leading to a formal qualification, held over a period of several weeks or months.

This is followed by customer handling skills (9 hours per person), motivating yourself and others training (8 hours per person) and ‘other’ training (8 hours per person). The length of the training varied, ranging from a 1-day session to a 12-month course. Comparably, the Employers Skills Survey (2017)⁹ found that on average employees received 4 days of training per a 12-month period.

Table 11: Total and average no. of hours of formal training (n=77)

Training type	Total hours	Average hours
Management skills	406	41
Customer handling skills	79	9
Motivating yourself or others	48	8
Computer literacy / basic IT skills	70	7
Persuading or influencing others	46	7
Team working	66	6
Time management	7	4
Sales Skills	1	1
Basic numerical skills and understanding	0	0
Other	339	8

Source: SERIO employee and volunteer online survey
N.B. Participants could provide multiple responses

5.4.2 Employee and volunteer informal skills training and development opportunities

Ten community businesses provide informal training for employees and all 11 organisations with volunteers provide informal training to them. The most common type of informal training provided to employees is on-the-job training related to their specific roles, including through regular meetings with their line manager. Several businesses also provide coaching and mentoring, as well as informal learning through team meetings or informal group discussions where employees and volunteers can share learnings. Some community business interviewees also discussed some employees engaging in reflective practice. Informal training provided is primarily job-related but also includes personal development, IT and training focused around the organisation and what it does.

⁹ Employer Skills Survey (2017) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/746493/ESS_2017_UK_Report_Controlled_v06.00.pdf
The UK Employer Skills Survey is one of the largest business surveys in the world, with the data based on survey responses from more than 87,000 employers.

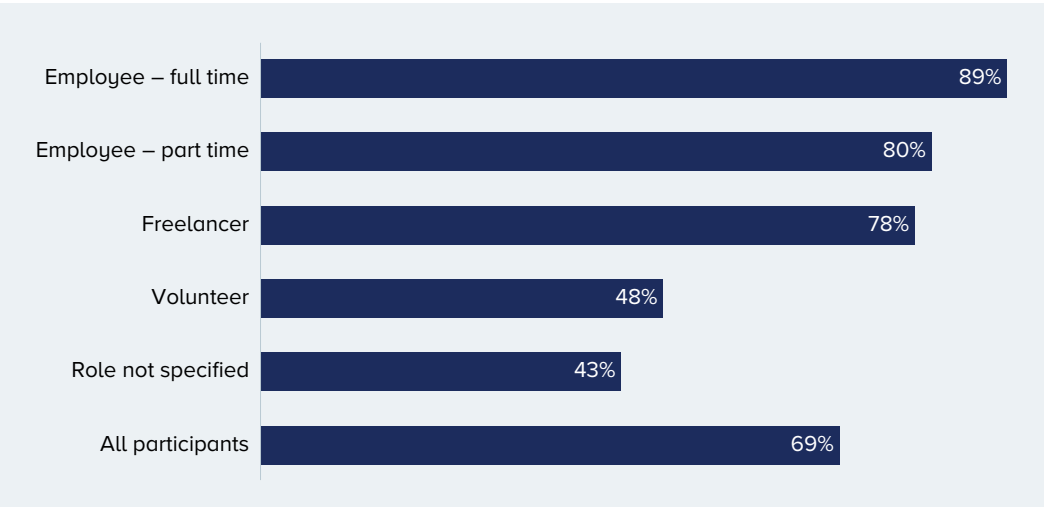
Similarly, the most frequently cited type of informal training for volunteers is on-the-job training through shadowing and being supported by another employee or volunteer, again related to the specific roles that volunteers carry out. Other types of informal training for volunteers include learning through regular one-to-ones with a supervisor, and informal learning through team meetings or informal group discussions where employees and volunteers can share learnings. Informal training is primarily job specific, but some organisations also provide training about the organisation and what it does, as well as personal development and soft skills training, for example time management, giving presentations and persuading or influencing others. One interviewee discussed the importance of informal learning for some volunteers around basic work discipline:

‘There’s a whole raft of things, particularly with volunteers who are volunteering to get into employment around work discipline – time keeping, cleanliness, how you work in a team, how you engage in a workplace, which you can’t formally train but gets done informally.’

Community business representative

Employees and volunteers indicated whether they have received informal training or skills development from the community business in the previous 12 months (see Chart 6). Responses varied based on the individual’s position within the organisation, with a significantly higher proportion of full-time (89%) and part-time employees (80%) having received informal training compared to volunteers (48%). However, as all organisations with volunteers indicated they provide informal training to them, it is possible that some volunteers do not recognise that they have received it due to it being embedded within their role.

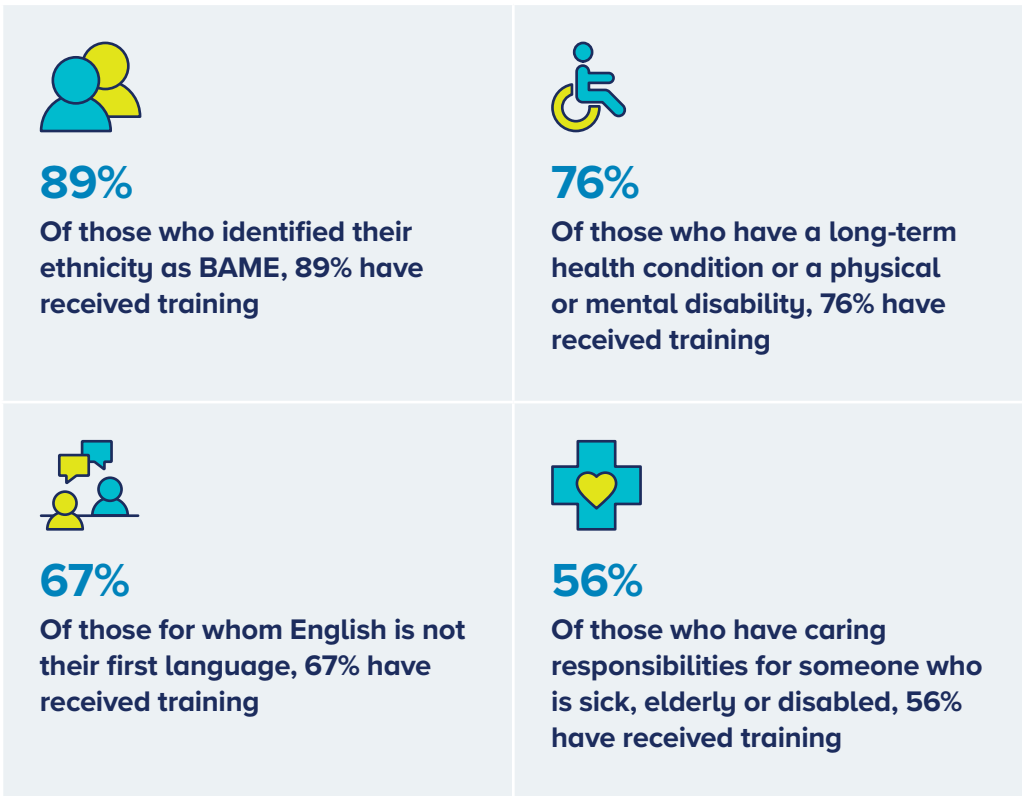
Chart 6: Proportion of participants receiving informal training (n=155)



Source: SERIO employee and volunteer online survey

Further analysis of who has received training indicates that many individuals who are disadvantaged from the labour market in some way have received informal training (see Figure 2).

Figure 2: The proportion of socio-economically disadvantaged staff and volunteers receiving informal training



Participants provided details on the type of informal training they have received. As shown in Table 12, of the 107 who have received informal training, 81% have learned through others, whilst over half have undertaken different roles within the community business (56%) and received informal training on the products and services offered by the community business (55%). Over a third (41%) have shadowed others and 38% have been mentored by others.

Table 12: Types of informal training received through community business
(n=107)

Type of informal training		Employee – full time	Employee – part time	Volunteer	Freelancer	Role not specified	All participants
Learning from others	No.	30	31	20	3	3	87
	%	88%	86%	74%	43%	100%	81%
Undertaking different roles	No.	23	20	13	3	1	60
	%	68%	56%	48%	43%	33%	56%
Knowledge of organisation	No.	24	21	12	0	2	59
	%	71%	58%	44%	0%	67%	55%
Shadowing others	No.	19	14	9	1	1	44
	%	56%	39%	33%	14%	33%	41%
Being mentored by others	No.	16	13	6	3	3	41
	%	47%	36%	22%	43%	100%	38%
Other	No.	1	0	4	0	0	5
	%	3%	0%	15%	0%	0%	5%
Prefer not to say	No.	0	1	0	0	0	1
	%	0%	3%	0%	0%	0%	1%

Source: SERIO employee and volunteer online survey
N.B. Participants could provide multiple responses

Half of those participants (50%) who received informal training were involved in this type of training for up to 12 hours a month, whilst over a third (36%) were unable to estimate how long they have been involved in informal training. Seven per cent were involved for between 12 and 24 hours a month and 6% for over 24 hours a month.

5.4.3 Barriers to accessing training

Over three quarters of employees and volunteers (77%) have not experienced any challenges or barriers to participating in training provided by the community business. Only 15% of participants have experienced barriers, with no significant variation across all staff types. The barrier experienced by the majority of participants (55%) in participating in training is time. This includes both lack of time due to high workloads for employees and a lack of time due to other commitments for volunteers. Around a third of participants (30%) felt that there is insufficient funding for training within their organisation, which creates a barrier to undertaking training. Other barriers discussed include lack of transport and lack of self-confidence.

Participants were asked if the community business had helped them to overcome these barriers. Several discussed the business as supporting them to overcome barriers by providing alternative training dates/times where possible, providing time to undertake training during work hours and reimbursing travel costs. However, for a third (32%) of participants, the barriers have not been addressed.

This reflected community business interviewees' perceptions of barriers faced by employees and volunteers in undertaking training. Fewer barriers to informal training were identified by interviewees, due to it being embedded within employees' and volunteers' day-to-day roles. Time is a common barrier for both formal and informal training due to employees' busy roles, which leave limited capacity to undertake training. One interviewee also highlighted that any training that falls outside of volunteering hours can be difficult for volunteers to participate in due to other commitments. Confidence is another barrier to both informal and formal training, as is language for those whom English is not their first language. Other barriers to formal training include individuals sometimes having a limited or negative experience of education and therefore lacking self-confidence in their ability to carry out training or limited engagement with it; lack of basic literacy skills; and the location of training, which can be problematic for those who do have access to transport or are unfamiliar with an area. Some interviewees highlighted approaches to overcoming barriers. In relation to time, for example, one business highlighted how it undertakes training when the business is winding down slightly just before Christmas, while another indicates that employees will sometimes undertake oral recordings or use photographs instead of doing written work, where appropriate.

5.4.4 Impact of skills training and development opportunities on employees and volunteers

Employees and volunteers provided details about what they felt they have gained from the training they have undertaken through the community business. Over two thirds who have received informal training (70%) stated that the training has increased their self-confidence (see Table 13). The second most-cited gain from the training is team-working skills (52%), followed by decision-making skills (50%) and networking skills (48%). Generally, fewer freelancers reported gaining skills from the informal training, which is likely to be a reflection of fewer freelancers receiving informal training, as outlined above. In addition, there were some significant differences between impacts gained from informal training based on employee position, which may be a reflection of the different types of training undertaken:

- Significantly more full-time employees developed life skills (26% compared with 8%), employment-related skills (24% compared with 6%) and assertiveness (28% compared with 28%) compared to part-time employees.
- A significantly higher number of full-time employees developed decision-making skills compared to part-time employees and volunteers (71% compared with 44% and 33% respectively).
- Significantly more full-time employees benefitted from increased confidence compared to part-time employees and freelancers (85% compared with 53% and 43%, respectively).

Table 13: Impacts of informal training provided by the community business (n=103)

Gained from informal training		Employee – full time	Employee – part time	Freelancer	Volunteer	Role not specified	All participants
Increased self confidence	Count	29	19	21	3	3	75
	%	85%	53%	78%	43%	100%	70%
Team-working skills	Count	20	17	15	3	1	56
	%	59%	47%	56%	43%	33%	52%
Decision-making skills	Count	24	16	9	3	2	54
	%	71%	44%	33%	43%	67%	50%
Networking skills	Count	19	15	13	3	1	51
	%	56%	42%	48%	43%	33%	48%
Communication skills	Count	13	14	14	3	1	45
	%	38%	39%	52%	43%	33%	42%
Increased assertiveness	Count	20	10	10	1	2	43
	%	59%	28%	37%	14%	67%	40%
Time-management skills	Count	10	9	5	2	2	28
	%	29%	25%	19%	29%	67%	26%
Customer-service skills	Count	9	7	5	0	0	21
	%	26%	19%	19%	0%	0%	20%
Life/practical skills (e.g. how to budget)	Count	9	3	5	2	1	20
	%	26%	8%	19%	29%	33%	19%
More able to cope with life	Count	7	5	7	0	0	19
	%	21%	14%	26%	0%	0%	18%
Employment-related skills	Count	8	2	2	2	1	15
	%	24%	6%	7%	29%	33%	14%
Numerical skills	Count	4	0	2	0	0	6
	%	12%	0%	7%	0%	0%	6%
Developed other skills	Count	15	9	6	2	2	34
	%	44%	25%	22%	29%	67%	32%
Other	Count	0	4	0	0	2	6
	%	0%	11%	0%	0%	67%	6%

Source: SERIO employee and volunteer online survey
N.B. Participants could provide multiple responses

Community business interviewees and survey participants outlined what impact training has on employees and volunteers. The majority of interviewees felt that training has a positive impact on employees' and volunteers' self-confidence, particularly for those individuals who have had limited work experience or training. Participants' responses reflected this, however increased confidence was more commonly cited as an outcome for informal training (46%) than formal training (32%), suggesting that informal training may be more effective for enhancing participants' confidence. Other key impacts are increased knowledge and skills (45% for informal training and 43% for formal), enabling participants to be more effective in their roles (29% for informal training and 32% for formal). For participants, this includes empowering them to make decisions, take on new tasks and better support others.

Interviewees also discussed training as enhancing employees' and volunteers' employability, and thus enhancing their opportunity to progress within their role and organisation, and externally: 7% of participants highlighted formal training as enhancing their employability compared to 4% for informal training. This may be due to formal training being more likely to result in a qualification or being more explicitly demonstrable to prospective employers. Community-business representatives also stated that it helps individuals who may have limited or negative experiences of education to enjoy learning, enhancing their likelihood of engaging in training or skills development in the future. Although this was not specifically stated by survey participants, 10% stated that informal training has supported them to pursue other further training, including applying to FE and HE, suggesting this may be the case for some participants.

'We're often working with people who have poor experiences of formal learning and realise for the first time that learning can be fun, and the links to learning and future life opportunities.'

Community business representative

Several interviewees also felt that investing in training staff helps them to feel valued by the organisation, something which 6% of participants stated as an outcome of the informal training only. In addition, a minority of interviewees also discussed their skills development offer as enabling volunteers to build peer networks which could support them beyond their learning with the organisation:

'They generally develop a really strong positive peer network. Many of them are isolated to begin with. They're always welcome to come back to our doors but our intense and in-depth support can only last for so long, but a peer network can last for the rest of their lives.'

Community business representative

5.4.5 Formal versus informal training

Employees' and volunteers' views on whether informal or formal training is more effective were mixed; 33% found formal training most effective, 26% found informal training most effective, and 30% discussed both informal and formal training as being equally effective. The remaining 11% were unsure which type of training is more effective. Participants found informal training more effective because it is beneficial to learn from others who are experienced and understand the context of the role and working environment. Others discussed informal training as being more immediately and directly applicable to participants' everyday work, thus enabling them to be more effective in their role.

Formal training is felt to be more effective in providing qualifications and thus access to new opportunities to progress or take on additional responsibilities. Some people discussed it as providing them with skills to support longer-term development. Several participants who have undertaken formal training relating to mental health and suicide awareness discussed it as enabling them to be more effective and confident in supporting vulnerable adults. In addition, both types of training were seen as effective for enhancing confidence. Participants' views suggest that informal training is ultimately more effective immediately in supporting people to carry out their role more effectively, whereas formal training has longer-term benefits for accessing new opportunities.

5.4.6 Employee and volunteer future outlook

Participants indicated whether they have made any plans for the future as a result of their involvement with the community business. As shown in Table 14, 81% of participants plan to continue working/volunteering for the community business. This is lower for freelancers (63%) but this is arguably to be expected given the contractual nature of their role. Almost a fifth (18%) want to retrain or upskill, and this is higher for volunteers at 23%. A further 12% will look for employment elsewhere locally, increasing to 21% of volunteers. Another 8% of volunteers indicated they will look for employment, not locally, and 8% want to transfer from a volunteer to paid role within the business. In addition, 23% of volunteers plan to look for volunteering opportunities elsewhere locally. However, despite this, 83% of volunteers plan to continue volunteering with the community businesses, which suggests any planned changes may be in addition to their volunteering role with the business.

Table 14: Future plans following involvement with community business (n=147)

Future plans		Employee – full time	Employee – part time	Volunteer	Freelancer	Role not specified	All participants
Continue working/ volunteering for the community business	Count	30	36	43	5	5	119
	%	79%	86%	83%	63%	71%	81%
Retrain or upskill	Count	5	7	12	1	2	27
	%	13%	17%	23%	13%	29%	18%
Look for employment elsewhere (locally)	Count	2	4	11	0	0	17
	%	5%	10%	21%	0%	0%	12%
Look for volunteering opportunities elsewhere (locally)	Count	2	3	12	0	0	17
	%	5%	7%	23%	0%	0%	12%
Look for employment elsewhere (not local)	Count	2	1	4	0	0	7
	%	5%	2%	8%	0%	0%	5%
Become self-employed	Count	0	2	1	2	1	6
	%	0%	5%	2%	25%	14%	4%
Transfer from a volunteering role to a paid role within the business	Count	0	0	4	0	0	4
	%	0%	0%	8%	0%	0%	3%
End working/ volunteering for the community business and become unemployed	Count	0	0	1	0	0	1
	%	0%	0%	2%	0%	0%	1%
End working/ volunteering for the community business and become retired	Count	1	0	0	0	0	1
	%	3%	0%	0%	0%	0%	1%
Other	Count	1	0	3	0	0	4
	%	3%	0%	6%	0%	0%	3%
Don't know	Count	1	2	3	0	1	7
	%	3%	5%	6%	0%	14%	5%

Source: SERIO employee and volunteer online survey
N.B. Participants could provide multiple responses

5.5 Community business service users

This section focuses on the service users or customers of the community businesses, incorporating the findings from the community business interviews and the survey. The online survey was distributed amongst service users (customers) of the nine community businesses who provided skills training and development to people external to their organisation in the last 12 months¹⁰. The response rate amongst the service users of community businesses was mixed, ranging from a 0% response rate to a 52% response rate. As highlighted in section 2.2, it proved challenging to reach the service users of the community businesses. Furthermore, it should be noted that responses are likely to be biased towards those who have benefitted from their engagement with the community business. As a result, responses from the service users should be interpreted with caution. In addition, some community businesses had either not trained service users within the last 12 months or did not provide training to people external to the business; rather, their training focus was on their employees and/or volunteers.

Community business interviewees were asked from which demographic groups the people external to the organisation who received some form of training (formal or informal) came. Many discussed offering training to those who are long-term unemployed, who are from economically deprived areas, who have little or no formal education or qualifications, or who may be new to the country or for whom English is not their first language. Other groups of people supported include single parents, people with mental-health problems, carers, BAME groups and parents who want to return to employment. All community businesses discussed their organisation as supporting people who experience some form of disadvantage from the labour market.

Full details of the demographics of service user survey participants can be found in the Technical Appendix.

5.6 Situation pre-community business involvement and currently

The survey asked participants to provide details on their situation prior to being involved with the community business as well as their current situation; there is relatively little change in situations pre-involvement with the community business and currently (see Table 15).

¹⁰ The remaining three businesses did not provide skills training and development to people external to their business either at all (2) or during the last 12 months (1). Therefore the survey, which focuses on skills and training, was not administered to their service users.

Table 15: Service user situation pre-involvement with community business and currently (n=84)

Situation	Pre-community business		Current ¹¹	
	No.	%	No.	%
Employed for wages – full time	22	26%	21	25%
Employed for wages – part time	22	26%	24	29%
Self-employed	22	26%	23	27%
Retired	13	15%	12	14%
Out of work and looking for work	6	7%	12	14%
Volunteer	6	7%	8	10%
Student/in education	4	5%	4	5%
Unable to work	2	2%	3	4%
A homemaker	2	2%	3	4%
Out of work but not looking for work	1	1%	0	0%
Other	2	2%	1	1%
Don't know	2	2%	0	0%

Source: SERIO service user online survey
N.B. Participants could select multiple responses

The length of time service users had been in their previous position before they got involved with the community business varies, but around half of those who are full-time employed (41%), self-employed (50%) or retired (54%) have been in those positions for over 5 years. Of those who are unemployed and looking for work, 67% are short-term unemployed (up to 12 months), whilst 33% are long-term unemployed (over 1 year).

¹¹ The survey participants were asked to report on their circumstances pre-Covid 19. However, it should be noted that as the survey was administered during the pandemic some participants may have reflected on their situation during this period rather than pre-Covid.

Those participants who were/are employed or self-employed before becoming involved with the community business or at the time of answering the survey were asked if their salary has changed since their involvement with the community business. Of the 46 participants who responded, 43% reported that it has stayed the same whilst around a quarter (26%) indicated that their salary has increased. Just 13% said their salary has decreased.

Of the 12 service users whose salary has changed, 42% felt that their involvement with the community business has contributed to this change. These participants felt that the community business has contributed by increasing their confidence, providing training/ qualifications, providing experience, providing support or by working with others in a similar situation.

Service users were asked how they first got involved with the business. The most frequently cited route is through word of mouth, including through friends and colleagues. Other more commonly cited routes to getting involved with the businesses include: using the business's services, such as attending a course or participating in activities led by the business; through an online search or advert; through community links; through being approached by the business or referred to it; and through an event run by the community business.

The motivations for service users using the community business varied. Over half of all respondents who answered the question first started using the community business because they liked the service/product the business was offering (55%), they were interested in being involved in the local community (53%) or they wanted to benefit from the training/skills development the business provides (51%) (see Table 16). In addition, just under half of participants were interested in being involved in a community business (45%), whilst just under a third first started using the business because the service/product they were interested in was not offered elsewhere (30%) or they wanted to get some information, advice or guidance around employability, skills and/or development (30%).

Table 16: Reason for service users first using the community business (n=80)

Reason for first using the community business	No.	%
Liked the service/product they were offering	44	55%
Interest in being involved in the local community	42	53%
To benefit from the training/skills development they provide	41	51%
Interest in being involved in a community business	36	45%
Service/product not offered elsewhere	24	30%
To get some information, advice or guidance around employability, skills and/or development	24	30%
Other	1	1%
Don't know	1	1%

Source: SERIO service user online survey
N.B. Participants could provide multiple responses

Participants who wanted to gain information, advice or guidance around employability, skills and/or development (30%) specifically wanted to receive: business support, including advice on setting up a business; employability and skills in the arts sector; information about running a community business; specific qualifications; IT skills; personal support or mentoring; and work experience.

Similarly, participants who hoped to benefit from the skills and training provided by the community business (51%) hoped to receive: qualifications in youth work; skills in business planning; marketing skills or training; IT skills; and training in areas relating to the arts sector.

The length of time that survey participants have been involved with the community business as a customer or service user varies (see Table 17). The data shows that a quarter of service users are involved with the community business for a long time (25% for over five years), despite the situation for most not changing since joining the business (see Table 15). This suggests that their connection with the business is for other reasons, such as loyalty or trust towards or familiarity with the business, or that there are no alternative suppliers. Others are involved for a short amount of time (21% less than 6 months), highlighting that many customers are relatively new to the organisation.

Table 17: Length of time service users involved with community business (n=80)

Length of time	No.	%
Less than 6 months	17	21%
Over 6 months, less than one year	15	19%
Over one year, less than 3 years	13	16%
Over 3 years, less than 5 years	9	11%
Over 5 years	20	25%
Don't know	4	5%
Prefer not to say	2	3%

Source: SERIO service user online survey

5.6.1 Skills training and development offered to service users

Of the nine organisations that provide skills training or development opportunities to people external to the organisation (customers/service users), eight provide a mix of both informal and formal skills training and one provides informal training only. The number of external people trained in the last 12 months varies for each of the nine organisations, from 10 to more than 1,000; four organisations have trained between 10 and 99 service users, three have trained between 250 and 999, and two have trained more than 1,000.

The majority who deliver training to people external to the organisation receive some form of funding to do this. For some, this funding comes through contracts to deliver particular services in which a budget for training is included. Other sources of funding include Local Authorities, European Structural and Investment Fund (ESIF), the National Lottery Community Fund and European Social Fund (ESIF).

5.6.2 Service users' formal skills training and development opportunities

The formal training provided to service users varies widely. Five community businesses provide dedicated employment programmes to support individuals to enter the labour market, with some providing specific qualifications, for example NVQs in youth work, childcare or food hygiene, to support people into employment. Other formal qualifications provided by the community businesses include other accreditations in youth work, arts awards, apprenticeships and the Duke of Edinburgh Award. In addition, some formal training offered focuses more on soft skills, for example confidence building and goal setting, and some focuses on social issues, such as dementia awareness and mental-health support. More practical support is also provided by several organisations, including support for managing personal finances. The formal training provided

by the community businesses is delivered either through an ongoing training programme or through one-off/drop-in workshops. Ultimately, the aim of the training offered is to help to upskill service users or improve their personal confidence and resilience to support them into employment.

The majority of service users (62%) have received formal training from the community business with which they are involved in the last 12 months (see Table 18). As shown, the most commonly received formal training is motivating yourself and others (31%), team working or persuading or influencing others (27% respectively) and computer literacy/basic IT skills (24%). A large proportion of respondents selected ‘other’ types of formal training (47%), which include youth work (18%), food hygiene and safety (11%) and coaching for wellbeing (4%).

Table 18: Types of formal training received by service users from the community business (n=45)

Type of formal training	No.	%
Motivating yourself or others	14	31%
Team working	12	27%
Persuading or influencing others	12	27%
Computer literacy/basic IT skills	11	24%
Time management	6	13%
Customer-handling skills	4	9%
Management skills	4	9%
Sales skills	3	7%
Other	21	47%

Source: SERIO service user online survey
N.B. Participants could provide multiple responses

Survey participants also provided details on how long the formal training lasted. Overall, customer-handling skills training lasted the longest on average (15 hours in total) but the most number of hours was undertaken for training in motivating yourself and others (see Table 19). Training courses lasted various lengths of time, ranging from one-off sessions to a year-long course. Over a third of participants (37%) indicated that they have received a qualification as a result of the formal training and development they have undertaken. The 16 participants who have received formal qualifications provided details on these qualifications. Responses echoed those highlighted by the community businesses: youth work (7), food safety and hygiene (3), NVQ qualification (unknown) (2) and a PhD (1).

Table 19: Total and average no. of hours of formal training (n=43)

Area of formal training	Total Hours	Average Hours	Total no. of participants
Customer-handling skills	45	15	3
Motivating yourself or others	82	8.2	10
Persuading or influencing others	64	8	8
Management skills	17	5.7	3
Team working	27	5.4	5
Time management	15	5	3
Computer literacy/basic IT skills	30	4.3	7
Sales skills	8	2.7	3
Other	237.5	15.8	15

Source: SERIO service user online survey
N.B. Participants could provide multiple responses

5.6.3 Barriers to accessing training formal training and development

Just 7% of survey participants experienced challenges or barriers in accessing training. Both survey respondents and community business representatives cited time and timings of the training as a barrier. One organisation has organised training on weekends and evenings to help to overcome this barrier for participants, and survey participants felt that the community business provided a flexible approach to training to help overcome barriers.

The most common barrier cited amongst community business representatives is confidence, including for those who may have limited or negative experiences of education, although this is not a barrier reflected in the service-user survey findings. Although the training offered is generally free, financial barriers are identified as a barrier for some people in being able to attend, for example if they need to spend money on travel. Other barriers identified for some individuals include a lack of basic literacy skills, language for those whom English is not their first language and mental-health issues, including anxiety:

‘They might struggle to attend because of anxiety or mental health problems – going into a group can be quite daunting for some people.’

Community business representative

Providing one-to-one, tailored support was cited as an approach used by community businesses to overcome many of the barriers discussed.

5.6.4 Service users’ informal skills training and development opportunities

The majority of training offered to service users is formal, delivered through workshops or training courses. However, community business interviewees also discussed providing informal training through drop-in sessions, group-discussions and wellbeing cafes, which are felt to support the development of relationships between those who attend and to enable participants to share ideas or discuss issues with others.

Just over half of the service users (53%) have received informal training or development in the previous 12 months. Of the 40 service users who have received informal training, 80% indicated they learned through others, whilst half (50%) have been mentored by others, 43% have received knowledge of the products or services offered by the organisation and other similar organisations, a third have undertaken various roles (33%) and 23% have shadowed others (see Table 20).

Table 20: Type of informal training received by service users through community business (n=40)

Type of informal training	No.	%
Learning from others	32	80%
Being mentored by others	20	50%
Knowledge of products and services offered by the organisation and other similar organisations	17	43%
Undertaking various different roles	13	33%
Shadowing others	9	23%

Source: SERIO service user online survey
N.B. Participants could provide multiple responses

Over half of participants who received informal training (55%) were involved in this type of training for up to 12 hours a month, whilst 5% were involved for between 12 and 24 hours a month or over 24 hours a month respectively. Nearly a third (30%) were unable to estimate how long they were involved in informal training.

5.6.5 Impact of skills training and development opportunities on service users

When reflecting on the impact that skills training has on service users, the majority of community business representatives stated that it provides service users with more self-confidence, self-esteem and resilience. A small number also highlighted the importance of receiving a certificate or qualifications as playing a significant role, as many service users have not previously had this:

‘One thing I have learned is that certification is very important. To get a certificate signed by somebody that they (participant) think is important is actually really important. It does give people confidence and once people have confidence, they can do anything – whether it is a job, or live their lives better or improve their health.’

Community business representative

The majority of interviewees also discussed skills training as enabling service users to identify current skills and develop new skills, including soft skills, ultimately supporting them to progress into paid employment or formal education. A small number felt another benefit is in supporting service users to feel part of the local community and build relationships with others in the community, particularly for those who may be marginalised in some way:

‘One of the most powerful pieces of feedback we got from that (having training within the community) was from some refugees who said that they felt welcome in a place that they wouldn’t have had access to. The same is true of the English for Speakers of Other Languages women, they wouldn’t necessarily think they have access to a café and as a consequence (of attending formal training away from their home) they realise they have (access to a café).’

Community business representative

Other benefits include health improvements and improving their personal situation. It is evident that the training provided to service users provides more than simply new skills; these skills and increased self-confidence enable them to improve, and in some cases transform, their lives:

‘The training ... might be part of a bigger spectrum they’re getting e.g. addiction, mental health, or housing support. It has an impact positively because it’s part of their package of support from us – help them upskill, build confidence, get them to a point where they feel they can apply for a job, alongside fixing some of the other social problems as well, that’s what we’re there to do really. It generally moves them into a better place, out of poverty, into work. Again it might help them with their mental health, addiction and of course if you can get rid of those kind of things, the social impact on the local economy is huge because you’re moving a household from a really negative impact to a really positive one.’

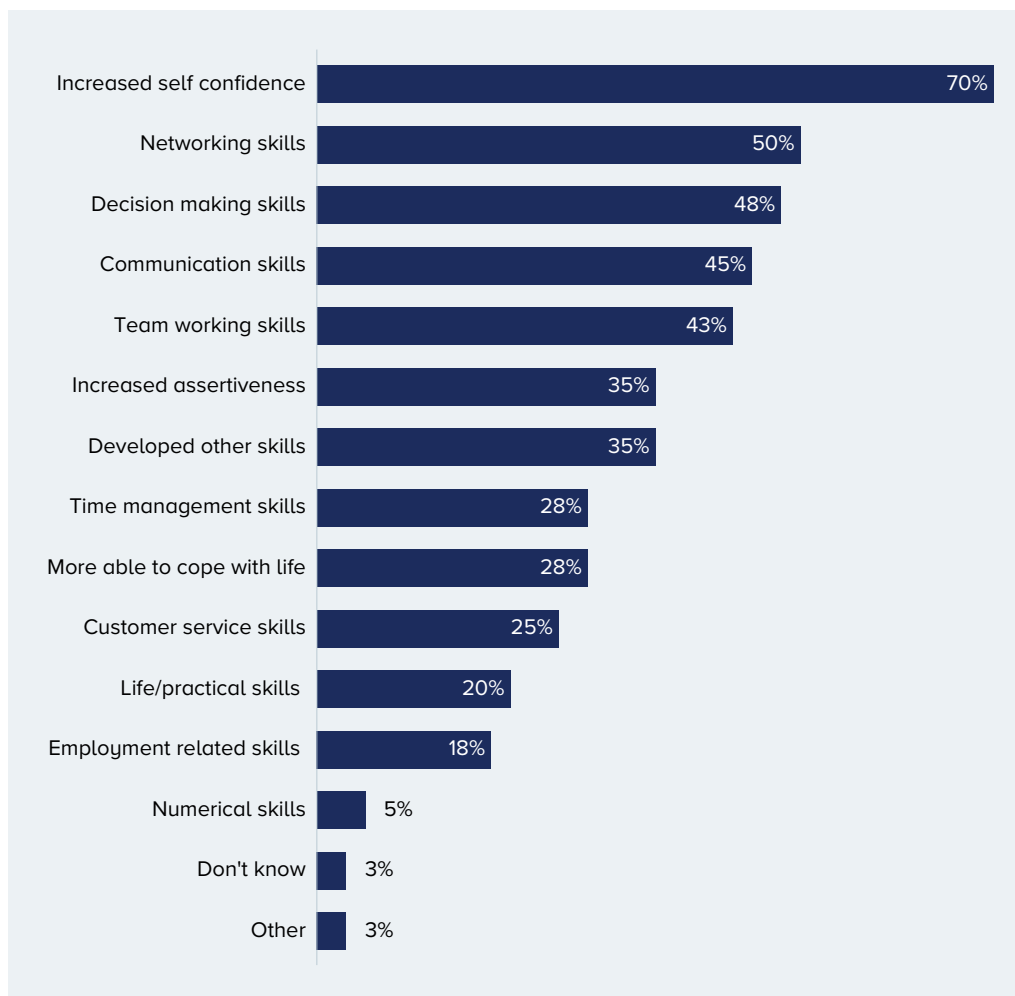
Community business representative

Service users also provided details on what they have gained from the formal and informal training provided by the community business.

Impact of informal training

Over two thirds of service users who have received informal training (70%) indicated that the training has increased their self-confidence (see Chart 7). The second most cited gain from the informal training is networking skills (50%), followed by decision-making skills (48%), communication skills (45%) and team-working skills (43%).

Chart 7: Impacts of the informal training provided by the community business on service users (n=40)



Source: SERIO service user online survey
N.B. Participants could provide multiple responses

The most commonly cited difference the informal training or development has brought about for service users is that they feel more confident (28%); they have improved practical skills, such as IT (23%); they have developed new skills (15%); they have gained more clarity and direction in what they want to do (13%); and they feel part of a community (5%).

Service users also described what they had gone on to do that they would not have been able to without the informal training they received. Responses were mixed and include: taking on different opportunities within their job role (5); volunteering (4); using IT more (3); following their dream career (2); taking forward business ideas (2); gaining a promotion (2); feeling more confident with life (2); and feeling able to handle challenges (2).

Impact of formal training

The impact of formal training on service users includes: increased confidence, improved practical skills, an increase in specialised knowledge, increased business knowledge, improved job performance, improved wellbeing, increased socialising and learning new skills.

Service users also described what they had gone on to do that they would not have been able to without the formal training received. Responses were mixed and include: gaining more opportunities within work, increased confidence, using new skills or knowledge, setting up a project or business, volunteering, developing business and meeting new people or socialising more.

Participants were also asked where they would get the product or service if they did not receive it from the community business. As shown in Table 21, around a third (34%) did not know where they would get the service or product, whilst 19% stated an education provider, 13% a charitable organisation and 12% another local business. Fifteen per cent of participants indicated that they would not receive the product or service if they did not receive it from the community business, indicating the value community businesses have for the people they serve.¹²

Table 21: Where receive product or service from if not from community business (n=67)

Where	No.	%
Don't know	23	34%
An education provider (e.g. college)	13	19%
Would not get the service/product	10	15%
A charitable organisation	9	13%
Another local business	8	12%
A government organisation (e.g. local authority)	6	9%
Another (non-local) business	5	7%
Other	3	4%
Prefer not to say	3	4%

Source: SERIO service user online survey
N.B. Participants could provide multiple responses

¹² Please note small base numbers for this question.

Service users also provided details on what the impact would be if they were unable to access the service or product provided by the community business. Of those who responded, the vast majority (87%) indicated that the impact would be negative, including:

- fewer opportunities for training (7)
- they would not progress in or have started their career/job (6)
- it would negatively impact community integration (5)
- there would be no other local opportunities and they would have to travel for the product or service (5)
- loss of confidence (4)
- no support (4)
- less socialising; more isolation/loneliness; deterioration of mental health; no qualification; fewer skills; and financially less well-off (all with 2)

5.6.6 Formal versus informal training

Preferences for formal or informal training are split relatively evenly. Of the survey participants who have received both types of training (30), 43% indicated that they found the informal training they have received more effective, whereas 25% found formal training more effective and 3% felt they are equally effective. The remainder were unsure or preferred not to say. Reasons for preferring informal training include the flexibility of the training content and timings; the ad hoc nature of the training, for example when a problem was encountered it could be raised when it suited them; being able to benefit from having spontaneous discussions with others; the practical nature of the training; and, in the case of mentoring, because it allowed for tailored support and goal-setting. Reasons for preferring formal training include that it is beneficial for specific employment roles; it enables specific skill development, for example IT skills; and being based in a classroom allows for group discussions.

5.6.7 Service users' future outlook

Service users indicated if they have made any plans for the future as a result of their involvement with the community business; 62% of those answering the question stated that they will continue working/volunteering in the next 6 months following their involvement with the community business, whilst a fifth (20%) will retrain or upskill and 12% will look for employment elsewhere locally (see Table 22).

Table 22: Future plans for service users following involvement with community business (n=69)

Future plans	No.	%
Continue working/volunteering	43	62%
Retrain or upskill	14	20%
Look for employment elsewhere (locally)	8	12%
Look for volunteering opportunities elsewhere (locally)	6	9%
Transfer from a volunteering role to a paid role	5	7%
Become self-employed	5	7%
Look for employment elsewhere (not local)	2	3%
Other	5	7%
Don't know	6	9%
Prefer not to say	5	7%

Source: SERIO service user online survey
N.B. Participants could provide multiple responses

5.7 The community business offer

This section summarises findings on what community businesses, their beneficiaries and strategic stakeholders felt is unique about the opportunities offered by community businesses, particularly in comparison to more traditional businesses.

5.7.1 The community business employment and volunteering offer

Interviewees discussed how they felt the employment and volunteering offer of the community business differs from that offered by more traditional businesses. The dominant theme was that community businesses are very focused on the individual and their particular needs. Interviewees cited the following differences: community-focused in relation to shaping the local community, being responsive to their needs and providing a sense of community within the business; a higher level of support provided to individuals, particularly those from more disadvantaged backgrounds; a holistic approach, considering all elements of the individual's life rather than just their role; a more lenient approach towards employees or volunteers, for example in terms of challenges they have that might affect how they perform their role; more flexible and tailored roles; and flexible working arrangements. Working in a community business was also felt to provide employees and volunteers with greater awareness and understanding of social impact.

'We provide flexible contracts and always try to accommodate requests for changes to working hours, as people go on to study, or accommodate changing family needs ... An employee who was leaving after 16 years thanked us for employing her, and said the job had enabled her to be "the type of mum I wanted to be".'

Community business representative

'I think we're very, very aware of people's home circumstances, where they're coming from, and I think that makes us very lenient. We're not just saying come in and do a job, but we'll look at other issues that people might have and we'll try and support that as well, and we're fortunate we can do that. In the real world, how many people would be getting somebody who had a drinking problem? ... They might just get sacked whereas we can take people off and say you need to resolve this, have you thought about going here, and we can bring them back on the books again.'

Community business representative

This mirrored what employees, volunteers and service users felt is different about the community business offer compared to more traditional businesses. Additional differences identified by employees and volunteers included providing more development opportunities for individuals, a more relaxed and approachable environment, and being more inclusive, diverse and accessible. Community business interviewees also commented how the diversity of people who are involved in community businesses provides individuals with a greater awareness of the importance of diversity and inclusivity.

5.7.2 The community business skills training and development offer

Community-business interviewees generally felt that their skills training and development offer differs from that offered by more traditional businesses. Echoing the findings from views on their employment and volunteering offer, the key differences are that they offer more holistic, person-centred training, which is flexible to the needs of the individual. Key to this holistic approach is providing additional support to overcome other barriers individuals may face:

'We're quite unique in that when somebody walks through the door we've probably got something under our roof to support them in each area rather than having to signpost them to other areas. So we can truly offer a holistic package to people which includes the training but many other things as well.'

Community business representative

The benefits identified from receiving training from community businesses include that it also focuses on learning and developing soft skills e.g. confidence, rather than focusing solely on obtaining qualifications; and that it is tailored to the individual and their needs rather than the needs of the organisation, enabling the individual to develop skills based specifically on their own development needs or wants. It also provides employees and volunteers within a community business with a greater understanding of how the organisation works:

'The feedback from our chefs that moved on, they said that it's definitely given them a different awareness than they would have got in a conventional business. If they had been a chef in a normal kitchen they wouldn't have got the exposure to being involved in running a business as well as just cooking.'

Community business representative

Furthermore, all stakeholders interviewed felt that community businesses provide employment and skills-development support that differs from that provided by more traditional businesses. The majority discussed their offer as being community focussed and both tailored to and responsive to the needs of the local communities that they serve, enhanced by their better understanding of those communities, ultimately providing a more inclusive offering compared to traditional private-sector training providers. Moreover, several stakeholders also felt that, because they are locally rooted, they are better trusted by the local community than other organisations may be, helping them to overcome a potential initial barrier in that individuals in a particular community may think training 'is not for them', a barrier that community business representatives identified as a result of previous negative experiences of education.

‘They remove that first perceived barrier, because a lot of our younger people and middle-aged people didn’t engage with school and that formal learning environment, whereas they will engage with community-based learning and engagement.’

Stakeholder

Some stakeholders also discussed community businesses as being more flexible, which enables them to provide support to people who may not be able to access more traditional forms of employment and skills development activities, for both practical reasons such as childcare and because of personal issues that may make it harder to engage. This is supported by service users, of whom a third (34%) stated they did not know where they would access the product or service if they did not receive it from the community business. Many stakeholders felt that these differences are driven by the central ethos of community businesses in that they operate for the good of their local communities and thus both want to and can deliver a more tailored, in-depth and flexible offer that better suits the needs of the local communities.

5.8 How community businesses operate within their local eco-system

5.8.1 How community businesses contribute to the local economy

Community-business representatives and stakeholders were generally in agreement as to the ways in which community businesses contribute to and support the local economy. The vast majority discussed community businesses as contributing to the local economy through job creation and providing meaningful employment for local people, potentially reducing unemployment levels and a reduction in reliance on welfare support, as well as helping to ensure that money stays/is spent in the local economy.

‘Employment obviously brings people out of poverty. Because we work in an impoverished area, lots of people are up against it financially, so by recruiting them you’re helping them get into a better position and the more you do that in the area, the more that economy grows.’

Community business representative

Another key way that community businesses contribute to the economy is through providing training and skills development opportunities for local people, supporting them to move either into paid employment or closer to the labour market.

Several community-business interviewees and a few stakeholders also highlighted community businesses' impact on the local economy by being part of local supply chains and sourcing products or services locally. This includes being a low-cost supplier to other local organisations as well as buying from local organisations, with the latter the case for more community businesses than the former. Several community business also generate money for the local area from external sources, including through bringing in investment or expenditure by customers, which remains in the local economy. This was identified by only a minority of stakeholders, but those that did identify it discussed it as being important in regenerating the local area and reducing unemployment more widely as a result by providing more employment opportunities. A final economic impact discussed the provision of office space to small or new businesses:

'We're there to empower people to be in a position where they can also contribute to the local economy, whether through employment, upskilling, self-employment, so that in itself obviously has an impact on the local economy as well in a positive way ... We're looking to build the local economy by helping people move into that positive place.'

Community business representative

'Our turnover is £400k a year. Of that £400k, apart from what we spend with external utilities, all of that money is spent in the local economy. That has a massive impact. It multiplies up multiple times.'

Community business representative

A minority of community-business interviewees and stakeholders highlighted that community businesses also support the local economy through the preventative work that they do, helping to 'mitigate the worst impacts of poverty and deprivation' and reducing pressure on other services, including through improving health and wellbeing. Although this is difficult to measure, it not only supports the individual but can reduce pressure on other services and bring about associated cost savings, for example, reducing sickness benefits claims by providing those who may not be able to access traditional employment with employment opportunities:

'It's about what price do you put on people living more fulfilled, healthier, more constructive lives. That whole contribution to the economy of not costing the economy.'

Stakeholder

Furthermore, whilst stakeholders identified economic benefits of community businesses, several felt that it is their social impact which is more significant and more widely recognised. This included bringing people together and helping them to feel connected, reducing social isolation and building confidence, self-esteem and mental wellbeing:

'We tend to think about the community benefits that they deliver, the vital services that they deliver to local communities rather than their impact within the economy'.

Stakeholder

It is apparent that certain economic benefits are more widely-recognised by stakeholders than others, specifically providing employment and skills-development opportunities. Moreover, there is a view that their social impact is more significant than their economic impact. This may be because the support provided to the community is more widely recognised than their commercial business activities, which in turn suggests that there may be more work to be done in communicating the economic impacts of community businesses more widely.

5.8.2 Stakeholders' views on community businesses' employment and skills development activities and how these support the local economy

Community businesses' employment and skills activities were explored in detail with stakeholders. The majority recognised community businesses as providing direct employment as well as skills-development activities and training for employees, volunteers and external service users. Although some stakeholders identified community businesses as providing formal and informal training, many viewed them as providing primarily informal training, with a minority suggesting that they are better placed to provide formal, accredited training when working in partnership with accredited training providers. This highlights that stakeholders are generally unaware of the formal training and qualifications that many community businesses provide.

The offer for service users was identified by the majority of stakeholders as consisting of dedicated training and skills development programmes, including job clubs and support with job searches, as well as providing them with access to education/employment, work experience and volunteering opportunities. Many stakeholders recognised that this service for service users is usually tailored and bespoke to the individual or group, and often to support particular communities, many of whom are disadvantaged from the labour market in some way. This included those who lack basic skills or qualifications, those who have additional support needs, those who do not have English as a first language, BAME communities, immigrants and those who are experiencing generational unemployment:

'It's more about training people and supporting people into work, so it's not just about them employing people, it is more training them and supporting them in job searches, supporting them in finding new jobs and roles.'

Stakeholder

This provision of employment and training opportunities to people in their local communities was viewed by many stakeholders as the primary way that community businesses contribute to the local economy. All of the above activities, including volunteering, were viewed as ultimately increasing individuals' skills level and employability, moving them closer to the labour market or into employment, particularly for those who may be disadvantaged from the labour market:

'Undoubtedly these organisations do have a vital contribution as a route way for hundreds of people who might otherwise not be participating in the mainstream economy as they can't compete in the labour market or, where they can, roles tend to be zero hours, short-term contracts or have limited progression opportunities. If they can join a community enterprise and participate as a trainee or work placement, and develop skills, it's a great springboard to go elsewhere and become more employable.'

Stakeholder

Stakeholders felt that community businesses are very successful at this, partly because they are embedded and trusted within their local communities. Being locally based was also discussed as enabling more people to access employment and support services by removing the travel barrier and associated costs for people who may not be able to access employment or skills development from more traditional providers who are not based locally.

Views on how significant the impact of community businesses is on local economic development varied, with some stating it as unknown, primarily because it is not currently measured by their own organisation. However, some felt they play an important role in local economic development and that their impact is likely to be 'huge'. Moreover, stakeholders generally felt that if community businesses did not exist in their local area it would have a profoundly negative impact on local economic development. This was primarily discussed in relation to removing a 'critical source of employment within our most deprived areas' and a subsequent increase in unemployment within the areas where community businesses currently operate. Another key issue discussed was a lower level of skills and health and wellbeing.

These negative impacts were felt to be not just because of the direct support that community businesses provide in their local area, but also because of the vital links they provide between the community and other organisations that can provide support. In addition, it was felt that without community businesses there would be a range of work that either would not be carried out within some communities or that local people would not feel able to access, ultimately widening the gap between the advantaged and disadvantaged:

‘There would be whole parts of those communities that would be completely excluded from a whole range of services because community businesses often provide a stepping-stone. They provide essential and much needed support directly but they often also provide a stepping-stone to accessing other mainstream provision. And I think you’d find a larger number of people left even farther behind.’

Stakeholder

5.8.3 The role of community businesses in supporting employment and skills goals of other local strategic organisations

The vast majority of stakeholders felt that community businesses operating within their area play a role in supporting the employment and skills goals of strategic organisations, both directly and indirectly. This was primarily in two key areas: reducing inequality and improving inclusivity by supporting underrepresented groups who face disadvantage and creating pathways for them into employment, as well as broader employment and skills goals. This was particularly in relation to raising the level of skills attainment, qualification attainment and creating meaningful, skilled employment. A few stakeholders also highlighted them as playing a role in more general economic wellbeing and growth goals through providing jobs and supporting people to enter into employment.

Some stakeholders highlighted the high levels of trust that community business have within the communities they work with, as well as their high levels of knowledge and understanding of those communities and the challenges they face. They discussed this as being beneficial for their organisation when working in partnership with community businesses as it enables their own organisations to gather feedback to target interventions more effectively based on identified skills gaps or training needs. Another benefit of this is the link into communities that community businesses can provide to support them to work with communities with which they may otherwise struggle to engage.

‘They have the trust of local people, and that knowledge of their areas and what works in their areas is really important to us in the council, especially for working in a partnership approach to see what we can do in different areas of the city.’

Stakeholder

The majority of stakeholders discussed their organisations as supporting community businesses primarily through providing funding. For some, this is funding for bespoke projects or pieces of work. Others provide funding through dedicated funding streams, including funding to support people into employment, funding to create employment opportunities and funding for organisations to upskill and train their workforce.

Some organisations discussed providing broader business support. This includes undertaking some form of business diagnostic, including an assessment of staffing and development needs, and making relevant referrals, such as referrals to skills-development and training providers. Other business support provided includes coaching and mentoring and facilitating peer-group learning as well as in-house business-growth support. A minority of stakeholders also discussed their organisation as providing a range of support for community business around recruitment, including supporting them to advertise and recruit for roles, and another provides support with asset transfers.

The majority of stakeholders highlighted that their organisations do not currently track the number of community businesses that they work with or use different definitions to categorise businesses. Anecdotally, they discussed community businesses as making up a small proportion of the businesses they work with. They also discussed the length of support provision as varying based on the community business and their needs; in some cases it is one-off support, and in other cases it is more ongoing or long-term sustained support:

‘Interaction tends to be pretty regularly. Particularly when we get to situation where we’re helping at the very early stage, there’s a lot more contact and dependence on our advice and buddying than at other levels. But, to be realistic, we’re not fulfilling the role of a business mentor and we would never claim to be.’

Stakeholder

Stakeholders discussed community businesses as engaging with their organisation primarily to access support that their organisation provides. However, none of the support provided is focused exclusively on community businesses, instead being available to a wide range of businesses.

5.8.4 Engagement between community businesses and local strategic stakeholders

Interviews also explored the relationship between community businesses and local strategic stakeholders. The general consensus from stakeholders was that it is essential for their organisation to engage with the community-business sector. Community businesses were discussed as being an important contributor to community wellbeing that helps create thriving communities and a vital part of the social economy. In addition, they were felt to be an important part of economic wellbeing and development, including being important in supporting the regeneration and development of more deprived areas.

Stakeholders discussed community businesses as being key to driving inclusive growth by supporting local people to access good-quality employment, either through supporting them into employment or by providing employment locally, as well as raising aspirations. A minority of stakeholders also noted that, because community empowerment is their key driver, they are deeply committed to supporting people and will do all that they can to move them towards employment, including providing pastoral care.

Despite stakeholders' positive views of community businesses, community businesses interviewees' views on how they are viewed by local strategic stakeholders were mixed. A small majority of interviewees felt that community businesses are generally viewed positively, that their contribution is valued and that the unique support they provide to disadvantaged people is recognised.

'They know that they can't deliver services without us so we are very lucky where we are because we are recognised and with what's happening at the moment, they know how valuable that is.'

Community business representative

However, some interviewees felt that valuing their work does not necessarily translate into stakeholders investing in the community business. Many interviewees felt that there is a significant lack of understanding around what a community businesses is and what impact they have, both at the level of the individual organisation and collectively. Others felt they are 'taken for granted' or not valued in relation to the work they carry out, often in delivering work that would previously have been carried out by strategic stakeholders, such as local authorities:

'We're out there doing it for them so they don't have to. I'd argue we're better placed than they are to do it but there needs to be a coming together and recognition of that.'

Community business representative

In spite of this, community-business interviewees generally felt that their organisation's relationships with local strategic stakeholders are positive. Many discussed positive relationship with their local authority in particular and, for a few, this extends to working in partnership with them and having a 'seat at the table' to influence decision making. Others work in partnership with wider strategic organisations, including Job Centre Plus, Federation of Small Businesses, Chamber of Commerce, and Local Strategic Partnerships. A minority also work in partnership with private sector organisations, including to provide an employment network for the people they support. Some interviewees emphasised the importance of relationships and partnership working to deliver their work and progress the organisation:

'We literally pride ourselves on working well in partnership with other organisations. We can't be jack of all trades, we need specialist partners and stakeholders to help us with delivery.'
Community business representative

Stakeholders' views on how successful or effective community businesses are at engaging with their own organisation varied. Some stakeholders felt that their organisations have good engagement with community businesses, including because the community business has 'a strong activist or a local councillor who champions their cause' or due to having long-established relationships with community businesses who are in turn well established within their communities. However, even where engagement was felt to be positive, several stakeholders acknowledged that they could support more community businesses. Moreover, the majority felt engagement from community businesses with their organisations varies and acknowledged there are areas and organisations that they are not penetrating. For many, this was at least in part because their organisation does not actively target community business and thus tend to engage with them 'when they've contacted us or the opportunity has arisen'.

Stakeholders acknowledged several barriers to engagement for their own organisation. This included limited capacity for their organisation to engage with community businesses. It was acknowledged that a shift in organisational thinking is required to move from a focus on 'volume' to 'impact', due to the strong impact that organisations can have in communities by engaging community businesses. A minority of stakeholders also felt a barrier is the difficulty of identify which organisations are community businesses in order to target them for engagement, in part due to the different definitions used and overlap between community businesses and other types of organisations.

Stakeholders also acknowledged barriers within community businesses that prevent them from engaging with their own organisation. This includes a lack of understanding or misunderstanding of what support is available and whether community businesses are eligible for it, sometimes exacerbated by the language used by stakeholder organisations. Another barrier identified is that community businesses often do not have the time to engage in business support. Compounding this was the suggestion that community businesses may have a misconception about the time commitment required to engage with this support, which in reality could be anything from a one-off to long-term support over several years:

‘Even though we know undoubtedly we can add value to them as experts, whether that’s advice, whether that’s funding, whether that’s access to other support, it’s quite hard to convince them of the value of engaging with us in the first instance, because they are so busy and it’s that cliché of, you know, they’re so busy working in the business they don’t have time to work on the business.’
Stakeholder

Overall, stakeholders’ awareness of how community businesses engage with other strategic organisations is limited, but they generally felt that engagement varies, due to many community businesses being unaware of the support they may provide. Several stakeholders discussed there being a wide range of support available for community businesses but those businesses either not being aware of it, or it not being easily accessible, difficult to understand or difficult to navigate. Some highlighted that this needs to be simplified and that their own organisation has a role to play in this by ‘improving the connectivity between different business support agencies to make it easier for community enterprises to get the support and advice that they need’. Again, this issue is compounded by the language sometimes used by these strategic organisations:

‘The language used would seem to preclude them from accessing resources and actually there’s no reason at all why they shouldn’t access those resources. It’s all described in the language of commercial business and is therefore seen as not for the community businesses and that’s quite a simple adjustment that could be made’.
Stakeholder

5.8.5 Communicating the impact of employment and skills-development activities with strategic stakeholders

The majority of the community businesses communicate the impact of their employment and skills development activities with strategic stakeholders in some way. This is primarily through meetings with strategic stakeholders or impact/annual reports which are distributed to strategic stakeholders. Some community businesses also use case studies to further demonstrate their impact at an individual level, an approach felt by some stakeholders as a more powerful way to demonstrate impact compared to traditional outcome-based statistics. A minority of community businesses, typically those that are smaller in size, also have close links to local councillors to help communicate their impact to local authorities.

Despite their efforts to communicate impact, some interviewees felt that it is still sometimes poorly understood by strategic stakeholders and that they need to improve their communication, particularly due to its implications for investment. This was reinforced by many stakeholders who felt that community businesses are generally poor at communicating their impact and celebrating their successes. Some felt this is due to a lack of capacity or expertise. A minority reiterated that preventative work is more difficult to quantify and communicate:

'For a community business it's more complicated as they've got to talk about the preventative work they're doing, which traditionally is a really difficult case to make. It is being made but it's not easy when the world operates around particular sets of numbers being the main indicators of success.'
Stakeholder

Some stakeholders also highlighted that, whilst some businesses communicate their impact well at an individual level, impact is currently not communicated at a collective level and thus the impact of the sector as a whole is not understood. They suggested that a partnership approach is needed between community businesses, either by creating a network of community businesses or joining an existing network. This will enable them to communicate their impact more effectively through having a stronger single voice, as is the case for voluntary-sector organisations, and will also support them to get a 'seat around the table'. Some stakeholders stated that their organisation could and should play a role in supporting community businesses with this, either in aggregating impact data or by working with them as partners to establish this network approach.

6. Economic analysis of the impact of skills and employment development

6.1 Approach

The quantitative economic impact analysis aims to measure some of the benefits of involvement in community businesses in relation to the wellbeing of those individuals who engage with the community business. Traditional measures of economic impact, such as calculating the business's contribution to GVA, were considered too narrow a representation of community businesses activity, who typically aim to improve the welfare of community members through reducing social isolation, confidence building and so forth – factors that tend not to be valued by traditional metrics. The study therefore aimed to capture some of the main social-welfare improvements associated with community business activities. One way of achieving this is through the HACT Social Value Bank^{13,14}.

The HACT SVB evaluates in monetary terms the wellbeing improvement of things like regular volunteering and participation in community activities and hence can be used to quantify some of the broader socio-economic impacts of community businesses. These wellbeing improvements are monetised using guidance from the HACT SVB and reflect a range of positive factors associated with community-business engagement. This includes improvement in the current and potential employability of individuals, higher levels of self-confidence and reduced levels of social isolation. These aspects are relevant to evaluating the economic value of community businesses but tend to fall outside traditional economic-accounting frameworks of valuation, such as Gross Value Added (GVA). This approach is therefore progressive in that it captures community-business value in a way that is more reflective of the general socio-economic value to society of those businesses compared to traditional measures. The approach nevertheless remains experimental and represents an ongoing attempt to measure the economic contribution of community businesses.

¹³ HACT and Simetrica: Community investment and homelessness values from the Social Value Bank. License: Creative Commons Attribution-NonCommercial-NoDerivatives license https://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB

¹⁴ More detail about this approach is contained within the full literature review in the Technical Appendix.

Attempts are made to apply quantification across three dimensions:

- 1 Improvement in wellbeing as a result of securing paid employment**
This captures the increase in wellbeing of individuals who were previously unemployed prior to gaining paid employment with the community business.
- 2 Improvement in wellbeing as a result of general engagement with the community business**
Volunteers and service users benefit from a range of other positive experiences through their engagement with the community business (e.g. through social engagement, feelings of ‘giving back’ to the community, etc.). Regular engagement with a community business, either as a volunteer or a service user, therefore generates wellbeing and value within society.
- 3 Improvement in wellbeing as a result of training**
Paid employees, volunteers and community-business service users receive either informal or formal training through their involvement with the community business. The extent to which this training has a substantive effect on their wellbeing (e.g. through their perception of greater value within the labour market or higher feelings of self-worth) is evaluated.

In order to address dimension one, findings from the online survey of current community business employees and volunteers were used to establish their labour-market status prior to joining the organisation. Those paid employees who had come from a position of unemployment were assigned an appropriate value based around the HACT Social Value Bank. People moving from unemployment into full-time paid work generate social value of around £16,600 (all values are expressed in 2020 prices). Those moving from unemployment into part-time paid employment experience a much lower level of wellbeing improvement and generate around £1,400 in social value.

For dimension two, only ‘regular’ volunteers and service users were assigned social value; that is, those participating with the community business at least once a month for two months, as defined by the HACT. Survey data on the length of time that volunteers and service users have engaged with the business is limited and consequently the value calculation should be treated with considerable caution. The value assigned to regular participants is £3,700.

For dimension three, again findings from the online surveys amongst paid employees, volunteers and service users established whether individuals had recently received either informal or formal training through the community business. Those participants surveyed were also asked to describe the effects of receiving that training and, in each case, a judgement was made as to whether the training had had a substantive impact upon either their labour-market status or potential e.g. the training had led to promotion, improved IT skills, given confidence to take on new roles, etc. Those identified as having gained a credible positive benefit from the training are assigned a value based around the HACT Social Value Bank, £1,800 for informal training and £1,400 for formal training.

Values from the survey responses have been grossed up to the respective totals of full/part-time employees, number of volunteers and service users, as provided by the community businesses.

The issue of displacement is also considered, and is interpreted as the extent to which employees, volunteers and customers felt that they would be able to achieve similar outcomes elsewhere in the absence of the community business e.g. through finding paid employment elsewhere, receiving the same training or service elsewhere, etc. The economic analysis made use of bespoke data from survey responses e.g. where the respondent states they 'would be able to find a similar employment/volunteering opportunity at another community business'. Notably the bespoke displacement values were generally substantially higher than the displacement adjustments suggested within the HACT (roughly 55% versus 20%). Further investigation on the matter of displacement is required in any future study.

It should be strongly noted that there are considerable limitations to the social and economic impact values derived. It is not possible to provide any meaningful quantification of several of the community businesses, due to the low response rates to the beneficiary surveys (see section 2.2). Moreover, even where it is possible to present some quantification, although the response rates from paid employees and volunteers were generally reasonable, reaching service users proved much more challenging. Furthermore, the more problematic consideration is that the responses are almost certainly biased towards those who have benefited from their engagement with the community business. For example, volunteers and service users who have not regularly engaged with the community business would be less likely to have responded to the survey. As a result, the estimates of the values presented should be considered optimistic.

In summary, the estimated social value of the community business:

- will be higher the more its paid employees come from unemployment, and full-time paid employment generates considerably higher social value than part-time employment.
- will be higher the greater the number of regular volunteers and service-users.
- will be higher the greater the number of paid employees, volunteers and service users that perceive they have received substantive formal/informal training.
- will be lower the more these activities could be displaced by the perceived existence of substitute opportunities/services.

6.2 Results

Some degree of quantification has been provided for three case studies, two of which represent individual community businesses and the third combining three businesses. Lack of data on the other community businesses prevented quantification.

Case study one

Case study one is a medium-sized and well-established community business with more than 30 FTE, comprised largely of part-time employees. The community business contributes just under £1m in terms of wages, with an average FTE salary of around £28,000. It has more than 100 volunteers, which equates to around five FTE employees. It has around 4,500 customers/service-users annually. The community business offers a range of wellbeing services aimed at providing support and development for the most socially and economically disadvantaged in the local area.

Responses were received from all full-time staff, around half of part-time staff and just under a fifth of volunteers. However, fewer than 20 service users responded and thus the estimates of the service-user values should be treated with particular caution.

Table 23: Case study one

	Ft paid	Pt paid	Volunteers	Users	Total
Headcount	5	54	111	4500	...
Improved labour market outcome	0%	31%	...	...	...
1. Social value of labour market improvement (£000)	0	23	...	...	23
2. Social value of volunteering/ participation (£000)	0	0	353	9160	9512
3. Training					
Received informal training	80%	81%	15%	50%	...
substantive effect of informal training	50%	29%	5%	22%	...
Social value of informal training (£000)	5	29	10	1811	1855
Received formal training	60%	81%	15%	94%	...
substantive effect of formal training	20%	12%	8%	56%	...
Social value of formal training (£000)	1	9	11	3493	3515
Total social value of training (£000)	6	37	22	5304	5369
Total social value (£000)	6	60	374	14464	14905
Displacement adjusted Social Value (£000)	1	3	187	9040	9231

Table 23 sets out the estimated social and economic values for case study one. The following points can be drawn out of the analysis:

- Whilst all full-time employees had come from previous positions of employment, around 30% of part-time employees had been unemployed prior to joining the community business. The movement of unemployed individuals to part-time paid employment is estimated to generate around £23,000 in social value.
- Volunteering is estimated to be worth around £350,000 in terms of social value.
- The social value of participation by service users is estimated to be around £9.2m, although as previously indicated, data limitations mean there is considerable uncertainty around this figure. Nevertheless, as service users far outnumber volunteers (i.e. 4,500 users versus just over 100 volunteers), the social value of user participation is likely to be significantly higher than that of volunteers.
- In terms of informal training, around 80% of paid staff reported receiving some form of general training support. The proportion was notably much lower for volunteers (15%). There is a suggestion that the proportion may be lower for service users than paid staff (50%) although, again, this figure should be treated with caution.
- The proportion of people who reported a substantive effect of informal training was considerably lower, for example whilst around 80% of part-time employees received general training support, only around 30% felt that this had a substantive effect. The total value of informal support is estimated at around £1.8m, a figure that is almost completely dominated by the value to the customer base, who far outnumber paid staff and volunteers.
- The proportion of paid staff and volunteers reporting receiving formal training was similar to that of informal training. In contrast, the vast majority of service users reported receiving formal training, compared to 50% who reported receiving informal support. Whilst it is likely that the proportions of service users receiving training are over-estimated, service users may be more likely to receive formal training rather than informal training relative to paid/volunteer staff, since typically their reason for engaging with the community business would be to attend some form of educational class or activity.
- Substantive effects of formal training were again much lower. For example, whilst 80% of part-time staff received formal training, only 12% indicated a clear impact. Whilst most service users reported receiving formal training, just above half expressed substantive effects. The total value of formal training is estimated at around £3.5m.

- Total social value is therefore estimated at just under £15m, with around 60% of that value derived from the act of volunteering and participation by customers.
- With regard to displacement, the benefits to paid staff were largely discounted as most staff indicated that they would be able to find an alternative role. A much higher proportion of both volunteers (50%) and customers (~60%) expressed difficulty in finding an alternative. The discounted social value is estimated at around £9.2m relative to the £15m gross value.

Case study two

Case study two is a fairly large-sized and well-established community business, with around 140 FTE, consisting of around two-thirds full-time employees. The community business contributes around £3m in terms of wages, with an average FTE salary of around £21,300. It has more than 150 volunteers, which equates to around 11 FTE employees. The extent of its customer/service user base is somewhat uncertain but is in excess of 1,000 beneficiaries annually. The community business offers a wide range of services that include training and education; it is involved in social housing and a number of social care services for the most disadvantaged in the local area. The community business experienced significant challenges during austerity and saw its paid workforce decline by more than half during that period.

Responses were received from around a quarter of paid staff and around 15% of volunteers. However, there were insufficient customer responses upon which to base quantification of its service users.

Table 24: Case study two

	Ft paid	Pt paid	Volunteers	Users	Total
Headcount	105	55	155	>1000	...
Improved labour market outcome	4%	40%	...	...	...
1. Social value of labour market improvement (£000)	76	38	...	...	114
2. Social value of volunteering/ participation (£000)	0	0	579	n/a	579
3. Training					
Received informal training	83%	80%	58%	n/a	...
substantive effect of informal training	74%	57%	35%	n/a	...
Social value of informal training (£000)	143	57	101	n/a	301
Received formal training	57%	47%	25%	n/a	...
substantive effect of formal training	37%	20%	19%	n/a	...
Social value of formal training (£000)	54	15	40	n/a	109
Total social value of training (£000)	196	73	141	n/a	410
Total social value (£000)	272	110	720	n/a	1103
Displacement adjusted Social Value (£000)	30	11	195	n/a	236

Table 24 sets out the estimated social and economic values for the community business. The following points can be drawn out of the analysis:

- A small proportion (~5%) of full-time employees were previously unemployed prior to joining the community business; this proportion was much higher for part-time workers, with 40% coming from unemployment. The impacts of moving from unemployment to full-time work attract a higher value than movement into part-time work and the social value is estimated at £76,000 for FT staff and £38,000 for PT staff.
- The value of taking part in regular volunteering is estimated to be worth around £579,000 in terms of social value.
- As indicated, the social value of participation by service users could not be estimated due to lack of response. Nevertheless, it is worth noting that there would undoubtedly be a dominating service-user scale effect, with a value somewhere around £2m not unreasonable.
- In terms of informal training, around 80% of paid staff reported having received some form of general training support. The proportion for volunteers was somewhat lower, at just under 60%.
- Informal training for full-time staff appeared to be positive, with most trained staff noting a substantive effect. For part-time staff (~60%) and volunteers (35%) the effect of informal training appeared to be less substantive. The total estimated social value of informal training is around £300,000, with nearly half of that derived from full-time staff and one-third from volunteers.
- A lower proportion of paid staff and volunteers reported receiving formal training – roughly 60% of full-time staff received such support, compared to the 80+% that received informal training. For part-time staff, just under half received formal training (compared to 80% informal) and only a quarter of volunteers reported receiving formal support (compared to roughly 60% informal).
- Generally the effectiveness of formal training appears somewhat weaker than that of informal support. Whilst almost all full-time staff receiving informal training had highlighted its value, the proportion reporting substantive effects of formal training was lower, falling from 3 in 5 to 2 in 5. Only 20% of part-time staff and volunteers reported substantive effects. The total value of formal training is estimated at a little over £100,000, a third of the value of informal training efforts.
- Total social value is therefore estimated at around £1.1m, with around 50% of that value derived from volunteering.

- With regard to displacement, the benefits to paid staff were significantly discounted as roughly 90% of staff indicated that they would be able to find an alternative role. A lower proportion of volunteers (~70%) felt they could find a suitable alternative.
- The discounted social value is estimated at around £240,000 relative to the £1.1m gross value.
- However, it should be emphasised that this value excludes the social value of service users, which could feasibly contribute a further £1–2m to the estimate.

Case study three

Case study three is a composite case of three community businesses which share certain characteristics. They are each run by a very small core of paid staff (just 12.5 FTE in total) but with more significant contributions from volunteers than either case study one or two: 30.5 FTE in total from 115 volunteers. Together, the community businesses contribute around £360,000 in terms of wages, with an average FTE salary of around £27,600. The total number of customers/service users is difficult to estimate from the information available but is placed at around 4,800. These are customers/service users with whom the businesses engage directly on programmes, rather than users of a commercial service or visitors to a particular event. The community businesses have a degree of focus on the arts and music; one has a broader base as a general facilitator of activities and events for the community and is engaged in property development for community use. Two of the three have a clear focus on working with young people, while the third is more generally engaged with the wider community.

Responses were received from around 70% of full-time staff, 60% of part-time staff and just under 10% of volunteers. Forty-six service users/customers responded from an estimated total of 4,800.

Table 25: Case study three

	Ft paid	Pt paid	Volunteers	Users	Total
Headcount	7	10	115	4800	...
Improved labour market outcome	40%	33%	...	...	...
1. Social value of labour market improvement (£000)	46	5	...	...	51
2. Social value of volunteering/ participation (£000)	0	0	376	9770	10146
3. Training					
Received informal training	100%	67%	75%	48%	...
substantive effect of informal training	100%	33%	75%	22%	...
Social value of informal training (£000)	13	6	159	1920	2098
Received formal training	100%	33%	38%	48%	...
substantive effect of formal training	90%	25%	25%	18%	...
Social value of formal training (£000)	9	3	40	1224	1276
Total social value of training (£000)	22	10	198	3144	3374
Total social value (£000)	68	14	574	12914	13571
Displacement adjusted Social Value (£000)	7	4	36	3930	3977

Table 25 sets out the estimated social and economic values for the combined community businesses. The following points can be drawn out of the analysis:

- Around a third of part-time staff were previously unemployed, a figure in line with the other two case studies. A higher proportion (40%) of full-time staff came from unemployment than in case study one and two; however, the numbers in question are too small to make this a meaningful comparison. The movement of unemployed individuals to full- and part-time paid employment is estimated to generate around £51,000 in social value.
- Volunteering activity is estimated to contribute £376,000 in terms of social value.
- The social value of participation by service users is estimated to be around £9.8m, although as noted in case study one, this figure is only useful in illustrating the potential scale effect of having a large number of users relative to volunteers and paid staff.
- In terms of informal training, all responding full-time staff reported having received some form of general training support, whilst for part-time staff this proportion was around two-thirds. The proportion of volunteers receiving informal training was somewhat higher (75%) than in the other two cases, and comparable to that of paid staff. Customers/service users appeared less likely (around 50%) to have received informal training than paid staff and volunteers.
- A lower proportion of part-time staff and service users reported a substantive effect of informal training (67% v 33% and 48% v 22% respectively), but all full-time paid staff and volunteers in receipt of informal training valued its effects. The estimated value of informal training was placed at around £2.1m, approximately 90% of which was derived from the customer/service user base.
- With regard to formal training, the proportion of full-time staff and service users who reported receiving such support was the same as that of informal training. However, a much lower proportion of part-time staff (33%) and volunteers (38%) received formal training relative to informal training, mirroring case study two.
- Substantive effects of formal training were lower: for full-time staff, 100% fell to 90%; for part-time staff and volunteers, proportions in the 30s fell to 25%; and whilst around half of service users reported receiving formal training, only 18% indicated a clear impact. The total value of formal training is estimated at around £1.3m.
- Total social value is therefore estimated at around £13.6m, with nearly three quarters of that derived from the act of volunteering and participation by customers.

- The level of displacement was once again considered to be significant, with only the benefits to customers holding up to any degree; around 30% expressing difficulty in finding an alternative service. The discounted social value is estimated at just under £4m relative to the £13.6m gross value.

6.3 Discussion and Summary

The use of monetarised wellbeing valuation is a progressive approach to the economic impact assessment of community businesses.

This approach is appropriate in the context of community businesses because traditional economic accounting frameworks typically fail to capture all of the channels by which economic value is generated by those businesses.

For example, considering case study one, the perspective of the traditional economic-accounting framework would value their GVA contribution close to their wage contribution (i.e. £1m). Allowing for capital consumption and local multiplier effects, it is unlikely that this GVA valuation would exceed £1.5m. The estimated discounted social-value measure of case study one, however, is around £9.2m. This is higher than the GVA measure because it captures a broader range of welfare effects, notably the improvement in the wellbeing of people who use community business services.

However, whilst these initial findings may support the *a priori* expectation that the level of economic value captured through monetised wellbeing might be higher relative to narrower-based traditional economic accounting measures, it should be noted that the approach remains at an exploratory stage. Hence the social-value figures presented should be treated illustratively and with due regard to the limits of the survey data on which they are based and the modelling assumptions made.

The economic analysis presented here is nevertheless useful in that it highlights some of the relevant aspects of community-business wellbeing measurement and sets those aspects into an order of relative importance that may be generalisable across the sector. Moreover, the work has helped to highlight where the challenges are in terms of data collection and hence represents a useful guiding point for future attempts at wellbeing measurement within the sector.

Tentatively, it might be concluded that:

- As noted earlier in the report, there is evidence to suggest that community businesses provide paid employment opportunities to those who were previously unemployed. However, this tends to be moving people into part-time work, which attracts a lower social value than for full-time work.
- Within the three dimensions considered, social value tends to be derived more from the act of regular volunteering and participation by service users than through training. This is something of a ‘structural’ aspect of the cases examined. A community business that has a significant number of engaged volunteers and service users will generally tend to generate social welfare that far outweighs the social value afforded by its core staff, simply by weight of numbers.
- In each of the cases, there is some evidence to suggest that training is not always perceived to have a significant impact on the employability and wellbeing of recipients. When asked to describe the effective benefits of training, a significant proportion of respondents responded with ‘none’ or ‘I don’t know’.
- In each case, a large proportion of those engaged with the community businesses felt they would be able to find a suitable alternative/substitute role. Thus, when discounting is accounted for, the estimated social value falls considerably. It should be noted, however, that the bespoke discount measures used appear high relative to those generally recommended by the HACT. Further investigation is required on this matter in any future study.
- However, the discounted social value appears to be more pronounced for paid staff than volunteers and service users.
- The evidence suggests that community businesses ‘do what they say on the tin’; that is, their economic value is felt far more within the community that they serve rather than within the business *per se*.

7. Overall conclusions

From the literature review that explored how other types of businesses and organisations have measured their economic impact, it is evident that there are a diverse array of approaches to measuring and demonstrating impact, including a growing number that focus on social impacts, which are important for community businesses. The review highlights the importance of businesses developing the softer skills of their workforce and beneficiaries, and how this in turn contributes to the local economy by increasing employability through both confidence building and developing interpersonal skills. While there is an increasingly broader acceptance of the positive impacts of skills and employment activity on the local economy, it is still likely that the contribution of community businesses is being underestimated.

7.1 Community businesses' contribution to employment and skills development

The primary research explored the ways in which community businesses contribute to employment and skills development. The community businesses interviewed prioritise drawing on people from the community they serve to fulfil both paid and unpaid roles, with this particularly being the case for volunteer roles. While this helps ensure employees and volunteers can relate to the local community the business serves, similarities between the demographics of the local community and community-business roles are more evident amongst volunteer roles, compared to paid employee roles.

Community businesses also recruit both paid staff and volunteers who are disadvantaged from the labour market in some way. Businesses felt that employing those disadvantaged from the labour market had a number of potential benefits to the individuals, including breaking cycles of long-term unemployment, building self-esteem and confidence and improving mental and physical wellbeing. This in turn was felt to contribute to the economic growth of the local area as a result of providing employment for local people, and reducing unemployment levels and reliance on welfare support, as well as helping to ensure that money stays/is spent in the local economy. Similar benefits were identified for volunteers, with the additional benefits of upskilling individuals and preparing them for employment.

All of the community businesses (12) involved in the research contribute to employment and skills development through the provision of skills training and development to their paid staff and all those that recruited volunteers (10) did so through their volunteers as well. Informal training provided includes on-the-job training related to specific roles, shadowing, coaching, mentoring and reflective practice. Formal training includes role specific training, training on social issues including addiction and domestic violence, functional business requirements and training based on the needs of the individual.

Softer skills, such as increased confidence, are a key benefit identified by community-business representatives developed by paid staff and volunteers as a result of both working at community businesses and undertaking training. These skills develop significantly, and this is particularly the case for those who may have had limited work experience or training previously. This was reflected in findings from the employee and volunteer survey, whereby two-thirds (70%) of participants who have received informal training indicated that the training has increased their self-confidence. For some this increased confidence has enabled them to apply for jobs. Other impacts of training include increased employability as a result of the development of skills, and enhancing opportunities to progress within their role, the organisation and externally.

During the interviews, a number of community business representatives provided anecdotal examples of how their volunteers have progressed into employment as a result of their role at the community business. The online survey amongst employees and volunteers also indicates a positive shift in individuals' situation from their position before being involved in the community business, with reductions in those out of work and looking for paid employment and increases in those volunteering and being in paid employment part-time. Furthermore, 11% of those volunteering indicated they hope to gain employment as a result of their involvement with the community business. In terms of future plans, a number of volunteers indicated they want to look for employment locally in the town/city where they live (21%) and non-locally (8%), while 8% planned to transfer to a paid role within the business and 23% indicated they would like to retrain or upskill.

The perceived effectiveness amongst beneficiaries of both formal and informal training, in terms of whether it had a substantive impact upon their labour market status or potential, varied widely across the community businesses. However, generally the effectiveness of training appears to be somewhat more positive amongst full-time employees than part-time employees.

Community businesses also contribute to the training and development of those external to the organisation, with nine of the 12 community businesses providing skills training or development opportunities to people external to the organisation (customers/service users). The number of external people trained in the last 12 months ranges from 10 to more than 1,000 across the organisations. Training generally aimed to upskill service users or improve their personal confidence and resilience in some way to support them into employment or formal education. This was reflected in findings from service users, with 70% indicating informal training had increased their self-confidence. Training includes dedicated employment programmes to support an individual into entering the labour market, training in specific qualifications and accreditations to support people into employment, as well as softer skills development, such as confidence building and goal-setting. In terms of future plans as a result of their involvement

in the community business, 20% of service users indicated plans to retrain or upskill, 12% plan to look for employment locally and 3% non-locally, 7% planned to transfer to a paid role and 7% planned to become self-employed.

There is an opportunity for community businesses to promote their training and skills development offer more widely, with many stakeholders viewing community businesses as providing primarily informal training and skills-development activities and being less aware of the formal training and qualification opportunities that many offer.

7.2 Socio-economic groups of beneficiaries being supported by employability and skills development

As discussed above, the research undertaken with community-business representatives highlights that their organisations tend to recruit paid staff and volunteers from the local area in which they operate, and that they tend to be socio-economically disadvantaged in some way. The purpose of many of these businesses is to provide local people with opportunities to get closer to the labour market. Community-business representatives discussed providing employability and skills development opportunities to those from Black, Asian and Minority Ethnic (BAME) communities, those with a physical or mental disability or long-term health condition, those with a caring responsibility and those for whom English is not their first language. Reasons for recruiting those disadvantaged from the labour market include to support people out of poverty and for the paid staff to be from a similar background to the local community to ensure they can better relate to the local community the business serves.

All the community businesses in our study provide training and development opportunities for paid staff and volunteers, thus providing employability and skills-development opportunities to groups of people facing disadvantage from the labour market. This is particularly the case for volunteers, given that community businesses do not typically require them to have particular skills or experience, instead providing this training where necessary. This is reflected in socio-economic information provided by employee and volunteer survey participants (see Table 26).

Table 26: The profile of community business staff and volunteers¹⁵

Socio-economic characteristic	Percentage of paid staff ¹⁶	Percentage of volunteers	Benchmarking data (paid staff) ¹⁷
Long-standing physical or mental illness or disability	20%	25%	13% ¹⁸
Caring responsibilities for someone who is sick, disabled or elderly	11%	23%	14% ¹⁹
Ethnicity identified as BAME	10%	8%	12% ²⁰
English not first language	8%	10%	8% ²¹

Furthermore, a significant proportion of paid staff and volunteers who indicated that they had received informal or formal training identified themselves as belonging to a socio-economic group who are disadvantaged from the labour market some way (see Table 27).

Table 27: The proportion of socio-economically disadvantaged staff and volunteers receiving informal training

Socio-economic characteristic	Percentage receiving informal training	Percentage receiving formal training
Long-standing physical or mental illness or disability	76%	46%
Caring responsibilities for someone who is sick, disabled or elderly	56%	48%
Ethnicity identified as BAME	89%	69%
English not first language	67%	33%

All community-business representatives whose organisation supports people external to the business discussed their organisation as providing employability and skills-development support to local people external to the business who experience some form of disadvantage from the labour market.

¹⁵ Data displayed in table is based on number of people

¹⁶ This includes paid employees and freelancers

¹⁷ Benchmarking data uses employment figures in UK or England, and does not include volunteers

¹⁸ Source: House of Commons library (2020) <https://commonslibrary.parliament.uk/research-briefings/cbp-7540/> and Labour Force Survey (2020) (UK)

¹⁹ Source: Carers UK (2019) https://www.carersuk.org/images/Facts_about_Carers_2019.pdf (UK)

²⁰ Source: Annual Population Survey (2020). N.B. Figure refers employees with non-white ethnicity, UK Nationals. (England)

²¹ Source: Census 2011. Residents aged 16 to 74 in employment with English not main (first) language. (England)

For many, this was to people who have been long-term unemployed, who are from economically deprived areas, who have little or no formal education or qualifications, and those who may be new to the country or for whom English is not their first language. Other groups of people supported include single parents, people with mental health issues, those with a caring responsibility, BAME groups and parents who want to return to employment. Although not all service users who completed a survey have received training from the community business, and so are not necessarily representative of those external groups discussed by the community businesses, socio-economic information provided by them largely reflects what was discussed by community-business representatives (see Table 28).

Table 28: The profile of community-business service users

Socio-economic characteristic	Percentage of service users	Benchmarking data (% of general population)
Long-standing physical or mental illness or disability	29%	18% ²²
Caring responsibilities for someone who is sick, disabled or elderly	18%	10% ²³
Ethnicity identified as BAME	20%	15% ²⁴
English not first language	9%	8% ²⁵

As shown in Tables 27 and 28, the community businesses generally employ, engage with and support higher proportions of people who face some form of disadvantage and who may not otherwise be or feel able to access employability and skills-development opportunities, than one would find amongst the general population.

²² Census data (2011) All residents (England) indicating day-to-day activities limited a lot or little by long term health problem or disability

²³ Census data (2011) All residents (England) providing unpaid care.

²⁴ Census data (2011) All residents (England) non-white ethnicity.

²⁵ Census data (2011) All residents (England) English not main (first) language

7.3 The ways the development of employment and skills contribute to local economies

The research shows how recruiting employees and volunteers from the local area, as well as providing skills development and training opportunities, impacts on the local economy through job creation and by improving employment opportunities for local people. Furthermore, community businesses are providing employment for local people in order to ensure that money stays in the local economy.

In addition, the community businesses contribute to local economies by providing skills development and training to many volunteers or service users who are disadvantaged from the labour market in some way.

Community businesses contribute to the local economy by increasing the opportunities for local people to access training and skills-development activities. Being locally based and locally rooted enables more people to access employment and support services, by removing the travel barrier and associated costs for people who may not be able to access employment or skills development from more traditional providers who are based further afield.

Community businesses support the development of soft skills, such as building confidence, which has a positive impact on the local economy because it not only affects the individual but it also impacts their household and in turn the wider local community.

7.4 Economic analysis of the impact of skills and employment development

The use of monetarised wellbeing valuation (HACT social value) is a progressive approach to the economic impact assessment of community businesses. This approach is appropriate in the context of community businesses because traditional economic accounting frameworks typically fail to capture all of the channels by which economic value is generated by those businesses.

It should be noted that the approach remains at an exploratory stage. However, it does mean that, with various caveats, the impacts of CBs found in this research in terms of moving people into work, providing volunteering opportunities and training service users can be translated into a monetized wellbeing valuation. Based on the data collected it is clear that the social valuation of community businesses is greater than, or equal to, the GVA valuation. The analysis highlights that social value tends to be derived more from the act of regular volunteering and participation by service users than through training. The evidence from the monetarised wellbeing valuation approach suggests that community businesses ‘do what they say on the tin’, that is their economic value is felt far more within the community that they serve rather than within the business *per se*.

The evidence from the 12 community businesses in this study gives us a strong indication that community businesses’ engagement with local communities and their skills development and employability activities are contributing to the local economy through the provision of employment opportunities, upskilling and increasing the development of softer skills. The reviewed literature suggests that such contribution is often underestimated. Further study could usefully look at the sector as a whole in order to fully understand and unpack the scope of community businesses’ contribution.

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