

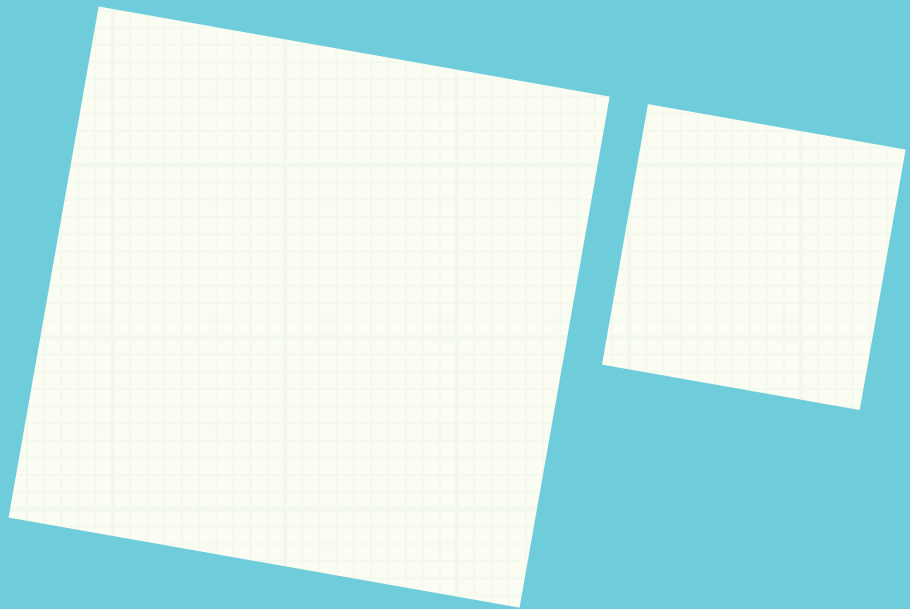


power to  
change

business in  
community  
hands



# Empowering Places



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## Interim evaluation report

**A report prepared for Power to Change**

Written by Lily O'Flynn and Alice Thornton, Renaisi

August 2020



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## Executive Summary

Empowering Places aims to build more resilient communities by catalysing and nurturing community businesses to provide benefits and opportunities for local people. The programme funds locally rooted ‘catalyst’ organisations in six places to help empower communities to develop community businesses:

- [Abram Ward Community Cooperative](#) in Abram, Wigan
- [B-Inspired](#) in Braunstone, Leicester
- [Carlisle Business Centre](#) in Manningham, Bradford
- [Centre4](#) in Nunsthorpe and Bradley Park, Grimsby
- [Real Ideas Organisation](#) in Devonport and Stonehouse, Plymouth
- [The Wharton Trust](#) in Dyke House, Hartlepool

Each catalyst receives up to £1m (between July 2017 and July 2022) including support from an expert ‘tech lead’, access to a capacity support provider pool, grant funding and money to award seed grants to deliver a five-year plan. This report summarises the interim findings from an independent evaluation of the Empowering Places programme, delivered by Renaisi.

### Measuring success

The evaluation looks at success under three key markers:

- **‘Better community business’:** there are more, stronger, and more successful community businesses in these places thanks to the support provided through the programme.
- **‘Stronger communities’:** communities become more resilient, enterprising and able to drive positive change thanks to the opportunities provided through the programme.
- **‘Better places’:** communities become better places to live thanks to the positive effects of activities delivered through the programme.

The programme is developing and many of the community businesses are in their early stages. This report looks at what has been learnt so far.

## Better community businesses

- Catalysts are typically key parts of the local social economy infrastructure and work within a hyperlocal area, for the benefit of that area.
- Despite similarities, they are diverse organisations in terms of existing relationships, size, type and number of physical assets, local recognition and approach to community engagement, as well as the variety of needs they are responding to locally.
- The catalysts as locally rooted community-based organisations have a lot to offer strategic place-based change initiatives, but some have reported lacking in capacity to engage in strategic level conversations as well as delivering a wealth of activities locally.
- Catalysts are taking three broad approaches to ‘catalysing’ community businesses: incubating, encouraging entrepreneurship, and being led by the community. These are not mutually exclusive, but catalysts have tended to veer towards one or other based on their existing skills and experience.
- At just over the half-way point in the programme 48 businesses have been supported in six places, of which 47% are trading. They have a combined turnover of £910,000, with 20 employees and 185 volunteers (not FTE).
- There are five main types of community businesses supported: existing community businesses, as well as social enterprises, community groups or projects, sole traders, new ideas or start-ups which are looking to become more like community businesses.
- The catalyst role requires them to ‘wear multiple hats’: as community anchor or community hub, community business catalyser, funder (provider of seed funding), community leader, community wealth builder and business supporter. It is challenging for organisations to deliver all of these roles well.
- The catalysts have varied capacity support needs to help them fulfil these roles. This means that the tailored support offered by the programme, and the opportunity to learn from one another is particularly important.
- Over time, relationships between the catalysts, tech leads and delivery partners have strengthened and this has a significant influence on the programme’s success.
- The catalyst / community business relationship is a key enabler of success, but there is a risk that community businesses become overly reliant on catalysts’ practical, financial and emotional support.

- The community businesses tend to experience challenges with 1) generating income through trading, especially where local people have limited spending capacity; and/or 2) effectively engaging the community in leading the business. Access to finance is an ongoing challenge for smaller community businesses.
- The programme has made a substantial investment in the provision of capacity support through the support provider pool, but catalysts and community businesses have sometimes lacked capacity to engage with the support.

### Stronger communities

- Place-making is a key area of focus for all catalysts, and is symbiotic with their work to catalyse community businesses more directly.
- Tech leads are supporting the catalysts to strengthen their role as community anchor organisations: increasing their assets, broadening their networks and connections, and deepening relationships with their local authorities and other local strategic actors.
- Catalysts' assets are an important part of their ability to engage communities and inspire local change, however long-term investment is needed to maximise the potential impact of asset ownership for local communities.
- All of the catalysts already have at least one asset, but some have several. Catalysts' assets have increased their visibility and given them a base for community engagement. As well as being a useful tool in their work to catalyse new businesses, they have been used as a base for local people to begin their engagement with the programme and provide space for local initiatives to try out ideas and activities that may develop into community businesses in future.
- Managing assets is not without challenges. Making the most of the opportunities they can provide to communities takes investment, time, expertise and effective management. The catalysts need capacity and long-term investment to leverage their assets and build the kind of long-term change that will lead to stronger communities.
- Catalysts have used community organising as an effective tool for engaging local people, but it is not yet clear how effective this will be in catalysing community business.

## Better places

- The involvement of nationally recognised organisations like NEF and CLES has enabled catalysts to join strategic conversations at a local and national level that they may not have been involved in otherwise.
- The programme has provided capacity and support to develop deeper relationships with the local authority, which in some cases has attracted attention from others and supported access to national networks and opportunities.
- Catalyst surveys carried out in 2018 suggest that the programme has provided catalysts with the opportunity or stimulus to develop new partnerships, particularly with Trusts and Foundations as well as tenants, providers and community businesses.
- A look at the wider social infrastructure of Plymouth and Bradford (data gathered from the Charity Commission, Mutuals Public Register and Companies House) tells us that on average, approximately 40% of social sector organisations in these areas make a loss every year. This may be due to a lack of income stability and an over-reliance on short term, restricted income grants, and/or a drop in local authority funding in the last decade.

## Implications of COVID-19

- As community anchor organisations, some catalysts are being looked to by the statutory sector to bolster local infrastructure, and this has become even more apparent during the COVID-19 crisis. All catalysts have been in a position to respond and some have provided essential community organising, local infrastructure to support the community response, and emergency support.
- Smaller, more grant dependent catalysts appear to be more financially secure in the short term. The larger catalysts with more diversified income streams, especially those with significant trading activities, are at more immediate risk of financial difficulty.
- Data shows that Grimsby (North East Lincolnshire) and Hartlepool are the highest risk places in this programme terms of both health and economic factors.
- Power to Change and Co-operatives UK have adapted the programme to support catalysts by providing flexibility around the use of capacity funds and focusing on developing the peer network.

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# 1. Introduction

## 1.1. Wider context

Power to Change's overall vision is to support 'better places through community business', where community businesses revive local assets, protect the services that people rely on, and address local needs. Power to Change's usual funding model aims to support particular sectors, people or businesses at a certain stage in the community business lifecycle through a mix of both open and targeted application programmes.

Empowering Places differs from this norm by taking a 'place-based' approach – devolving power, decision making and funding to trusted local community-based organisations. The programme aims to build resilience in places by catalysing and nurturing community businesses so that local communities become stronger and more connected, and provide more opportunities for local people. Empowering Places is based on the premise that locally rooted organisations understand their community's needs, strengths and motivations, and can use this to inspire change sustainably and collaboratively with others in their community.

Renaissi was first commissioned to support Empowering Places in July 2016. Our role was to develop the place selection process (clear criteria and a shortlist of places that would be invited to take part in the programme). The programme was rolled out in seven of those shortlisted areas in July 2017. Renaissi was later commissioned to evaluate the programme at the start of the third year of delivery, from May 2019 onwards.

## 1.2. Introduction to Empowering Places

Empowering Places is a five-year programme, running from July 2017 to July 2022. It is delivered by a consortium of delivery partners, led by [Co-operatives UK](#) in partnership with the [New Economics Foundation](#) (NEF) and the [Centre for Local Economic Strategies](#) (CLES). The programme aims to:<sup>1</sup>

- Demonstrate the role that clusters of community businesses can play in creating better places – through increased social capital, local economic development, improved wellbeing and reduced inequality;
- Support community rooted ‘catalyst’ organisations to build relationships with key stakeholders in the wider place to make the case for community businesses as agents of change in their local economies;
- Test Power to Change’s collaboration hypothesis that when community businesses work with others, they can access more resources and offer more products and services that benefit their communities;
- Engage with other funders and stakeholders to share the learning from Power to Change’s place-based funding approaches and increase collaboration within the new economies and local wealth building sectors.

The programme criteria were informed by the 2015 Indices of Multiple Deprivation (the most recent data available at the time).<sup>2</sup> The 10% most ‘deprived’ local authorities in urban areas were longlisted, and a shortlist of those with a strong, locally rooted ‘anchor’ organisation and strong connections with the local community were selected to deliver the programme. The programme refers to these local community organisations as ‘catalysts’.

<sup>1</sup> Hewson, B., Power to Change, *Empowering Places Update Report Feb 2020* (written for internal Impact Committee)

<sup>2</sup> Available here: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>



The programme is delivered in partnership with the following six catalyst organisations:

- [Abram Ward Community Cooperative](#) in Abram, Wigan
- [B-Inspired](#) in Braunstone, Leicester
- [Carlisle Business Centre](#) in Manningham, Bradford
- [Centre4](#) in Nunsthorpe and Bradley Park, Grimsby
- [Real Ideas Organisation](#) in Devonport and Stonehouse, Plymouth
- [The Wharton Trust](#) in Dyke House, Hartlepool



**Carlisle Business Centre**  
60 Business Road  
Bradford  
BD8 8BD



**Abram Ward  
Community Cooperative**  
81 Ribble Road  
Platt Bridge  
Wigan  
WN2 5EG



**Real Ideas Organisation**  
Mount Wise  
Plymouth  
PL1 4QU



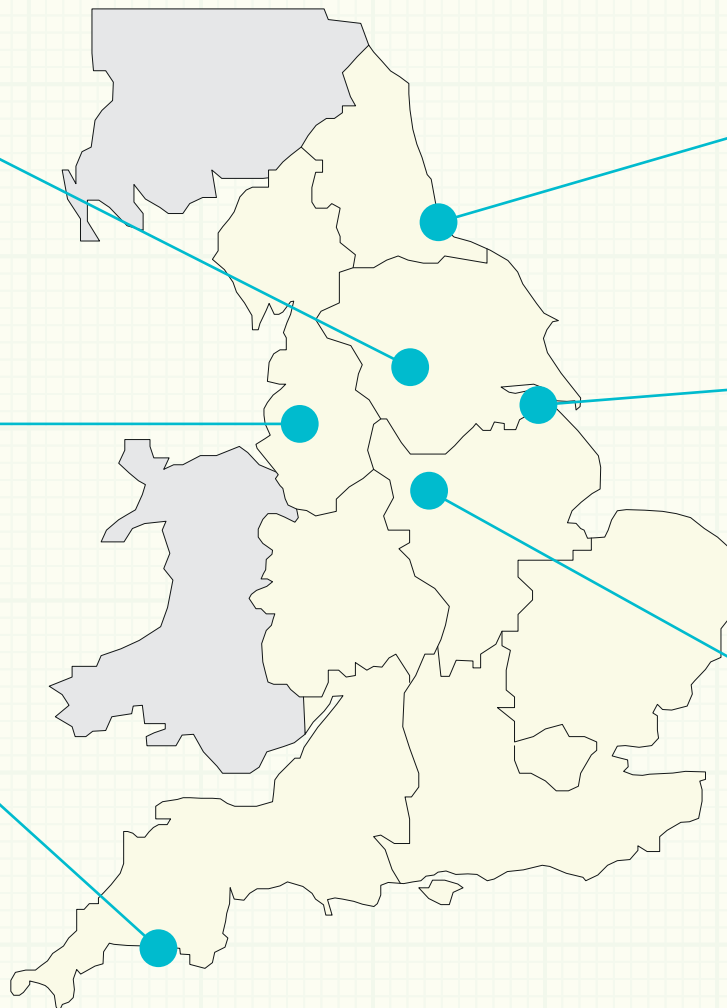
**The Wharton Trust**  
The Annexe  
Wharton Terrace  
Hartlepool  
TS24 8NS



**Centre 4**  
17a Woorten Road  
Grimsby  
DN33 1HE



**B-Inspired**  
39 Gallards Hill  
Braunstone  
Leicester  
LE1 1QR



Marsh Farm Futures in Luton were the seventh member of the Empowering Places cohort; their involvement with the programme ended in August 2019 shortly after Renaisi joined as evaluators.

The programme provides catalysts with:

- A £650,000 grant over five years, to cover their costs of participation in the programme.<sup>3</sup>
- An expert ‘tech lead’ from NEF or CLES to guide, advise and support catalysts and community business’ organisational development.
- A budget of £125,000 for capacity building, to access tech lead support or specialist tailored support from an approved pool of providers on e.g. business model, marketing etc.
- Access to seed funding of up to £5,000 each to award to community businesses being supported by the catalyst.
- Access to peer learning opportunities e.g. bi-annual ‘learning camps’ attended by all catalysts and delivery partners.
- There is also a collaboration budget which is retained by Power to Change for wrap around work in each place.

This package of capacity support is used to strengthen the catalyst organisations’ influence and reach locally, to improve sustainability and invest in strategic development, and to help them support community businesses in their locality.<sup>4</sup>

<sup>3</sup> RIO in Plymouth received £750,000 due to being a pilot for the programme

<sup>4</sup> The annual budget allocated has changed over time. This information is taken from Power to Change’s internal *Empowering Places Update report Feb 2020*.

### 1.3. Purpose of the evaluation

The aim of this evaluation is to enable Power to Change and its stakeholders to learn about how to work in places, and how community businesses can drive local change.

The evaluation framework developed for this programme considers the places themselves, how best to work in different types of places, and how to work with different types of actors in those places. Specifically, the evaluation explores:

- The impact that Power to Change and delivery partners have on grantees (i.e. the catalyst organisations and community businesses)
- The impact grantees (i.e. the catalyst organisations and community businesses) have on places
- The impact of Power to Change and delivery partners on the wider community business marketplace
- The impacts of community business on people

Our approach combines qualitative research through interviews, observations and video ethnography with quantitative data analysis and desk research, drawing on publicly available datasets where possible.

Renaissi are supported by two specialist associates on the evaluation:

[MyCake](#) are specialist financial analysts who support the evaluation by making local social sector data available to support strategic decision making in each place.

[Close-Up Research](#) are video ethnographers who support the evaluation by using ethnographic research methods to document behaviours, unearth insights and capture research in local places, and produce video outputs.

### 1.4. Aims of this report

This working paper is the first annual report of the evaluation of Empowering Places. It is published at an interim stage in the evaluation and will focus on the structure and aims of the programme, understanding the impact of the programme so far on catalysts, community businesses and places, and identifying the strengths and weakness of the support provision.

This report does not cover the fourth impact area, ‘impacts of community business on people’. This is because many of the community businesses being supported remain at early stage in their development, and there will be more opportunities for Renaisi and Close-Up Research to gather evidence about impact on local people in the second year of the evaluation.

### 1.5. Brief note on methodology

The evaluation is a mixed methods study but draws predominately on qualitative data, including interviews with staff at Power to Change and delivery partners, observational data from the programme’s ‘learning camps’, annual ‘diagnostic sessions’ with the catalyst organisations, and (more recently) from webinars and online activities. It also draws on information provided in programme documents authored by the catalyst organisations, delivery partners and Power to Change.<sup>5</sup> Researchers have taken detailed notes and used an observation and learning log to track relevant findings and develop a comprehensive understanding of the development and impact of the programme.

This report presents emerging findings based on information and learning gathered at an interim stage in the evaluation. These findings will be refined and further detail added as the evaluation continues into its second year.

We are developing a picture of each place using quantitative data from Local Insights, Place Analytics, the Thriving Cities index, Community Life Survey and financial datasets provided by our associate MyCake. The next stage of the evaluation will build on this report by providing further quantitative analysis of publicly available datasets, financial analysis on additional places, and addressing research questions that are not covered in this report.

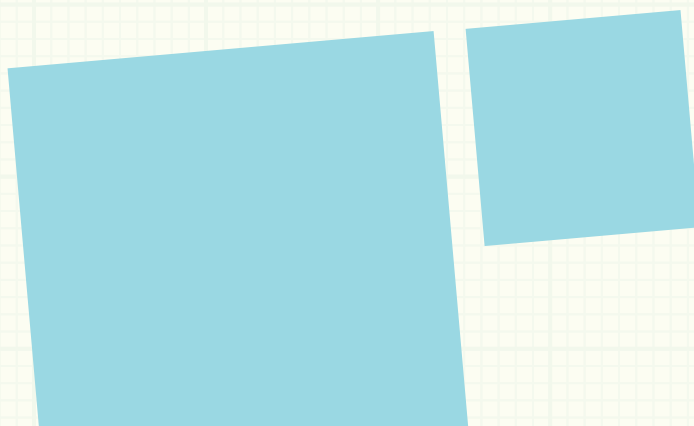
There have been two significant recent developments that may affect the shape of the programme going forward, and consequently the evaluation and types of questions we might need to explore. These are the **COVID-19 crisis** (discussed at the end of this report), and Power to Change’s shift in focus towards ‘**making the case**’ for investment in community business as it nears the end of its spend-down date in 2022. These are referenced in this report where relevant, however we have not been able to comprehensively respond to these developments at this stage.

<sup>5</sup> These include: Power to Change’s Learning Paper on Empowering Places, Power to Change’s internal quarterly reports, Co-operatives UK reports to Power to Change, notes from community business health checks and diagnostic sessions.

## 1.6. Limitations to the methodology

There are some limitations to the evaluation and what we can cover in this report. These include:

- **Retrospective evaluation:** Renaisi was commissioned to deliver the evaluation two years after the programme was launched. Our evaluation is focused on the remaining three years rather than attempting to retrospectively evaluate activity in years one and two. However, this has made benchmarking progress more challenging and has hindered a more objective understanding of the evolution of the programme.
- **Bottom-up approach:** Empowering Places supports catalyst organisations to develop activities that are tailored to their locality. The programme is therefore being delivered in different ways, in different places, within different contexts and with slightly different aims. The evaluation has had to respond to this reality by combining two approaches: building a picture from the ground up (using a grounded-theory approach), and testing some core assumptions about the overall programme design in a more consistent way. Through this evaluation we are identifying and sharing learning from insights gathered in different places, and recognise that some learning will be place and context specific.
- **Attribution, contribution and counterfactual:** Attribution of impact or change plays a difficult role in place-based funding, for two key reasons:
  - 1) The catalyst organisations have been selected on the basis of their strong roots in communities, and will be receiving funding from other trusts, foundations and statutory sector bodies for the same reason. It will rarely be clearly apparent how far impact was achieved through this programme, or in combination with other types of support.
  - 2) There are innumerable other external factors that affect change in a place, such as the political environment, existing networks, assets, people, and other local developments. It will always be challenging to unpick what change might have happened anyway, without the influence of this programme.



- **Timing:** At this point in the programme, many of the community businesses being supported by catalysts are at a very early stage in their lifecycle. Although there are some early signs, there is not yet enough evidence to build a detailed picture of the impact that community businesses are having on people and place. We will address this question at a later stage in the evaluation. Additionally, this report is informed by a relatively limited number of interviews that have taken place at this stage and so it is not yet possible to represent the full range of experiences of catalysts and community businesses.
- **Quantitative data:** Drawing together publicly available datasets to provide context for this type of programme is a challenge for two key reasons:
  - 1) Available data represents different scales of place, which are not always comparable (e.g. ward level; local authority level; LSOA or MSOA level; constituency level; etc.)
  - 2) Additionally, data from different datasets are collected at different points in time, and at different regularities (e.g. census data is collected once every decade, and is now significantly out of date; IMD is updated every 3-4 years; the Community Life Survey is bi-annual; some datasets are updated more regularly). This means data from different sources cannot be accurately presented as a ‘snapshot in time’ because the point in time varies, though it can help to build a general picture of a place.
- **Financial data:** MyCake collect financial data on the social sector using organisational accounts submitted through the Charity Commission, Companies House and the Mutuals Public Register. As accounts are submitted after audit and for the previous year, the data does not provide a completely up-to-date picture of the social sector, and this method cannot capture all relevant organisations (for example, CICs). See section 4.3.1 below.

## 1.7. COVID-19 in the context of this report

This report was written in April 2020, a few weeks after the coronavirus outbreak hit the UK. Most of the qualitative and quantitative research for this report had already been collated and analysed before the impact of the COVID-19 was felt by community businesses. This report therefore does not explore the impact of COVID-19 in any depth; however it can be used as an informal ‘baseline’ to help us to understand the impact of the COVID-19 crisis on community businesses, and how they have responded, in the coming months. Section 5 at the end of the report looks at the initial vulnerabilities the Empowering Places areas face, the perceived impact and the potential role of evaluation going forward.



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## 2. Community business and place

This section starts by exploring the ways in which Empowering Places is a place-based programme. It then situates Empowering Places in the wider context of the community business market, by highlighting relationships and similarities to other Power to Change programmes. This learning from other programmes and research has informed our analysis of findings discussed in the next section.

### 2.1. Empowering Places as a place-based programme

‘Place-based’ is an increasingly popular funding approach, but one that is definitionally ambiguous as it is one that has evolved over time and across programmes. The term describes an ‘extended family’ of approaches and ways of thinking about social change, rather than a specific set of design features.<sup>6</sup>

Empowering Places is ‘place-based’ in the following ways:

- It aims to change the whole locality of interest through programme activities, rather than focusing on specific sectors, target beneficiaries or systems
- It consciously aims to interact with the wider social infrastructure<sup>7</sup> of place. It is not solely focused on community business, or one type of partner, but rather the full local context
- It looks to the long-term by focusing on growing assets and engaging in community wealth building<sup>8</sup>
- It gives catalysts, and therefore the community that they work with, considerable room to determine their own approach. As a result, they have chosen to use some quite diverse methods. The programme is quite flexible about the precise delivery mechanism
- The catalysts are continuously reacting to and being led by the community, practising engagement activities like community organising
- It operates at different levels of place. These scales are determined locally and in a way that is relevant to the people who live there
- It interacts with other Power to Change funding programmes in the wider area (see section 2.3 and Appendix One)

<sup>6</sup> See Hitchin, J. (2019) *You can't get there from here: An essay on the concept of place in policy*, Renaisi. Available online here: [https://renaisi.com/wp-content/uploads/2019/11/An-essay-on-the-concept-of-place-in-policy\\_by-John-Hitchin\\_2019.pdf](https://renaisi.com/wp-content/uploads/2019/11/An-essay-on-the-concept-of-place-in-policy_by-John-Hitchin_2019.pdf) and Hitchin, J. (2020) *What do people mean when they talk about place-based change?* Renaisi Available online here: <https://renaisi.com/2020/02/03/what-do-people-mean-when-they-talk-about-place-based-change/>

<sup>7</sup> Spaces to meet, engage and mobilise; such as community centres, pubs and post offices

<sup>8</sup> Redirecting wealth back into the local economy

Empowering Places is the only Power to Change funding programme which is geographically targeted in this way, though its other programmes aim to prioritise funding in the same six priority places where possible.<sup>9</sup> The learning from this programme will be relevant and valuable for other funders or organisations that are interested in the wider question of how to improve a place.

## 2.2. Scales of place

Empowering Places operates at different levels of 'place':

- **Hyper-local** – the immediate community around each catalyst, typically at ward level, where the majority of community engagement activities take place
- **Town or city-wide** – the wider urban centre, which provides a context to the programme, has a distinct social sector and local economy, where catalysts engage with the local authority and drive other strategic activities
- **National** – the programme has a national presence through the influence of Power to Change and delivery partners, whose networks catalysts have been given access to

It was initially envisaged that the programme would be predominantly hyper-local in focus. But as the programme has evolved, it has pushed out of those boundaries by:

1. Encouraging catalysts to respond to community business opportunities outside of their immediate vicinity
2. Engaging with local authorities and driving or contributing to town-wide initiatives such as the [‘Made in Wigan’](#) campaign
3. Engaging with other sources of Power to Change funding in the six priority places, for example Bright Ideas or Community Business Fund grants; this funding sits outside of Empowering Place, but connections are made where possible. This has also driven a broader focus on the wider urban area, rather than the hyper-local community where the catalysts are based
4. Creating a platform for catalysts to engage in and influence national level conversations about community business, local wealth building and the wider social economy

<sup>9</sup> City Regions and Counties is also geographically targeted, but is a strategic support programme rather than a funding programme.



5. Providing a central budget line to support local collaboration between infrastructure organisations and support providers in the wider places, in order to create a supportive environment in which community business can emerge, grow and thrive after the end of the programme.

**This enlargement of focus is significant, because it highlights the potential role and voice of hyper-local actors at bigger scales of place.** The programme provides funding and support at a local level, but the impact is potentially felt at larger scales around that focal point. The catalysts are not intellectually confined to their local area; they are very much aware of, influenced by, and influential to a broader conversation about community-led change and the social economy.

### 2.3. Relationship to other Power to Change programmes

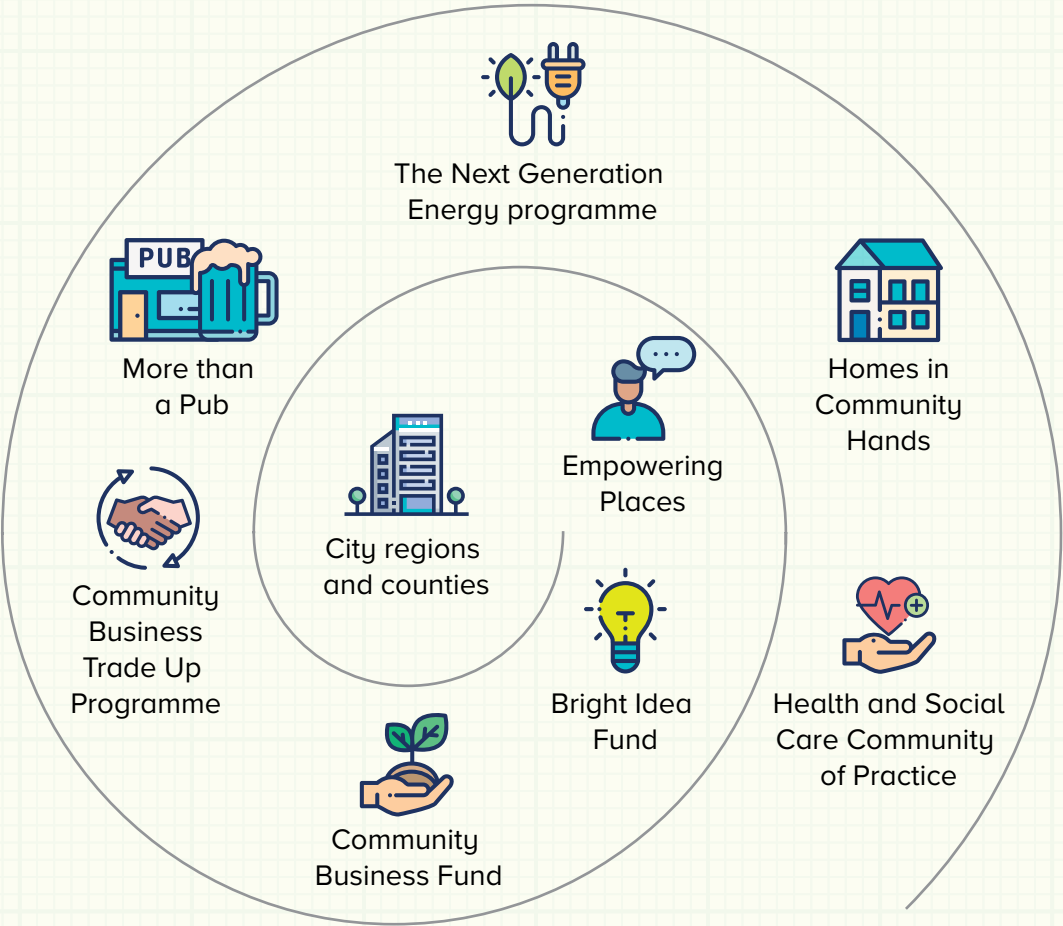
It is possible to loosely group Power to Change funding programmes on a spectrum, based on their aims, design and areas of focus.<sup>10</sup> At one end of the spectrum are two programmes that are **geographically targeted** at certain places (City Regions and Counties,<sup>11</sup> and Empowering Places); in the middle are **open support programmes** which invite applications from community businesses at different stages in their lifecycle (Community Business Fund, Bright Ideas and Trade Up); and at the other end are programmes **targeted at specific sectors** (More than a Pub, Next Generation Community Energy, Homes in Community Hands and the Health and Social Care community of practice).

The following diagram represents the relationship between Empowering Places and these other programmes, with those that are more similar placed closer together on the spectrum.

<sup>10</sup> A full list of programmes can be found on the Power to Change website here: <https://www.powertochange.org.uk/get-support/programmes/>

<sup>11</sup> Targeted at the other three 'priority places': Liverpool city region, West of England and Suffolk

**Diagram 1:** Spectrum of Power to Change programmes, with those most similar to Empowering Places shown closest to it



As a programme, Empowering Places has most in common with City Regions and Counties, the Bright Ideas Fund and the Community Business Fund. It also has some commonalities with the Community Business Trade Up programme.

**Table 1:** Empowering Places and other PTC programmes

Features of other Power to Change programmes that are common to Empowering Places	
<b>City Regions and Counties</b>	<ul style="list-style-type: none"> <li>– <b>Strategic level</b> programme engaging with local authorities</li> <li>– Uses a <b>systems-focused approach</b> to promote the conditions for community businesses to thrive</li> <li>– Aims to <b>influence</b> wider community business marketplace</li> <li>– <b>Geographically targeted</b> at three ‘priority places’</li> </ul>
<b>Bright Ideas Fund</b>	<ul style="list-style-type: none"> <li>– <b>Supports and incubates</b> new community businesses</li> <li>– Provides <b>tailored expert advice</b> through specialist Advisors (whose sector-specific expertise and role on the programme is broadly comparable to Empowering Places ‘tech leads’)</li> <li>– Some Bright Ideas grantees are <b>more established organisations incubating new business ideas</b>, similar to Empowering Places catalysts</li> </ul>
<b>Community Business Fund</b>	<ul style="list-style-type: none"> <li>– Funds many <b>organisations that have similarities to the Empowering Places catalysts</b>, e.g. community hubs, local community anchors, etc.</li> <li>– Some of these grantees are actively engaged in <b>similar place-making approaches</b> used by the catalysts</li> <li>– 60% of funding is invested in grantees based in 30% most ‘deprived’ communities in England – therefore <b>broadly similar place demographic</b> to Empowering Places<sup>12</sup></li> </ul>

<sup>12</sup> Litchfield, A. et al. (2020) *Community Business Fund, Trade Up and Bright Ideas Fund evaluation annual report* (forthcoming)

These similarities are important, because they suggest that Empowering Places has the most to learn from these three programmes. It also means that these programmes, and others like them, have a lot to learn from Empowering Places.

Learning from other Power to Change funded programmes that support community businesses can help to understand where community businesses originate from, and what their development needs are at different stages in their lifecycle. This learning can help catalysts and delivery partners to understand how best to support different types of initiatives. **Appendix One outlines learning that is relevant to this programme drawn from Bright Ideas, the Community Business Fund and Trade Up.**

**“Can you start  
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## 3. What does success look like?

This section describes the aims, structure and main features of the Empowering Places programme. These features provide context for our findings to date, which are described in section four.

### 3.1. Aims and ambitions

Power to Change has a core theory that underpins its work: that community businesses make places better, because being locally rooted, socially motivated and commercially oriented enables them to make a positive difference in their communities.<sup>13</sup> As a funder, it is therefore interested in the role that community businesses can play in supporting a thriving social economy. The Empowering Places programme was set up to explore how community businesses can be supported to do this, in areas experiencing much higher than average economic and social deprivation.

The programme is flexible, partly decentralised and constantly evolving, which makes it complex and nuanced. It has aims at different levels:

1. **An experiment:** the programme is designed to explore what happens when catalyst organisations are supported to promote community business in ‘deprived’ places in England.

*“It is experimental, we are saying, can you start community businesses in places that are more deprived, have less social capital, can you start them up and what can you learn about the process?”*

2. **Wider placemaking:** the programme has a strong focus on building the capacity of catalysts to strengthen their community, build resilience and engage with partners to support the wider social economy.

*“It is also about how community businesses make places better... It’s building the capacity of the [catalyst] organisations to build capacity in the community... taking different approaches to how they will engage people... identify problems and empower their communities to tackle them, and give them business skills, that’s what we’re asking them to do.”*

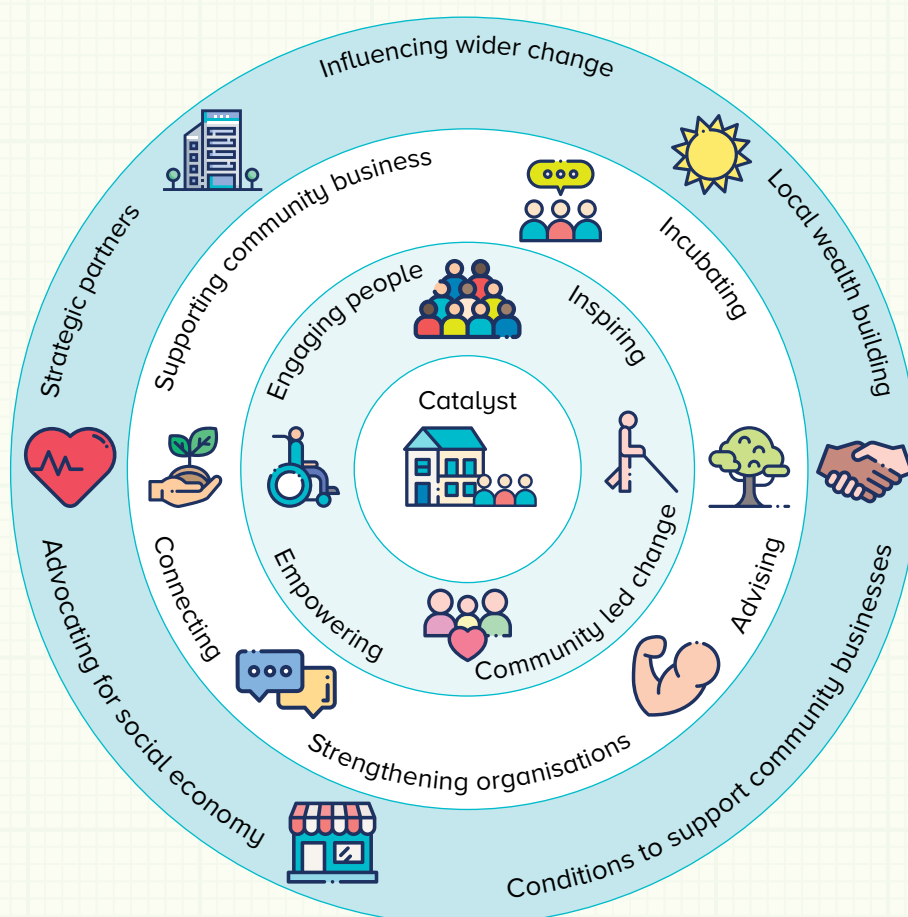
<sup>13</sup> Harries, R. and Miller, S. (2018) Better Places through Community Business: A framework for impact evaluation, Power to Change Trust. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2018/10/Better-places-through-community-business-Digital.pdf>

3. **A desired outcome:** the programme has given catalysts the specific aim of nurturing a cluster of sustainable community businesses that collaborate to make their place better.

*“[Catalysts] wanted us to give them an aim. [Power to Change] said we want to see community businesses emerging and collaborating... We don’t let them do just anything that will make the place better, if it doesn’t have anything to do with community business.”*

All of these aims are important to the programme, but different aims become more or less relevant at different points in time as the programme evolves. Broadly, catalyst organisations are particularly focused on the third aim (which gives them a clear measure of ‘success’) but have an increasing interest in the potential longer-term impact of the second in their communities. Power to Change and its strategic partners have a strong interest in the first aim because of the learning potential for other funding approaches.

**Diagram 2:** Representation of catalysts supporting a thriving social economy in their place at different levels of influence



### 3.2. Success in context

Overall, this programme is about the **relationship between community businesses and place**: the role that community businesses play in places, and how places can support thriving community businesses. It is not a linear programme, but one that can be understood in multiple ways.

The community businesses being supported through the programme have a different status under each of the three levels of programme aims.

**Under the first aim – an experiment – community businesses are the *means*** (the tools being used to make places better). Community businesses are being used because Power to Change believe in their value and potential to drive positive change.

**Under the second aim – wider place making – community businesses are the *way*** (the overarching method used to make places better, but brought about through a variety of strategies). Power to Change and catalysts recognise that not all local activities can or will directly lead to community businesses being set up; a range of approaches and entities will emerge from the programme, and not all of them will be community businesses.

**Under the third aim – a desired outcome – community businesses are the *end*** (the community businesses are the target of the activities). At least some community businesses need to be developed and supported as part of the programme.

This means that there are different ways of understanding the success of the programme:

1. **‘Better places’**: communities become better places to live thanks to the positive effects of activities delivered through the programme.
2. **‘Stronger communities’**: communities become more resilient, enterprising and able to drive positive change thanks to the opportunities provided through the programme.
3. **‘Better community business’**: there are more, stronger, and more successful community businesses in these places thanks to the support provided through the programme.

Each of the six places participating in the programme will experience ‘success’ differently, depending on their local context and choice of approach. This diversity of aims and success markers is very important to understanding and evaluating the programme.



### 3.3. How to evaluate programme success

This evaluation assesses the programme and its achievements in a range of ways, reflecting the three markers of success.

#### 1. ‘Better places’: Assessing social outcomes in local communities

Power to Change has identified seven long-term outcomes that together define what it means by a better place.<sup>14</sup> These outcomes were chosen in consultation with community businesses and sector stakeholders, based on what many community businesses say is important for their communities.

**Table 2:** PTC long-term outcome areas

Outcome area
Reduced social isolation
Improved health and wellbeing
Increased employability
Better access to basic services
Greater community pride and empowerment
Improved local environment
Greater community cohesion

Previous research has used measures from the Community Life Survey to take a ‘baseline’ of the six Empowering Places, based on a hyperlocal version of the national survey.<sup>15</sup> These measures are approximately aligned with the seven outcome areas, and will be tracked in future hyperlocal surveys to assess change over time.

Any changes to these outcomes will take place over a long time period, and this success marker is the most difficult to evaluate because of the timescales of the programme and the challenge of assessing this type of change. We will try to address evidence of the programme’s impact against these outcome areas as the evaluation progresses, but it may not be possible against each one.

<sup>14</sup> Harries, R. and Miller, S. (2018) Better places through community business: A framework for impact evaluation, London: Power to Change. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2018/10/Better-places-through-community-business-Digital.pdf>

<sup>15</sup> Coutinho, S. et al. (2019) Empowering Places? Measuring the impact of community businesses at neighbourhood level, London: Power to Change. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2019/09/Hyperlocal-Empowering-Places-DIGITAL.pdf>

As well as assessing impact, this programme also offers a unique ability to explore how community businesses achieve these benefits in more deprived communities, and what conditions and support they need to succeed. There are other ways of supporting social economy, stimulating local enterprise and achieving positive outcomes in communities. This raises another key question for the evaluation:

In what contexts is community business an effective tool to support better places?

## 2. ‘Stronger communities’: Exploring conditions for communities and community business to thrive

The second aim asks catalysts to use indirect approaches to support the development of stronger communities, through wider placemaking activities. **This is about catalysts working at a strategic as well as a hyperlocal level to strengthen communities, which in turn will create the necessary conditions for community businesses to thrive.**

We already know some of the local conditions and contexts that are associated with successful community businesses,<sup>16</sup> and we can use Power to Change’s four criteria of community business to explore the necessary conditions that they need to thrive.<sup>17</sup> **These criteria describe an established organisation, and do not apply neatly to early stage initiatives which are not yet trading, nor to organisations that are transitioning to become more like a community business but do not yet meet all of the criteria.** However, they do provide a useful guide to the conditions that a developing community business might need as it becomes more established.

<sup>16</sup> Hitchin, J. (2018) Community business in place, Power to Change. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2018/10/Community-Businesses-in-Place-Working-Paper-Final.pdf>

<sup>17</sup> The criteria are explained in more detail, with examples, on the Power to Change website here: <https://www.powertochange.org.uk/get-support/>. Note that this is a two-way process: community businesses need these conditions in order to thrive, but they also help local people to develop skills and improve these conditions as well.

The following table provides an incomplete overview of conditions that might be necessary, based on our existing knowledge and drawing on wider research.

**Table 3:** PTC criteria and necessary conditions to support community business

<b>Criteria 1: Locally rooted</b>  “A business started by local people that will benefit the immediate community around it.”	<b>Criteria 2: Accountable to the local community</b>  “The local community must have a genuine say in how the business is run, e.g. through regular consultation, membership or ownership.”
<b>Necessary conditions</b>  This requires communities: <ul style="list-style-type: none"> <li>– to have good connections between people locally,</li> <li>– to have a sense that local people can achieve something if they put their mind to it,</li> <li>– to have an enterprising mindset,</li> <li>– and to have some basic business skills.<sup>18</sup></li> </ul>	<b>Necessary conditions</b>  This requires communities: <ul style="list-style-type: none"> <li>– to have a certain level of social capital,</li> <li>– to have local people with the ability and willingness to actively engage in the business,</li> <li>– to have people who see themselves as having a voice in local decision-making,</li> <li>– and to have a local social economy that can support these conditions.<sup>19</sup></li> </ul>

<sup>18</sup> See also Building an inclusive economy through community business: The role of social capital and agency in community business formation in deprived communities. CLES (2019). Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2019/10/P2C-and-CLES-final-high-res-web-1.pdf>

<sup>19</sup> See also Buckley, E. et al. (2017) Community accountability in community business. Power to Change. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2017/11/Research-Report-10-Summary.pdf>

<b>Criteria 3: Trading for the benefit of the local community</b>  “A community business makes money by trading products and services... The profit from trading is then reinvested to deliver more activities/services that benefit local people.”	<b>Criteria 4: Broad community impact</b>  “Community businesses are set up to address local needs and contribute to a broader sense of confidence and pride in a place.”
<b>Necessary conditions</b>  This requires a local economy: <ul style="list-style-type: none"> <li>– That has the necessary wealth to support business activities,</li> <li>– Or that is able to attract custom from outside of the immediate community;</li> <li>– This can require a supportive local environment for the social economy (e.g. an actively supportive local authority),</li> <li>– And access to infrastructure support (provided by intermediaries) that can help the business to function well.<sup>20</sup></li> </ul>	<b>Necessary conditions</b>  This requires communities: <ul style="list-style-type: none"> <li>– To have ‘needs’ that require addressing,</li> <li>– To have a lack of confidence and/or sense of pride (so that it is possible to positively impact them),</li> <li>– to self-identify as a community or place (so that community businesses operate across an area that makes sense to local people).<sup>21</sup></li> </ul>

Broadly speaking, the six places on the programme already have the necessary conditions in place to support the fourth criteria. **However, generating the conditions to support criteria one, two and three is a challenge given the disadvantages faced by people in these communities.** Of these, criteria one and two operate at a local or hyperlocal level, but the third is strongly influenced by the wider structural economy of the town, city or region which is outside the direct control of catalyst organisations.

<sup>20</sup> See also Richards, L. et al. (2018) Factors that contribute to community business success. Power to Change. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2018/03/Report-13-Success-Factors-DIGITAL.pdf>

<sup>21</sup> See also Harries, R. and Miller, S. (2018) Better places through community business: A framework for impact evaluation Power to Change. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2018/10/Better-places-through-community-business-Digital.pdf>

Developing these conditions is a long-term process which is difficult to quantify – but can be explored through qualitative research and local people’s reported feelings about their community.

This raises further key questions for the evaluation:

How can communities be strengthened in the types of places supported through this programme? What effect does this work have on community businesses? And how can this learning be applied in other places and contexts outside of this programme?

### **3. Better community business’: Understanding clusters of community business**

From the start, the programme was designed to support catalysts to incubate new and existing community businesses. However, the more specific aim to support ‘a cluster of sustainable community businesses that collaborate to make their place better’ was later introduced because catalysts wanted a clearer target to work towards.

This has advantages: it is easier for catalysts to ‘measure’ their own progress, communicate the programme to people in the community, and focus their activities. However, introducing a more specific target has also raised definitional questions, such as:

- How many is a ‘cluster’?
- What is the boundary of the place? How geographically dispersed can a ‘cluster’ be?
- What does sustainable mean in this context? (see Appendix One)
- What counts as a community business, as opposed to other types of community initiative?

The programme team and delivery partners have made a conscious effort not to provide too tight a definition in response to these questions, to leave enough room for catalysts to determine their own local activities and ambitions in response to the brief.

Given the economic and social challenges faced by communities in these six places, this is not an easy target. **Catalysts are being asked to ‘artificially’ stimulate the process of developing community businesses, which in other places would happen organically.** This is the only Power to Change programme where community businesses are actively and intentionally developed in a targeted way, rather than ‘naturally’ emerging. This has a range of important implications for understanding the impact and dynamics of this programme as different to other Power to Change programmes.

Our evaluation explores this success marker through analysing the number and type of community businesses supported, how they originate, their successes and challenges, what support they need to succeed, and their impact on local people. We also look at the support that catalysts need to support community businesses well. Our initial findings are discussed in section 4.1, and point to another key question for the evaluation:

What can we learn about how to stimulate and develop successful community businesses using the support of locally rooted ‘catalyst’ organisations?

#### 4. Testing hypotheses about community business

Power to Change have a set of hypotheses which together form part of their theory about the value of community business.<sup>22</sup> The hypotheses at a community business level, and at place level, are particularly relevant to this programme.

**Table 4:** PTC hypotheses at community business and place level

Community-business level hypotheses	<b>H1: Knowledge</b>	Community businesses have high levels of customer/service user satisfaction because they understand what people want. This is because the majority of their staff, volunteers and/or customers/service users are from the local area. As a result, they offer better products and services than alternative providers.
	<b>H2: Employability</b>	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.
	<b>H3: Volunteers</b>	Community businesses use local volunteers to deliver their products and services. They do this by providing formal and informal volunteering opportunities. This also helps them keep their costs down. Volunteers will also report personal development and social benefits.
	<b>H4: Social Capital (Members/ Shareholders)</b>	Community businesses increase bridging social capital by engaging members and/or shareholders in local decision-making through the development of skills and access to information.
	<b>H5: Sustainability</b>	Community businesses are less likely to close if they understand what local people want (H1), use local volunteers to deliver their products and services (H3) and engage local people as members and/or shareholders (H4).
Place-level	<b>H8: Collaboration</b>	Community businesses collaborate with others, accessing more resources (i.e. skills and money). This enables them to offer more services, products and activities, benefiting their community.

<sup>22</sup> Ibid.

These hypotheses cut across all three success markers for this programme.

Significant evidence already exists to support the community business level hypotheses from our evaluations of other Power to Change programmes.<sup>23</sup> However, it is not yet clear to what extent these hypotheses are appropriate or achievable for Empowering Places. To date, less evidence exists to support the place-level hypothesis about collaboration, which is also a key focus of this programme. This raises a final key question for the evaluation:

Does the experience of this programme support or challenge Power to Change's hypotheses about community business?

<sup>23</sup> Thornton, A. et al. (2019) Community Business Fund evaluation: Interim report, Power to Change. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2019/03/CB-funding-Evaluation-DIGITAL.pdf>. See also Litchfield, A. et al. (2020) Community Business Fund, Trade Up and Bright Ideas evaluation: Annual report (forthcoming).



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## 4. Evaluation findings: impact and learning

The sections above outline the programme design, purpose and provides context for our initial findings. This next section describes what has been delivered through the programme, the changes we are seeing as a result of this work, and learning so far.

It focuses on the defined measures of success described in section 3, aligned to three of Power to Change's four impact areas:

- 'Better community businesses' – understanding the impact that Power to Change and delivery partners have on grantees. We have split this section into three: the impact on catalyst organisations, on community businesses, and the impact of the programme support.
- 'Stronger communities' – understanding the impact grantees are having on places. These initial findings will be supplemented with further detail on the impact on local people in a future report.
- 'Better places' – understanding the initial impact Power to Change and delivery partners are having on the community business marketplace. As described above, 'better places' is longer term outcome of this work and therefore has not been explored in great depth through this report.

### 4.1. Better community businesses

This section of the report explores what we know about the catalysts, the impact Empowering Places has had on them and how the capacity support is contributing to stronger community businesses.

#### 4.1.1 The impact of Power to Change and the delivery partners on the catalysts

Empowering Places is primarily a capacity building programme, supporting the catalysts to make the most of their role as local community anchors, able to catalyse and support local community action. **The catalysts are at the centre of this model.** The programme and its resources (money, opportunities, support, access to the provider pool, wider network, etc.) is **predominantly channelled through the catalysts to reach the community businesses and local people.** By investing in these organisations, Power to Change is devolving an investment in place and hypothesising that the benefit of this work will spread out from the catalysts to the wider community.

The catalysts are key parts of the infrastructure of the local social economy and work within a hyperlocal area, for the benefit of that area, which is partly why they were chosen to participate in the programme. **Despite some similarities, they are diverse organisations** in terms of existing relationships, type and number of physical assets, local recognition and approach to community engagement, as well as the variety of needs they are responding to locally. The section below explores some of these differences and asks why this matters in relation to the programme.

### Types of catalyst organisations

Each organisation is unique and has a history and features that are significant to understanding how this programme is delivered locally:

- **Real Ideas Organisation (RIO), Devonport and Stonehouse, Plymouth** is a well networked social enterprise operating in Plymouth and across the South West. RIO develop innovative projects, and have extensive experience of taking on and redeveloping assets. They provide affordable and flexible office space for SMEs to grow and develop, as well as capacity building support. RIO is the only catalyst that is not considered to be a community business itself.
- **Abram Ward Community Cooperative (AWCC), Wigan** is a local community hub with local community as members. They provide room hire facilities and offices for other community businesses and social enterprises.
- **B-Inspired, Braunstone, Leicester** is neighbourhood-based charity with a trading arm which owns several local assets, as a legacy of the New Deal for Communities programme. They work with local people to understand local issues, and forge relationships with service providers as well as their own network of volunteers to find solutions.
- **Carlisle Business Centre, Manningham, Bradford**, is a well-established business centre that supports the development of local businesses through business coaching. They rent out workspace and reinvest profits into activities for community benefit.
- **Centre4, Nunsthorpe and Bradley Park, Grimsby**, is a community hub delivering services and activities to the local community. It also provides space for a wide range of tenant organisations and community groups as well as being an incubator space for small businesses and social enterprises.

- **The Wharton Trust, Dyke House, Hartlepool** are a deep-rooted community organisation actively supporting the growth of resident engagement and community leadership. They also lead on other place-based programmes like Big Local in their locality.

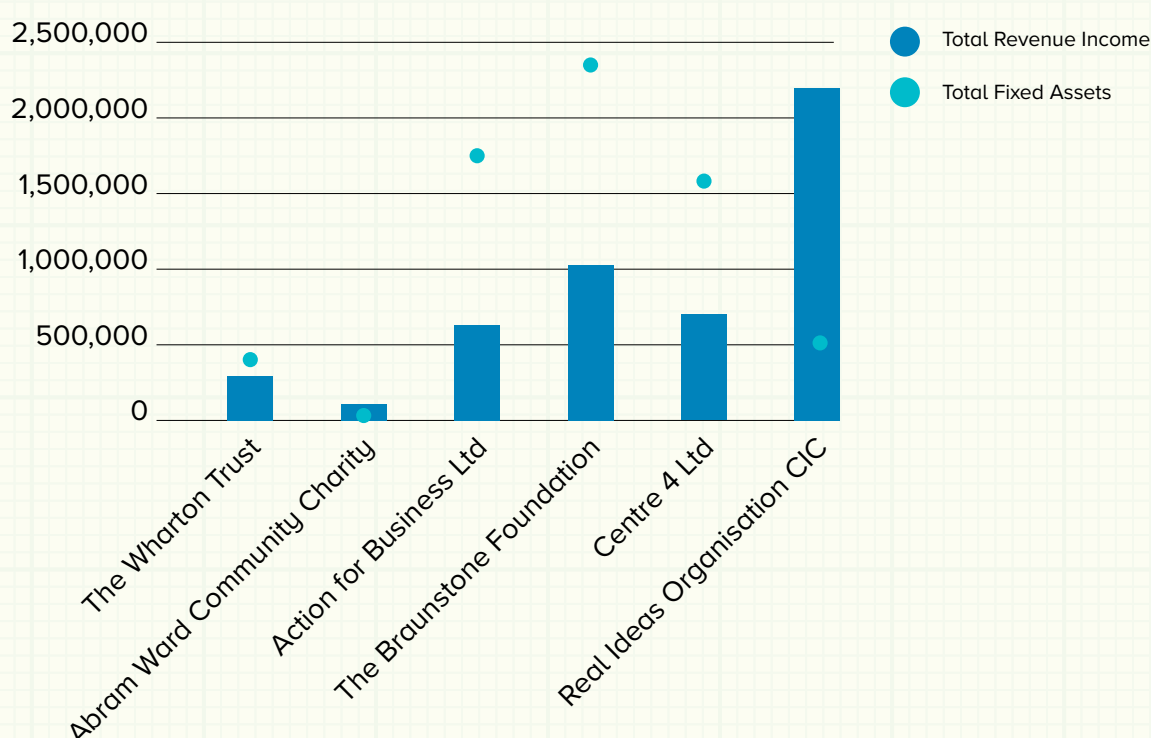
### Size of catalyst organisations

The catalysts vary significantly in size. The annual income of the smallest organisation is approximately £115k, and the largest just over £2.2m.

The value of catalysts' assets reflects a similar pattern with one larger outlier, two or three middling organisations and one substantially smaller organisation. The largest fixed asset value is just over £2.3m and the smallest £25k.

**Figure 1:** Annual income and fixed assets of catalysts<sup>24</sup>

Annual income and fixed assets (2017/18)



There is also significant variation in the size of catalysts' staff team. The smallest, Abram Ward Community Cooperative, has 3 FTE, Centre4 has 39 FTE, and RIO has the biggest team (the specific FTE is not listed in their accounts but we believe it to be in excess of 70).

<sup>24</sup> Data depicted in the graph below was obtained by MyCake and derived from 2017/2018 catalyst account data.

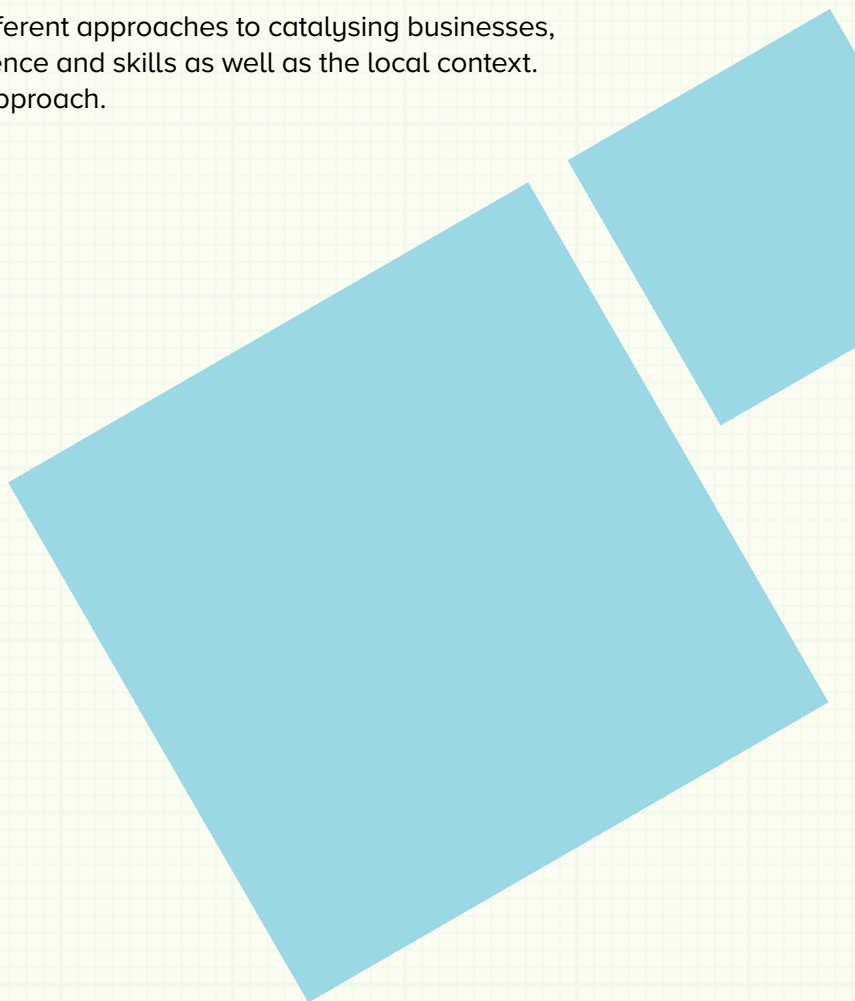
### **Strategic placement of Empowering Places**

Empowering Places is managed at different levels within the catalyst organisations. In the majority of cases, the lead contact is the organisation's Chief Executive or other senior executive. In these cases, activity delivered through Empowering Places is more fully embedded within the whole organisation, so that it is difficult to distinguish between Empowering Places and wider organisational strategic activities.

For others, Empowering Places sits at a project management level. These catalysts still provide substantial support for the programme and it complements their other activities, but it does not have the same position at the heart of organisational strategy.

### **Catalyst approaches**

Broadly, catalysts are using three different approaches to catalysing businesses, based on their organizational experience and skills as well as the local context. Some catalysts use more than one approach.



## Incubating

B-inspired and Centre4 have both taken an incubation approach to growing their community businesses – nurturing ideas from inception, or supporting with the transition from community organisations to community businesses. The incubation approach has been made possible because the catalysts have assets that can host new initiatives, and in-house expertise that can nurture new businesses. In the case of B-inspired, the asset that they use as a base that incubating community businesses can use, The Grove, has been funded with support provided by Empowering Places, as they had not been able to afford an investment in the building previously. At Centre4 anecdotal feedback suggests small community businesses like Nunnys Farm and the Thrift shop have flourished in terms of their community engagement, but growing trading income has proven harder. There is a question around whether the safety net of a community asset and in-house skills prevents the type of risk-taking that boosts ‘normal’ businesses to flourish, although without the support of the catalyst these businesses are unlikely to have developed in the first place. At B-inspired the community businesses being incubated are not yet trading.

### **Ethical Recruitment Agency (ERA), Grimsby**

ERA has been created by, and is based at, Centre4. They work with potential employees to provide training and up-skilling, and work with employers to place people into local jobs.

They also offer access to a range of local community projects to help potential employees to practice skills, apply knowledge from training and build confidence. Participants can collect points which can then be exchanged for products, paid courses and services at local businesses.

## Entrepreneurism

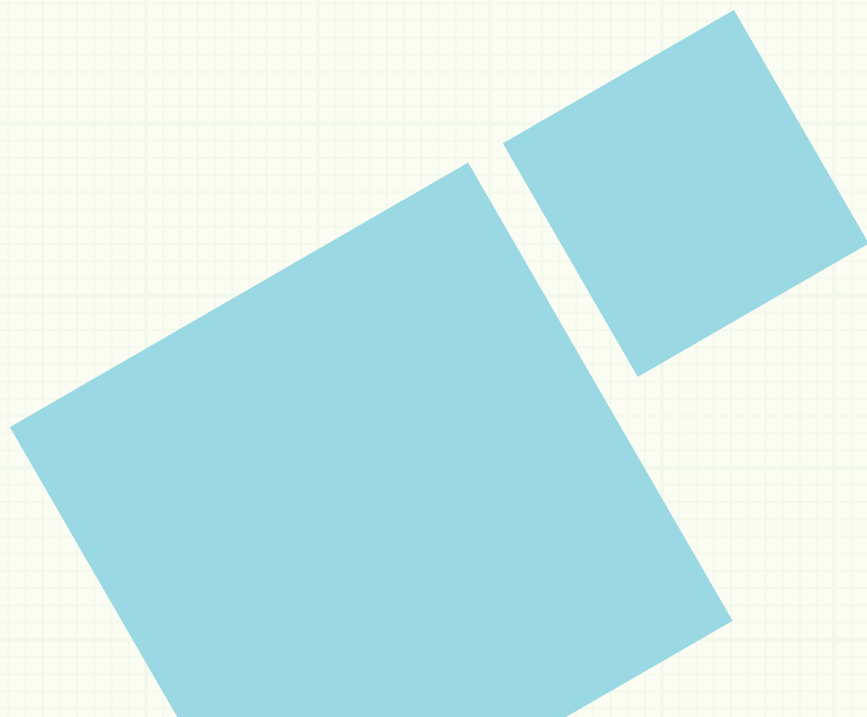
Both Carlisle Business Centre in Bradford and RIO in Plymouth have backgrounds in enterprise, and are less rooted in the community development world than the other four catalysts. This has led to a strong focus on enterprise models and individual entrepreneurialism, and a positive focus on trading, though in some instances community businesses have struggled with community engagement. For example, Billy Ruffians Brewery in Plymouth promote environmental standards and the circular economy, and provide learning opportunities for local people, but their model is perhaps less driven by adapting to community needs as some others.

Both places differ in some ways from the others in terms of their local social economy, with Plymouth having pockets of affluence and a strong social enterprise sector, and Bradford having a strong enterprise culture with much larger than average VCSE and SME sectors.

### **Nudge Community Builders, Plymouth**

Nudge is a community benefit society that owns, creates and runs activity in disused, underused or unusual urban spaces to lead to lasting positive change and community led regeneration.

They do this by listening and being led by the community, collaborating with other local groups and promoting creative approaches to peak interest and encourage local people to get involved.



## Community led

Both the Wharton Trust in Hartlepool and the Abram Ward Community Cooperative in Wigan have encouraged local people to come forward with ideas. Their presence as trusted community organisations has enabled this approach, and they have been able to support connections between community businesses and other local actors, and by providing access to grant funding. Both organisations are deeply rooted in their community and have a wide network of local connections with the local voluntary and community sector.

Both areas face similar challenges with trading as those taking an incubation approach.

### Men's Sheds, Wigan

Based at Platt Bridge Community Zone, the Men's Sheds project is open to men to learn new skills in woodworking, gardening or any project they may like to undertake. They meet daily, providing a social setting, where men can come along, have a tea and a chat, whilst working on projects that meet their needs and interests.

Men's Sheds allows men, regardless of age or ability, to increase their self-esteem and feel better about themselves, make new friends and learn new skills. The aim is to be able to grow skills and create products that can be used as trading commodities.

## Diversity of challenges

Before the Empowering Places programme started, the catalysts typically either viewed themselves as anchors of place-based change, or as catalysts of community and social businesses; for the most part they focused on one role or the other.

The programme has helped them to diversify their skills and catalysts have learnt a lot from each other about different community engagement techniques to build connections, trust, resilience and 'can-do' in communities that might lead to the creation of community businesses. Those with a community development background have also learnt a lot about business incubation.



This blended role is a challenging one and requires catalysts to ‘wear multiple hats’: as community anchor or community hub, community business catalyser, funder (provider of seed funding), community leader, community wealth builder and business supporter. The withdrawal from the programme of Marsh Farm Futures in Luton was in part driven by challenges the organisation faced in fulfilling all of these roles, particularly without strong roots in the local community that enable legitimacy and accountability to local people.

Even with a wealth of support, what is being asked of the catalysts is not straightforward delivery and it takes a certain type of organisation to fulfil these roles effectively.

***“We don't have that business expertise and we're trying to guide people to start a business. There are others out there who can point people along that journey – that's a challenge, but we don't think of that as something that has stopped us doing something we wanted to do.”***

### ***Catalyst interview***

It is clear from observing approaches that different catalysts find different aspects of the programme challenging, depending on their skills, experience, background and the new roles they are adapting to. Given these challenges, it is important that the capacity support provided by the programme:

- 1) Is holistic and responsive to individual catalyst needs
- 2) Provides opportunities for catalysts to learn from each other's diversity of expertise

It has taken time for the catalysts to develop and learn to play these multiple roles well. The programme has had to be realistic about what can be achieved in terms of delivery over a relatively short time period.

***“Expectations were too high for the first year... But when you think of what we have done, and what we've learnt through all that, it sets you up for the next year.”***

### ***Community Business interview***



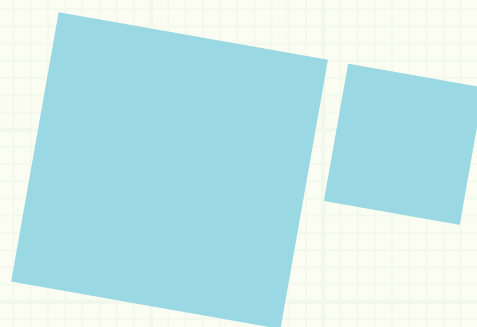
### Summary: Why understanding catalyst diversity matters

The success of the programme lies in how well the catalysts are able to deliver it. The catalysts' diverse contexts and experience matters, because these features will have a bearing on this success.

The size of the investment from this programme as a proportion of overall income, along with the strategic positioning of the programme within the organisation, is likely to influence the catalyst's **ability to embed this programme as a core strategic ambition** within the organisation. Where the proportion of grant to overall income is significant, and where it is managed at a senior level, we can expect a greater influence on the organisation which may lead to a more substantial legacy.

The size of the catalyst will also **affect their capacity to manage the programme**. Larger organisations with more staff may have greater capacity to deliver, however this can also lead to competing priorities and more stakeholders. Given the local and relatively focused aims of Empowering Places, catalysts that are smaller and more focused could have an advantage.

Catalysts with stronger links to the community have mobilised local people more effectively, and those with enterprise experience have been better placed to nurture emerging businesses. **Both skillsets affect the impact of the programme on each place in different ways**. Those more embedded in the community have been able to engage more people in place-making, helping to strengthen the local community and improve resilience. Those that have catalysed more sustainable businesses that are able to make a profit, offer employment and bolster the economy have been more successful in supporting stronger community businesses. **Both approaches aim to make better places, but the route they are taking towards this aim is different**. At this stage in the programme it is more difficult to assess the success of approaches taken towards the second point because so many of the community businesses are still at early stages of development.



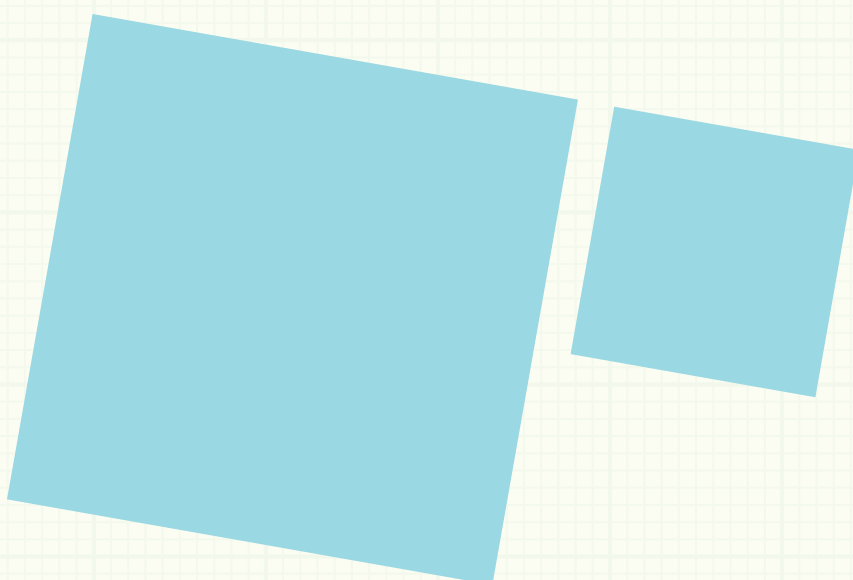
#### 4.1.2 The impact of Power to Change and the delivery partners on the community businesses

This section explores the number, types and activities of community businesses being supported through the programme, and their sustainability.

##### **Number of community businesses**

At just over the half-way point in the programme 51 businesses have been supported in six places, of which 47% are trading. They have a combined turnover of £910,000, with 20 employees and 185 volunteers (not FTE).<sup>25</sup>

The catalysts were tasked with supporting eight or more community businesses each over the life of the programme. As the programme has developed the number of community businesses has become less important and the onus is now on sustaining and strengthening existing ones.



<sup>25</sup> Hewson, B., Power to Change, Empowering Places Update Report Feb 2020 (written for internal Impact Committee)

The table below summarises the catalysts' overarching visions for their involvement in the programme, and the community businesses being supported in each place.

**Table 5:** Catalyst visions and community businesses supported<sup>26</sup>

Catalyst	Five-year vision <sup>27</sup>	Community Businesses supported
<b>RIO, Devonport and Stonehouse, Plymouth</b>	Everyone has access to meaningful work that makes a difference to their community, the environment and the world; and community business and wider social entrepreneurial approaches are seen as common place careers for all. Entrepreneurialism is encouraged, wealth is generated sustainably, and quality of life improves for all.	1) <b>Snapdragons Plymouth CIC</b> , a group of parents who offer an alternative for children's education and learning.
		2) <b>Nudge Community Builders</b> , creative community led ways to improve public spaces and places and connect people.
		3) <b>Soapbox Theatre</b> , children's theatre
		4) <b>Street Factory CIC</b> uses all elements of Hip Hop -transforming lives for young people.
		5) <b>Billy Ruffians Brewery</b> , a community brewery developing waste bread based beer and local beer.
		6) <b>Yoga Loft Plymouth</b> , Yoga studio offering classes and workshops.
		7) <b>Another world Farms</b> , Community food growing and production
		8) <b>Stoke Stars</b> , Community park and café
		9) <b>Pollenize CIC</b> , introduce apiaries (beehives) to high profile buildings in the centre of urban communities to reverse pollinator decline.
		10) <b>Stonehouse Voice</b> , community news publication for Stonehouse
		11) <b>Hamoaze House</b> , asset transfer to provide café services and potential redevelopment of WW2 war room tunnels as heritage attraction.
		12) <b>Stonehouse Creek</b> , potential asset transfer of Stonehouse Creek park and community centre.
		13) <b>CLIIK</b> , Community building and green space
		14) <b>D&amp;C Furniture</b> , furniture upcycling to provide new furniture for people who otherwise would not be able to afford it.
		15) <b>Under</b> , community art space

<sup>26</sup> Information has been gathered through Airtable, catalyst applications and CLES's Prove and Improve reviews of community businesses

<sup>27</sup> Taken from catalysts' five-year plans

Catalyst	Five-year vision <sup>27</sup>	Community Businesses supported
<b>Abram Ward Community Cooperative, Wigan</b>	Community business taught through educational services will provide awareness and opportunities locally, utilising and safeguarding the community hubs and open spaces in the Ward as spaces to trade from.  Community businesses will be built upon the existing community spirit and aim to make Abram Ward a great place to work, live and visit.	1) <b>Wigan Men's Sheds</b> , for men of all ages to come together to make bespoke wooden products as requested by local people, whilst in turn helping to reduce male social isolation issues and increase health and wellbeing.
		2) <b>TasteBuds Café</b> , community café that buys locally grown food and trains local people to cook.
		3) <b>MissPlaces Ltd</b> , wellbeing group for women supporting entrepreneurship and development of skills.
		4) <b>Bicky Lads and Lasses</b> , local young people making Arts and Crafts products within Bickershaw Village Club.
		5) <b>Betty's Café</b> , community cafe taking over a vacant facility within Bickershaw Village Club.
		6) <b>Pianos, Pies and Pirouettes</b> , aims to reduce inequality via Arts and Culture in communities.
		7) <b>Made in Wigan</b> , shop / community hub in Wigan Town Centre to promote community businesses to a boroughwide audience, plus provide space for community business to sell from, and to provide training.

Catalyst	Five-year vision <sup>27</sup>	Community Businesses supported
<b>B-Inspired, Braunstone, Leicester</b>	Braunstone will boast a community business-led economy, where local people will have created their own solutions to tackle some of the most difficult issues faced. They will feel strong and supported by a partnership that has developed and built local infra-structure. B-inspired will be working with, and for local people and our partnership will be inclusive and embrace everyone who wants to help Braunstone flourish, from community groups to private business.	1) <b>The Grove Community Hub</b> , offering sports and office spaces for local community businesses.
		2) <b>Garage Sale/Community Shop</b> , a place to buy quality second-hand clothes and bric-a-brac at very affordable prices; weekly profits are invested into the community.
		3) <b>Braunstone Park 18 FC</b> , a community-run grassroots Football Club, aspiring to run as a community business by trading their skills, potentially based in the Grove Community Hub.
		4) <b>ER Crew</b> , a volunteer run dance group, specialising in Street Dance genres that are very popular locally.
		5) <b>Nutri-Bodyblast</b> , local personal trainers in fitness and nutrition to be based out of the Grove Community Hub.
		6) <b>Bar at The Grove</b> , a nascent community business idea to invite local people to submit ideas to run the bar facility at The Grove for community benefit.

Catalyst	Five-year vision <sup>27</sup>	Community Businesses supported
<b>Carlisle Business Centre, Manningham, Bradford</b>	Manningham will be a great place to live, work and visit. Local people will be proud of their area and visitors will see a community with great places, good jobs and enterprising and ambitious people. Manningham will once again be a 'come to' destination with more jobs, leisure, culture, shopping and food.	1) <b>PCC</b> , Bradford Youth Development Partnership are planning to take over a local community centre, the PCC. Plan to sell space and run activities for young people.
		2) <b>Made in Manningham Markets</b> , women-led market with stalls and events.
		3) <b>My Manningham</b> , working with local people, businesses and landlords, to help make Manningham cleaner and greener.
		4) <b>Bradford Organic Composting Services</b> , reuse and recycle activities.
		5) <b>Mary Magdalene CIC</b> , objective to be community hub; activities including boxing, bike repair, events.
		6) <b>Regeneration Bradford</b> , childcare provision for local autistic children.
		7) <b>Creche 24</b> , out of hours/evening creche for people who work unsociable hours to enhance their career prospects and employment opportunities.
		8) <b>Hollins Youth Association</b> , community centre to develop young people through social interaction.

Catalyst	Five-year vision <sup>27</sup>	Community Businesses supported
<b>Centre4, Nunsthorpe and Bradley Park, Grimsby</b>	A place where community businesses raise local people's aspirations and transform their life chances. A place that embraces the Garden City principles on which it was designed, a place with high-quality affordable housing and locally accessible work in beautiful, healthy and sociable communities so that it once again becomes somewhere that people choose to live because of the breadth of activities and services that are available – a place where people are healthier, happier, engaged and empowered. Community business will be viewed as an essential part of local economic development plans and the local business landscape.	<p>1) <b>Ethical Recruitment Agency</b> (ERA) helps local people develop the skills required to access employment opportunities and works with businesses to place them.</p> <p>2) <b>Community Orchard</b>, using waste land to create a community orchard.</p> <p>3) <b>Nunny's Farm CIC</b>, aim to become a community asset which will be self-sustaining, provide local employment, learning and education opportunities, and improve the health and well-being of the local area.</p> <p>4) <b>Chords</b>, community singing group bringing people together, developing self-esteem and confidence.</p> <p>5) <b>Craft collective</b>, local crafters coming together to sell collectively online and at markets or from local premises.</p> <p>6) <b>Baby clothing</b>, selling second hand and new baby items, surplus given to babies in community.</p> <p>7) <b>Community Gym</b>, bringing together local providers to train and support, aims to be community owned.</p> <p>8) <b>Thrift shop</b>, selling second-hand clothes and giving profits to local charities.</p> <p>9) <b>Tool library</b>, community owned business, lending tools.</p>



Catalyst	Five-year vision <sup>27</sup>	Community Businesses supported
<b>The Wharton Trust, Dyke House, Hartlepool</b>	Wharton Trust to be more commercially minded, capable of generating and operating new income sources to aid sustainability. The community will be even more inspired and empowered to apply their own solutions to local problems, or gaps in provision, using the community business model. Local organisations and anchor institutions will be actively giving 'community business solutions a try' either by direct procurement of services or by encouraging their own community business approach in other neighbourhoods across Tees Valley.	1) <b>Run Fit Hartlepool CIC</b> , contracting with charities and public health to deliver organised sessions to specific populations as well as to the wider public.
		2) <b>Bloom in Arts</b> deliver creative workshops with young people to build confidence, and put on events.
		3) <b>Dyke House Community Wi-Fi</b> , in inception.
		4) <b>Annexe Housing</b> , purchasing and renovating housing stock locally.
		5) <b>Bringing Communities together CIC</b> , providing educational and creative services. Taken over by local Hospice to diversify to go beyond patients and reach into the community
		6) <b>Community Personal Support Service</b> – winding up.

## Types of community business

The programme design perhaps originally envisaged that the majority of community businesses would be new ideas or start-ups (hence 'catalysts'). But for the reasons discussed in section 3.3 above, it is very challenging to directly catalyse new initiatives in these communities, and the programme has recognised the value and relevance of catalysts nurturing a community business sector through other, more indirect routes. The types of organisations or initiatives that catalysts are supporting varies, and can be placed along an approximate spectrum.

**Diagram 3:** Types of community business supported



**Existing community businesses:** There were few community businesses that already operated in the Empowering Places localities, however the catalysts have supported some existing community businesses in the wider town or city such as Pollenize and Nudge Community Builders in Plymouth and Bradford Organic Composting service, helping them to strengthen and grow.

### ER Crew, Leicester

ER Crew are a dance group in Braunstone, run largely by volunteers. It has been operating for over 20 years. They specialise in Street Dance, provide training for coaches and perform in carnivals and dance shows and enter dance competitions. Participants range from young children to grandparents, who come for exercise and fitness.

B-inspired are helping them to incorporate as a business and access business advice from the Empowering Places provider pool. They deliver elements of many of B-inspired health and fitness projects.

**Social enterprises, community groups or projects, and sole traders:** Many organisations were already well established and have been operating for a number of years before becoming community businesses. These fall in to one of two categories: community projects wanting to strengthen their trading activities, and social enterprises wanting to develop their community engagement.

Community projects with a desire to develop trading activities often have skills embedded in community development rather than business, and have sometimes reported discomfort in charging for previously free activities which could cause barriers to participation.

Those that are operating as sole traders or that have developed from social enterprises often have more business acumen, but sometimes find it difficult to be holistically community-led. For sole traders particularly, a need to turnover enough profit to employ themselves often has to be the priority.

#### **Run Fit, Hartlepool**

Run Fit is a Hartlepool based running group. It was formed in 2015 with the aim of providing running sessions in a fun, friendly, supportive atmosphere, accessible to everyone regardless of ability.

They lead adult and junior sessions, offer structured sessions personal training advice, and plan to start offering bike rides for people who don't enjoy running. Run Fit is actively involved in the local area working on various community projects. The Wharton Trust has supported them to move from being solely focussed on health and wellbeing to becoming more of an established business that has a broader community remit in the town.

**New ideas or start-ups:** The catalysts have also supported some completely new initiatives, through their community engagement activities, business coaching and advice, and inspiring local people to act on issues that they care about. Some new ideas have originated from the catalyst organisation, which has later found people to take the idea forward, such as the Ethical Recruitment Agency in Grimsby. Others have originated from local people who have sought support from the catalyst.

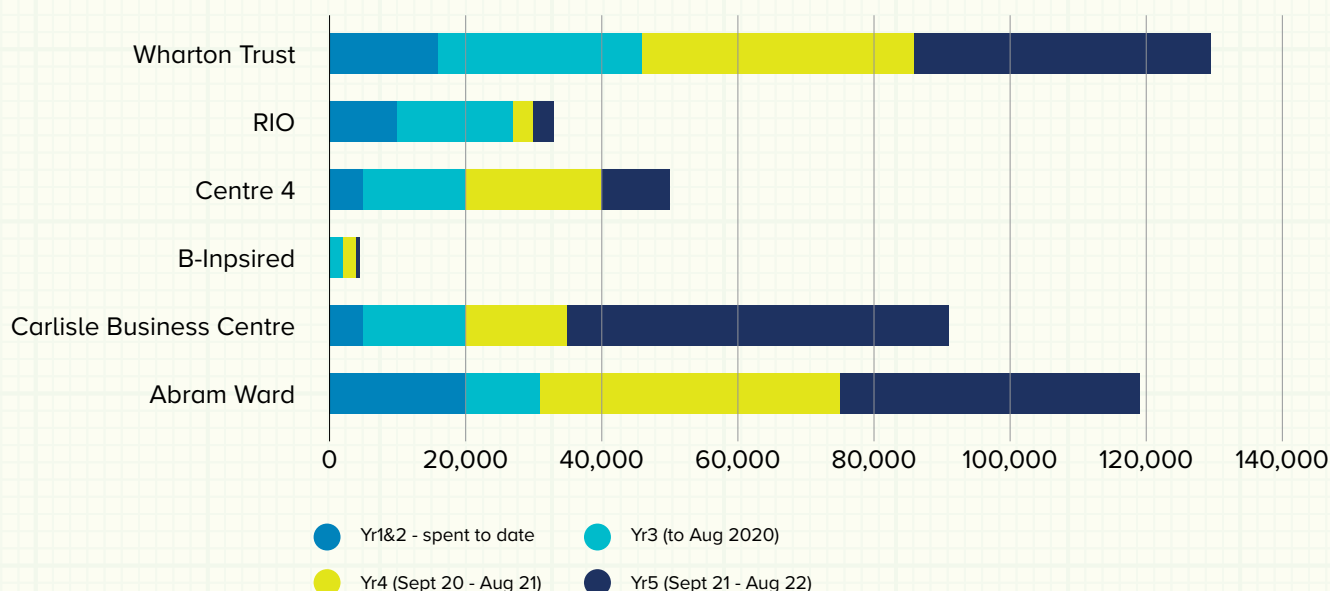
### Made in Manningham, Bradford

Made in Manningham was set up in response to enterprising women wanting somewhere to promote and sell their goods services. Supporting local community businesses, they have set up a market run by women which has achieved lot of profile for the local area. Carlisle Business Centre have put a lot of work into developing community initiatives as a route to identify people with ideas who can then be supported, and have set up a leadership programme called 'Rising Stars' for women to develop their confidence as potential business leaders.

### Seed funding

Each catalyst can award between £500 and £5,000 in seed grants to help community businesses start up or towards sustaining themselves. To date catalysts have awarded a total of £56,500.<sup>28</sup> The chart below shows the allocation over time; most have allocated considerable budgets to the final three years of the programme, apart from B-Inspired. Abram Ward Community Cooperative are also using the seed grant budget to support asset acquisition.

**Figure 2:** Catalyst seed funding allocation









<sup>28</sup> Power to Change update 23/04/2020

Generally, the autonomy to award grants is viewed positively, however, one catalyst reported having less confidence in their ability play the funder role effectively and found the administrative nature of doing so an additional burden.

### Responding to local needs

The diagram below highlights some of the assets of each place alongside some of the local issues experienced, and compares these with the examples of community businesses that have been catalysed in place with the aim to understand how catalysts are addressing and tackling key local issues. It should be noted that there are multiple assets and challenges in each place and different community businesses will be responding to varied needs in their community.

**Diagram 4:** Community businesses addressing local need<sup>29</sup>

Place	Local Issues	Examples of community businesses
<b>Plymouth</b>	Loneliness and isolation <i>"29% of people report being lonely often, or some of the time"</i>	 The two community businesses that most address the issue of loneliness and isolation are: the <b>cinema for seniors</b> with tea and talks and <b>Nudge Community Builders</b>
<b>Wigan</b>	Low number start-ups, poor perception of local area and lack of influence <i>"34% of people think area has got worse over last two years, compared with national average of 26%"</i>	 The philosophy behind the community businesses in Wigan is to <b>encourage and nurture new ideas</b> , addressing the issues uncertainty and lack of confidence. <b>Men's sheds</b> and <b>Missplace</b> are good examples of this
<b>Leicester</b>	Loneliness, lack of belonging and poor health <i>"Braunstone residents experience poor health, with higher than average rates for heart disease, stroke, cancers and respiratory diseases."</i>	 Focus on improving health outcomes: three community businesses <b>provide physical activity – a dance group, a football group and personal trainers</b> , the Grove their new community building is heavily sports focussed
<b>Bradford</b>	Health and employment challenges <i>"Only 43% of those aged 16-74 are in work and the area is in the bottom 1% of MSOAs for employment"</i>	 <b>'Made in Maningham'</b> is addressing the issue of employment by <b>supporting women to be entrepreneurial</b> putting on their own markets and stalls
<b>Grimsby</b>	Low levels of trust and poor educational attainment <i>"The area is in the bottom 1% for educational attainment, 11% of the population have no qualifications"</i>	 <b>ERA the ethical recruitment agency</b> supports people to <b>attain skills to get them in to work</b> and aims to place them in to work; directly addressing the key issue in the area.
<b>Hartlepool</b>	Mental and physical health challenges, the local community life survey reported <i>"15% of people rated their health as being bad or very bad"</i>	 <b>Runfit Hartlepool</b> aims to be accessible and <b>get people involved in physical fitness</b> . Community Builders address <b>issues of isolation</b>

<sup>29</sup> Plymouth, Wigan, Bradford – statistics derived from Hyperlocal community life survey Leicester, Grimsby – statistics taken from Catalyst application form Hartlepool – statistics derived from Thriving Cities index

### **Summary: what has been learnt about community businesses?**

The majority of community businesses being supported through this programme are nascent. They are varied in terms of how they have developed, how much experience of business the individuals involved have, and the types of activities that they deliver for local communities. **This means that they have varied support needs, which can be difficult for a single programme to address**, even when the programme is highly flexible and well-resourced. For example, the seed grants have been very useful for some businesses but are less appropriate for more established entities that have more significant investment needs.

**Finance has been a consistent challenge for the community businesses on this programme.** Some catalysts have chosen to provide financial support to the community businesses in the form of subsidised services or small loans, and some community businesses have reported borrowing money from friends or family members to sustain. At this stage in their development, many of them are too small to access mainstream finance. They have been encouraged to apply to other Power to Change programmes such as the Bright Ideas Fund, however the majority of those that have applied have been unsuccessful due to weak business models (Power to Change are addressing this by providing more targeted support with the application process).

Some of the community businesses, notably those that were existing social enterprises or community businesses, or sole traders, tend to be less reliant on the catalyst organisations for support. Others are heavily reliant, needing help with governance, access to the catalyst's asset to deliver activities, ongoing advice and guidance, as well as financial support. At this stage in the programme they are not able to self-sustain without significant assistance.

All of this points to the fact that **developing and sustaining community businesses in more 'deprived' communities is a long-term ambition** that requires substantial groundwork to be put in place through community engagement, opportunities for skills development, community development work and wider placemaking activities. The programme's focus on strengthening communities, creating networks of community businesses, and improving the conditions for community business to thrive is particularly important. How the support offer develops in the remaining years of the programme to address the question of sustainability will affect what the longer-term legacy of the programme will look like.



### Key Findings about the catalysts and community businesses

- **The catalyst role is challenging** and they have had to adapt quickly to play multiple roles: community anchor, community hub, community business catalyser, funder (seed funding), community leader, community wealth builder and business incubator.
- **The catalysts have varied capacity support needs** to help them fulfil these roles. This means that the tailored support offered by the programme, and the opportunity to learn from each other through structured learning events, are particularly important.
- The community businesses tend to experience challenges with 1) **generating income through trading**, especially where local people have limited spending capacity; or 2) **effectively engaging the community** in leading the business.
- **The catalyst / community business relationship is a key enabler of success**, but there is a risk that community businesses become too reliant on catalysts.
- **Access to finance** is an ongoing challenge for community businesses.

#### 4.1.3 Impact of the support provided by Power to Change and the delivery partners

This section reflects on the delivery partners and ‘tech lead support’, support provider pool, community business engagement with the support, peer networking and the learning camps.<sup>30</sup>

##### Flexibility of the programme

Power to Change have grounded Empowering Places in a devolved place-based model, awarding a great deal of flexibility to catalysts, and encouraging communities to lead the change they want to see happen. From the research carried out so far this appears to have been positively received at every level of delivery.

*“The really positive things are the freedom to change things and learn as you go along. Thinking – this isn't working, but we're going to stick with it and see where it goes, that has been very supportive.”*

##### Catalyst interview

<sup>30</sup> Information has been gathered through Co-operatives UK's annual report and paper on ‘what we've noticed’ from the diagnostic sessions, as well as Renaisi's observations at diagnostic sessions.



## **Co-operatives UK and tech lead support**

Co-operatives UK's annual report highlights that since the start of the third year of the programme, the tech leads have consistently claimed either on or over the budgeted amount for their time.<sup>31</sup> Our research so far suggests that relationships between tech leads and catalysts are getting stronger and the value of having this resource is becoming increasingly apparent. Observation and feedback from the learning camp and the diagnostic sessions emphasises the value in both centralized Co-operatives UK support and the tech lead support for a number of reasons:

- Relationships brokered by NEF and CLES have enabled the catalysts to join strategic local conversations where those connections did not already exist
- They are gaining more recognition with the support of nationally reputable organisations and have been identified by local authorities as key strategic partners for local initiatives, such as community-led housing and sustainable communities in Grimsby
- Access to knowledge, policy agendas and areas of wider interest than the programme itself is provided by the tech leads, for example NEF's knowledge of the Coastal Communities Fund which is relevant in Hartlepool
- The shift and support provided for catalysts to think of themselves as community businesses, and to use trading more readily than they had previously

Renaissi's findings from other Power to Change funded programmes tells a similar story, highlighting the important role that expert advisors can play in helping community businesses to develop and thrive.<sup>32</sup>

<sup>31</sup> Co-operatives UK 'Empowering Places programme, Quarterly Report: Year 3 Q2 February 2020' paper to Power to Change

<sup>32</sup> Litchfield, A. et al. (2020) Community Business Fund, Trade Up and Bright Ideas evaluation: Annual report (forthcoming).

## Support Providers

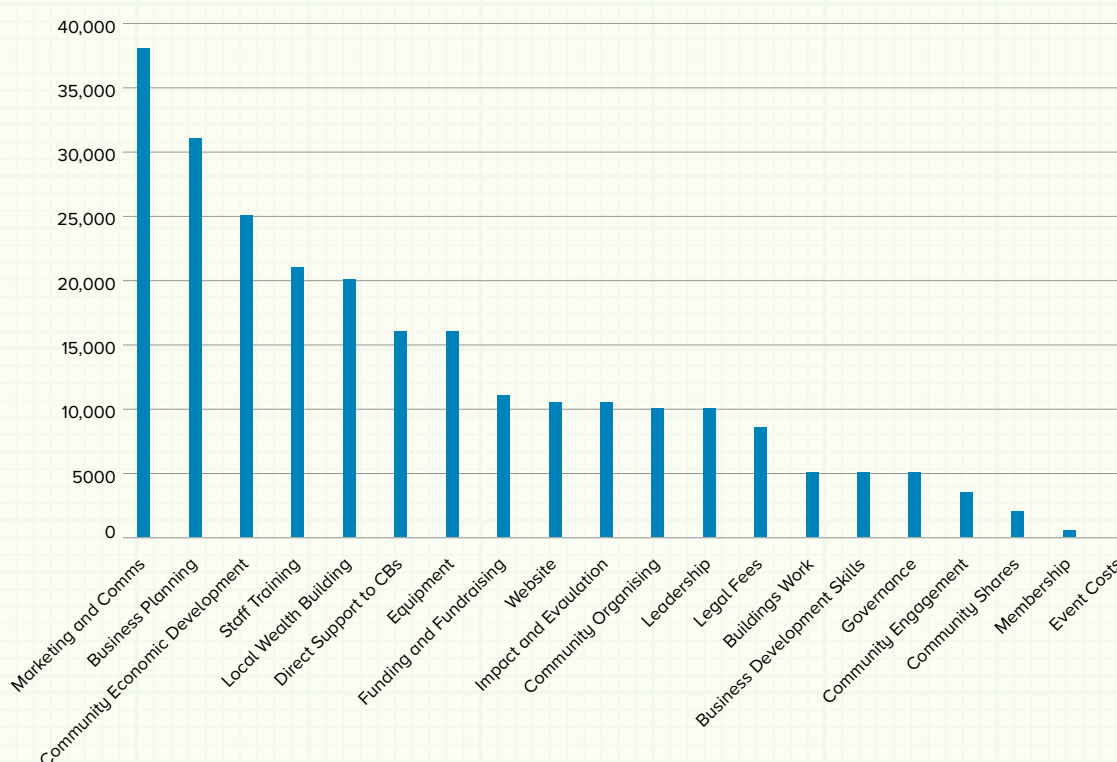
The support provider pool provides ‘packages’ of tailored support in response to catalyst and community business needs, to improve their trading model and the activities they deliver in the wider place. The support on offer is generally for short-term and discrete projects rather than the development of longer-term relationships.

The provider pool is currently under-utilised, and catalysts have not drawn down as much support as they have budget for at this stage in the programme. Co-operatives UK and Power to Change have made attempts to address this by changing the scope of the pool to include local providers recommended by the catalysts; a positive outcome of this has been that local providers such as Case in Leicester have been recommended across the cohort following work they have delivered with B-inspired.

The graph below was included in Power to Change’s ‘Empowering Places update report’ in February 2020 and shows the most commonly sought support provision has been marketing and communications, business planning, community economic development, staff training, and local wealth building.<sup>33</sup>

**Figure 3:** Capacity support drawn down by type

% of Capacity Support drawn down by type (total value = £250,000)



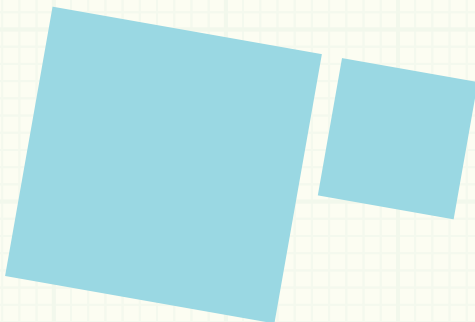
<sup>33</sup> Hewson, B., Power to Change, Empowering Places Update Report Feb 2020 (written for internal Impact Committee)

The diagnostic sessions, used by Co-operatives UK and tech leads to support catalysts to think strategically about their role and the programme, have provided insight as to what other support might useful:

- Business to business, commercial, governance and legal advice and training to support with connecting with for-profit counterparts more credibly
- Telling the story of what they are doing accessibly through infographic storytelling and communications campaigns
- Mentoring for new or younger leaders – growing confidence, taking responsibility and feeling empowered
- Sustainability and future proofing the business

### **Community business engagement with support**

Due to the design of the programme, the catalysts have to some extent been established as 'gatekeepers' between the programme and the community businesses. This has helped to protect community businesses from needing to engage with multiple partners when they lack the capacity to, and has given them a single, local point of support. However, it has also made it harder for community businesses to engage directly with both the tech leads and the provider pool and vice versa. In response to this, 'Community Business Health Checks' have recently been introduced which allow the tech leads to connect directly with key community businesses, discuss the provider pool and offer support. Feedback from tech leads suggests that this has been a positive advancement.



## Barriers to accessing support

The diagnostic sessions suggest the key barriers to accessing the support from both the catalysts and the community businesses have been:

- Throughout the first half of the programme most were not at a point where they had established what type of support would be most beneficial to them.
- The pool is not always well signposted, and it can be difficult to identify what support is on offer – though significant efforts have been made by Co-operatives UK and Power to Change to improve this
- The pool is not presented as a ‘menu’ or curated programme. Whilst flexibility and choice are positive, the catalysts also report finding the pool overwhelming and they sometimes lack time to engage with it for themselves and on behalf of the community businesses
- Sometimes the type of support they are looking for is not there, or the providers have not responded – leading to less engagement over time
- Neither the catalysts nor the community businesses have as much time, capacity and resource to engage with support than is sometimes needed – **there is more capacity support provision, than there is capacity to access.**

*“In the first two years there was really quite a lot of trying stuff out and getting stuff going and it's really only... once things are going that you work out exactly what they need and they have a development plan that you can start pulling stuff in.”*

## Catalyst interview

### Peer network

The programme looks different in every area, reflective of the place, the catalysts and the community businesses. Co-operatives UK and the tech leads have worked hard to draw synergies, understanding where those beginning their journeys could learn from those more advanced and doing a similar thing, as well as bringing the cohort together regularly to explore peer networking opportunities for themselves.

Given the diverse skillsets needed to fulfil the catalyst role well, the peer learning element of the programme is particularly important. Over time it has encouraged catalysts to think of their role in different ways, changing the dynamics of relationships and re-imagining the support they can offer.

*“We knew of Carlisle Business Centre anyway. Interesting because they're coming at it from the other side, a stronger business background looking at helping the community – almost like a mirror [to us].”*

### **Catalyst interview**

At the diagnostic session one catalyst raised queries around whether cohort mentoring could be reimbursed through the support provider pool – providing both an incentive to support and learn from those in a similar position, and build financial capacity.

### **Learning camps**

By May 2020, Power to Change and Co-operatives UK have arranged two ‘learning camps’, two-day interactive conferences bringing together catalysts, community businesses, delivery partners, support providers and Power to Change colleagues for a mix of structured workshops, open discussion sessions, networking and skill shares, and relationship building activities. The first learning camp attended by Renaisi took place in Plymouth, hosted by RIO in October 2019, and the second in Leicester, hosted by B-inspired in March 2020. Due to the COVID-19 crisis the learning camp in Leicester was cut short after a day and a half and the sessions have been brought online instead.

#### **Case Business Support**

Case, one of the newer providers in the support provider pool, ran a session at the Leicester learning camp to share their experience of supporting ER Crew and Braunstone Park 18 AFC. They offered a rigorous 12 month training plan to help develop viable business plans, succession planning, strong management and income generation, delivered through a series of workshops and SWOT analysis. The participants gained in confidence as business leaders and became clearer about their longer-term ambitions for the businesses.

The learning camps have fostered a sense of community amongst attendees, who have built strong relationships after more than two years on the programme, and the feeling of a cohort working collectively to explore ways to improve the places they live in. The learning camps have generally received positive feedback and are not reliant on tired approaches to 'best practice', but rather based on listening and questioning, an appreciation of diversity, as well as a willingness to try new things.

The importance of a cohort to support learning was also highlighted in our interim evaluation of the Community Business Trade Up programme, which found that grantees felt being part of a cohort and learning from others' experience was as important as the content of the learning programme itself.<sup>34</sup>

### Summary: what has been learnt about the capacity support?

The impact of investing in people's time to support strategic growth is significant. **It is clear that the role of relationships, holistic support and adaptability offered by the Power to Change, Co-operatives UK and the tech leads has been vital for both for catalysts and the wider place.** The community businesses have not benefited from as much support provided directly from the programme (rather than from the catalysts) at this point, but there is an intention to shift more support towards addressing this in future.

The provider pool is under-utilised due to lack of capacity and ease of access, though there seems to be a continuing appetite to engage with providers when catalysts are ready for the support. Given the importance of relationships in this type of work, and learning from other support offers available through Power to Change programmes, catalysts may benefit from a model of capacity support that is based on longer-term strategic relationships, rather than (or as well as) time-limited and one-off project-based support.



### Key findings about the impact of the programme support offer

- The involvement of **nationally recognised organisations** like NEF and CLES has enabled catalysts to join strategic conversations at a local and national level that they may not have been involved in otherwise
- Over time, **relationships between the catalysts, tech leads and delivery partners have strengthened** and this has a significant influence on the programme's success
- **The support provider pool is currently under-utilised**, reflecting a lack of capacity on the part of catalysts and community businesses to engage with the level of support available as well as a relative lack of need for it in the early days of the programme
- **The programme model has set catalysts up as gatekeepers to the support**, and community businesses have had limited engagement with the support provider pool to date

<sup>34</sup> Litchfield, A. et al. (2020) Community Business Fund, Trade Up and Bright Ideas evaluation: Annual report (forthcoming).



## 4.2 Stronger communities

Power to Change describes Empowering Places as a programme that:

*‘Veers less towards funding ‘good things’ and more towards strategic funding of things that seek to demonstrate how local communities can contribute to changing the local economic system.’<sup>35</sup>*

This section will focus on how catalysts are addressing the second marker of success, ‘stronger communities’, through understanding how catalysts are working at a strategic and hyperlocal level to strengthen communities and create the necessary conditions for community businesses to thrive. This also speaks to Power to Change’s programmatic aim to ‘build relationships with key stakeholders in the wider place to make the case for community businesses as agents of change in their local economies’, as well as the ‘community pride and empowerment’ and ‘community cohesion’ social outcome areas.

### Community leadership

Some of the catalysts have been inspired by the community wealth building agenda, for example RIO who have been working in this area for a number of years. Others such as Abram Ward Community Cooperative and The Wharton Trust have both drawn down support from CLES to broker conversations with their local authorities and other bodies. The more traction the catalysts build, the more they are being leant on as ‘community leaders’ locally, giving recognition to the community in systemic change and affording power to these organisations that are deeply rooted in hyperlocal communities. Some catalysts have anecdotally and in interviews expressed a real desire to create systemic change in their wider area, but they are also reporting a lack of ‘space’ to engage with this type of work and have mentioned feeling daunted by engaging in potentially far-reaching initiatives without the necessary experience behind them. **There is an inherent tension in this work: locally rooted community-based organisations have a lot to offer strategic place-based change initiatives, but are also more likely to lack the capacity to engage in strategic level conversations as well as delivering a wealth of activities locally.**

<sup>35</sup> Hewson, B, Power to Change, Learning from Empowering Places .



## Using assets

The importance of developing new community assets or leveraging existing ones is a clear theme that runs throughout the programme. The catalysts' own assets have increased their visibility and gives them a base for community engagement, as well as being a useful tool in their work to catalyse new businesses.

All of the catalysts already have at least one asset, but some have several. B-Inspired owns a business centre and several business units, a community shop, community centre and foodbank, health centre, and new sports and office facility (the Grove); RIO owns various assets across Plymouth, and many of the community businesses it is supporting in Devonport and Stonehouse have access to their own assets as well. Other catalysts are looking to grow their asset base – the Wharton Trust in Hartlepool have just bought a shop and are also working with the council to identify housing stock that could be used for community-led housing, whilst Abram Ward Community Cooperative are in the process acquiring a local community club.

The catalysts have been able to use their assets as a crucial element of their community development and engagement activities. They provide a base for local people to begin their engagement with the programme, and provide space for local initiatives to try out ideas and activities that may develop into community businesses in future. For example, Carlisle Business Centre has hosted its Rising Stars leadership programme for women in its centre, which is designed to inspired local women to consider becoming business leaders and feel they have to confidence to do so. It is also exploring the opportunity to install a community kitchen, which would provide a base for local catering businesses to develop.

Managing assets is not without challenges. Making the most of the opportunities they can provide to communities takes investment, time, expertise and effective management. **Community-based organisations like the catalysts need capacity and long-term investment to leverage their assets and build the kind of long-term change that will lead to stronger communities and more opportunities for local people.**

### Stiltskin children's theatre, Plymouth

Stiltskin have been operating as a CIC for many years. RIO are supporting them to pursue an asset transfer opportunity for a 35-year lease in Devonport Park, and have secured a grant of £8K from Power to Change to develop a bid for more funding. The theatre put on workshops and hold clubs for children, they have a toy shop and also run a café.

## Community organising

Community organising is one approach that catalysts have used to develop their 'place-making' activities, as a method of engaging local people to act around common concerns. The intention is that through listening to local people and connecting them to others in their community, new community business ideas could emerge to address local issues.

***"Community organising is a tool of assets-based community development."***

### ***Catalyst interview***

Community organising has been identified as a key strand of work which is being explored by an increasing number of catalysts as a potential route to catalyse community business. Centre4's aim is to have a '*community organiser on every corner*' in Nunsthorpe and Bradley Park, Grimsby; the Wharton Trust plan to develop their trained community organisers into a trading entity. In Plymouth, Nudge Community Builders are taking a similar approach and championing community-led regeneration. In other areas, such as Wigan, catalysts have reported recognising the need for more community activists locally.

Community organising is an effective and well-evidenced tool of community engagement and grassroots-led change. It has been an important feature of catalysts' approach to strengthening communities and building resilience locally, which could have long-term positive effects. Its effectiveness as a tool to catalyse community business is as yet unclear: it represents an indirect route to achieving this goal, but may yet prove to be effective as a long-term method of inspiring change.

#### **Hartlepool Community Organisers**

Over the past five years The Wharton Trust has transformed itself and its relationship with local residents through community organising – no longer 'doing for' but 'doing with'.

By taking an organising approach, many thousands of listening sessions have been turning into action and there has been a real desire in the local community to work together and commit to social action. This cultural shift by local people has seen flowerbeds adopted, anti-social behaviour challenged and direct action taken.

### **Summary: what has been learnt about the impact of the programme on communities?**

In recent diagnostic sessions, a significant portion of the conversation was dedicated to catalysts' placemaking role, beyond the specific remit of supporting community businesses. Tech leads are supporting the catalysts to strengthen their role as community anchor organisations: increasing their assets, broadening their networks and connections, and deepening relationships with their local authorities and other local strategic actors. Some catalysts are leading key local initiatives like the local authority's public-sector reform in Wigan, and several are working with CLES to drive a local community wealth building agenda. As well as remaining rooted in communities and using businesses, services and approaches like community organising to engage local people, catalysts are also engaging in more strategic work to foster change and create the conditions for their local community, and community business, to thrive.

The catalysts' place-making activities have gained some traction, but at this stage in the evaluation it is too early to make a definitive statement on whether they have had an impact. This type of work requires time and investment. In section 3.3 above, we highlight how challenging it is to create these positive conditions in communities that were chosen, in part, because of their high levels of 'deprivation'. Some more research into the nature of what precludes some people from starting sustainable enterprise is needed. This is likely to include access to finance and elements of risk in terms of the quality of jobs and job security created by community business and the personal risk involved for individuals starting services for their communities from within their communities (i.e. a risk of business failure damaging relationships and trust that many rely on).

Quantitative data from Local Insights, the Thriving Places index, Community Life Survey and financial datasets provided by MyCake will support the evaluation to form a deeper understanding of the structural deficits facing the places and interviews going forward will endeavour to unearth the depth of the difficulties of starting community businesses in these places, and how much support is needed at the pre start-up phase.

***"The impact of Empowering Places will be felt in 15-20 years, not five."***

#### ***Catalyst interview***



### Key Findings on the impact catalysts are having on communities

- **Place-making is a key area of focus for all catalysts**, and is symbiotic with their work to catalyse community businesses more directly
- **Tech lead support is helping** catalysts to be more influential in their local area and providing some additional capacity to drive forward more strategic work, however capacity continues to be a challenge for some catalysts which may prevent them from being able to play this role well
- Catalysts' assets are an important part of their ability to engage communities and inspire local change, however **long-term investment is needed to maximise the potential impact of asset ownership for local communities**
- Catalysts have used **community organising** as an effective tool for engaging local people, but it is not yet clear how effective this will be in catalysing community business

### 4.3 Better places

As discussed in section 3.3 above, we do not yet have the data and qualitative information to assess progress towards Power to Change's seven outcomes for better places and this will be covered in a future report, alongside impact on local people. However, we do have some initial findings about Power to Change and delivery partners' impact on the community business (and wider social economy) marketplace in each place and beyond, which is discussed in this section. It looks at the financial context of the social sector in each place, the catalysts' influence at a regional and national level, and collaboration to improve the marketplace for community businesses locally.

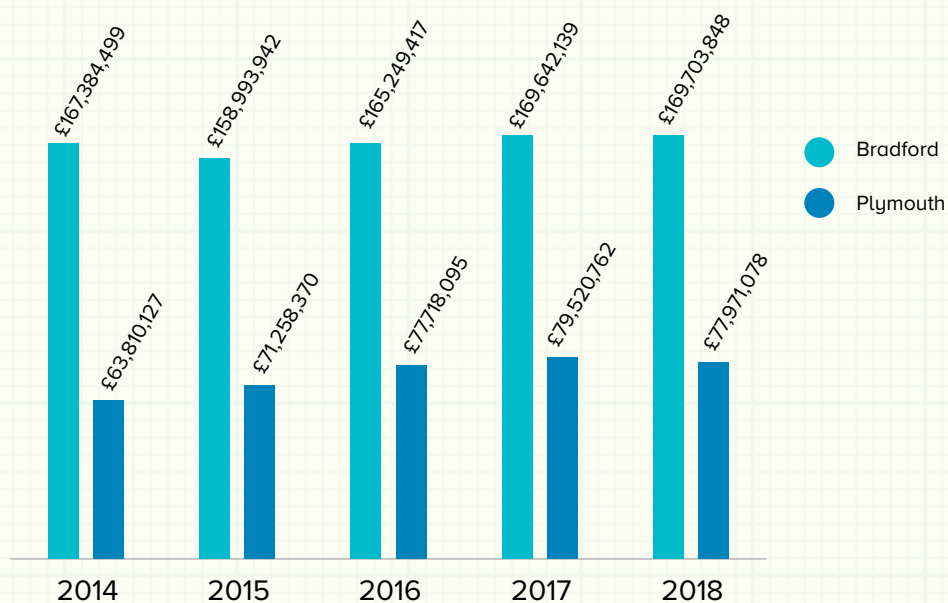
#### 4.3.1 Financial context of the local social sector

Renaissi's associate MyCake are producing financial summaries of the social sector in each place on the programme to enable us to better understand the context in which the catalyst organisations are operating, and opportunities for partnership working with specific organisations and sectors.

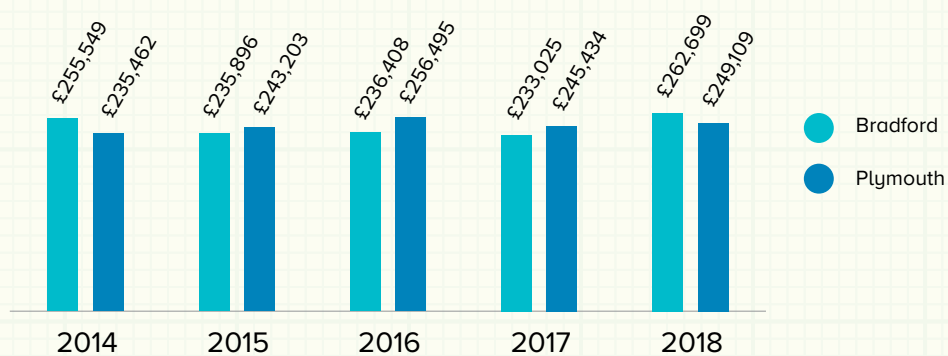
Data is gathered by identifying active non-profit organisations through the Charity Commission, Mutuals Public Register and Companies House, and recording annual income and expenditure against IMD decile, sector of activity, postcode and legal form.

The figures below show initial headline findings for Bradford and Plymouth, the two places where this work has been completed so far. The focus of work is the development of community businesses as a part of the VCS economy, therefore, the main focus of the data analysed excludes the largest organisations (over £5m turnover per annum), the smallest organisations (under £5k turnover per annum) and a series of sectors of activity such as schools, international aid, grant-making organisations. MyCake have carried out this work in Bradford and Plymouth following a review of data submitted between 2014 and 2018.

**Figure 4:** Estimated total turnover of social sector organisations with an income of between £5K and £5m in Bradford and Plymouth



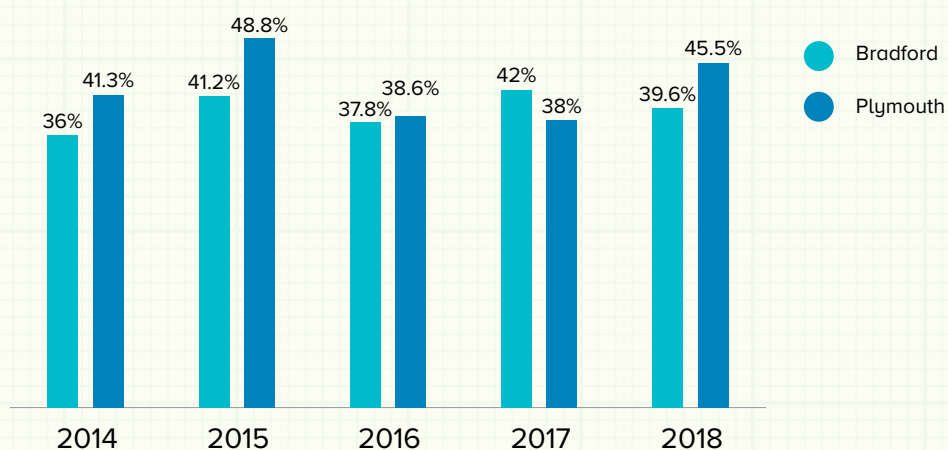
**Figure 5:** Mean turnover of social sector organisations with an income of between £5K and £5m in Bradford and Plymouth



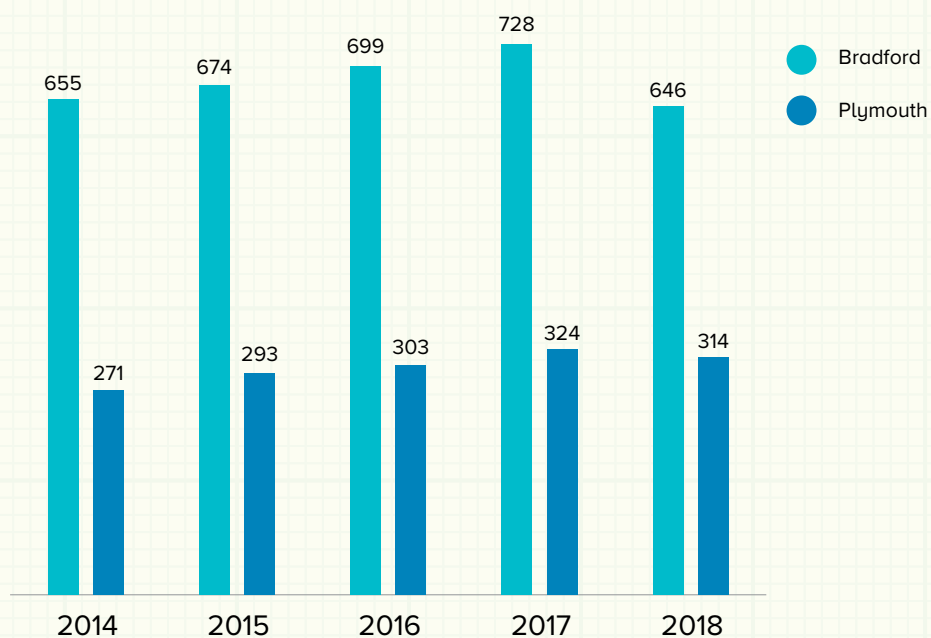
<sup>35</sup> ICNPO as the primary, SIC codes mapped to ICNPO

<sup>36</sup> Caveats to the data – Data from 2018 is not yet complete due to the delay in submissions from VCS organisations to the Charity Commission. The Bradford data was collated prior to the Plymouth data and therefore most figures reference 2017 only. The dataset has been gap-filled manually where machine readable data is not available, so not all relevant organisations (for example, CICs) are captured.

**Figure 6:** Average percentage of organisations in the social sector with an income of between £5K and £5m in Bradford and Plymouth making a loss in any one year<sup>38</sup>



**Figure 7:** Total number of social sector organisations with an income of between £5K and £5m in Bradford and Plymouth



<sup>38</sup> Note that these figures represent an average across all organisations, and does not necessarily imply that the same organisations are making a loss every year.



In both areas the two largest sectors by ICNPO grouping are Community, Employment & Housing (£51m in Bradford in 2017, and £11.5m in Plymouth in 2018) and Social Services (£55m in Bradford in 2017, and £28.3m in Plymouth in 2018). In the coming year we will explore whether the other four places on the programme show similar patterns and what this means for the types of organisations the catalysts are interacting with.

A notable finding in both areas is that on average, 40% of organisations make a loss every year. This may be due to a lack of income stability and an over-reliance on short term, restricted income grants from Trusts & Foundations, or a drop in local authority funding over the last decade.

The analysis of this data will play a more important role going forward, when we have a more complete data set. It has been provided to catalysts to support their strategic work locally.

#### **4.3.2 Influence at regional and national level**

Catalysts' influence outside their hyperlocal area appears to have been boosted through their involvement in the programme. This is due to a number of factors:

- **Capacity and support to develop deeper relationships with the local authority**, which in turn has attracted attention from others. This is particularly pertinent in Wigan where the catalyst has been able to grow its area of operation to the whole town through the 'Made in Wigan' initiative. Centre4 in Grimsby have also been identified by the local authority to be a key contributor in a number of initiatives.
- **Access to national networks and opportunities** which the programme has helped to strengthen. For example, the Wharton Trust in Hartlepool was recently profiled in a [short film](#) produced by Locality.
- **Invitations to speak at national conferences and events**, providing a platform for catalysts to share their experiences of working with their communities and leading to relationship building with organisations in other parts of the country.

4.3.3. Collaboration to support the community business marketplace

Power to Change has hypothesised that *community businesses collaborate with others, accessing more resources (i.e. skills and money). This enables them to offer more services, products and activities, benefiting their community.* Given the nature of the programme, Empowering Places represents a key test of this hypothesis.

One aim of Empowering Places is to set up clusters of community businesses in place that can support each other through trading. Given the inherent challenges of catalysing new initiatives, the initial priority for catalysts has been establishing and nurturing businesses on a case by case basis, rather than building a mutually beneficial economy of supply across the local area. Now that community businesses are becoming more established, there appears to be the start of a shift towards making connections more systematically. For example, Carlisle Business Centre are aiming for their ‘Rising Stars’ leadership programme for women to inspire women to get involved in the ‘Made in Manningham’ markets, and have plans for a new community kitchen that could provide space for women to develop new catering businesses. Abram Ward Community Cooperative are also developing their plans for community businesses to support and promote each other’s work, and plan to scale this approach from Abram Ward to borough-wide under the ‘Made in Wigan’ campaign.

In May 2018 Power to Change carried out a survey asking catalysts to list their partnerships. At this point in time, catalysts reported having a total of 51 local partners. What is interesting to note is the number of newer connections, within the timescales of Empowering Places, shown in Figure 8.

**Figure 8:** Number of catalyst partnerships in place for different lengths of time, recorded in May 2018, across the whole cohort

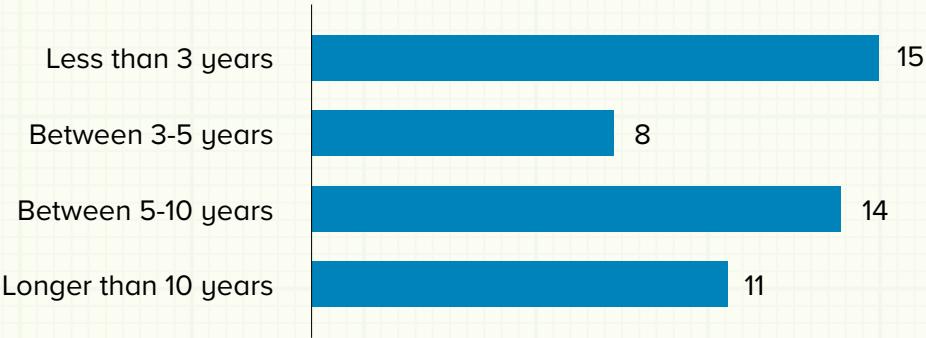
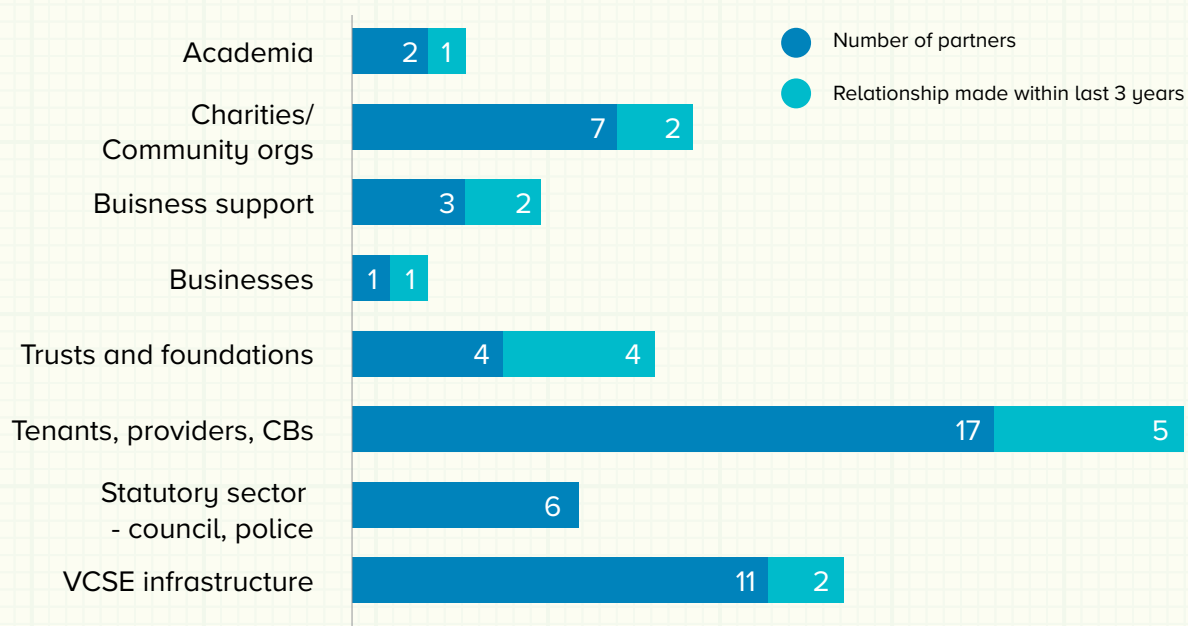


Figure 9 illustrates the types of organisation the catalysts were partnering with and which types of partnerships were newer.

**Figure 9:** Types of partnerships and number of new partnerships (recorded in May 2018)



This data is now two years old, however it still provides an indication of the types of relationships catalysts have locally. Observations from the data tell us:

- Only one catalyst referenced a local business as a ‘partner’
- All statutory sector partnerships were established before the programme began and at this stage no new ones were recorded
- Other than tenants, providers and community businesses, Trust and Foundations are the type of organisations most partnered with more recently
- Other than tenants, providers and community businesses, the largest number of partnerships over time are with other VCSE infrastructure organisations

### **Summary: what has been learnt about the impact of the programme on the marketplace?**

The programme impacts the community business and wider social economy marketplace at different scales of place: in the six towns and cities, and through catalyst and delivery partners' influencing work at a regional and national level.

The programme appears to have provided catalysts with the opportunity or stimulus to develop new partnerships, particularly with Trusts and Foundations as well as tenants, providers and community businesses. It has provided a platform for catalysts to share their experiences at a national level, and to contribute to wider conversations about the role of community anchors in supporting the social economy. However, developing strong collaboration between community businesses takes time, and many are still at an early stage of their development.

Financial data analysis provided by MyCake highlights the fact that the programme is being delivered in places with very different local social economies. There are far fewer social sector organisations in Plymouth compared to Bradford (reflecting the different population sizes of these places), however the mean turnover of Plymouth-based organisations is comparable.

We will provide a more detailed assessment of the programme's impact on people and place, as well as the wider marketplace, in future reports.



#### **Key findings on the impact of the programme on the marketplace**

- Approximately 40% of social sector organisations in Bradford and Plymouth make a loss in any given year. The reasons for this are unclear, but may be due to a lack of income stability and an over-reliance on short term, restricted income grants from Trusts & Foundations, or a drop in local authority funding over the last decade.
- The programme has given catalysts some opportunity to influence conversations at a regional and national level.
- It also appears to have given catalysts the opportunity or stimulus to develop new partnerships, particularly with providers, tenants and community businesses and Trusts and Foundations.
- Collaboration between community businesses is a growing focus for the programme, but will take time to establish.

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## 5. COVID-19

This section of the report that looks at the health and economic vulnerabilities the Empowering Places areas face, the potential impact of COVID-19, and the role that evaluation will play going forward.

### 5.1. Risks and vulnerabilities

The information below is pulled from publicly available datasets from Local Insights to identify:

- **At-risk groups:** including older people, those with underlying health conditions and benefit claimants for health and disability
- **Groups requiring additional support:** including single-person households, households with no cars and prevalence of dementia
- **Economic factors:** key workers and vulnerable sectors.

Figure 10 shows how the areas compare to each other in terms of risk and vulnerability, and Table 6 breaks this down in to highest and lowest risk areas. The data shows that Grimsby in North East Lincolnshire and Hartlepool are highest risk in comparison to other places; Leicester has fewer health vulnerabilities than the other places and Wigan is less likely to be economically vulnerable. Note that this data covers the whole local authority area, rather than the specific communities where catalysts are based, so the reality may be different in the localities where the catalysts primarily work.

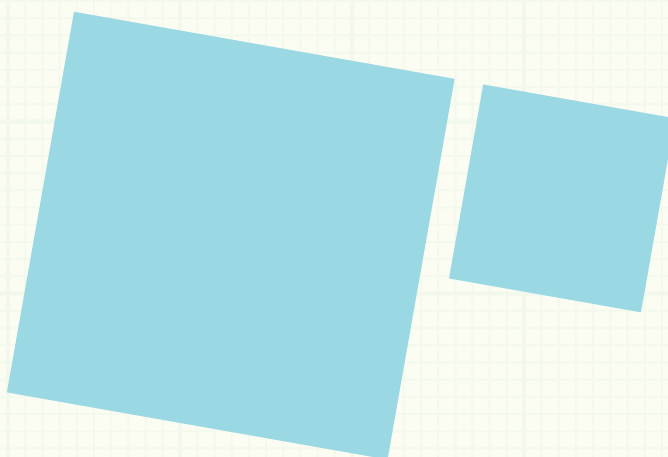
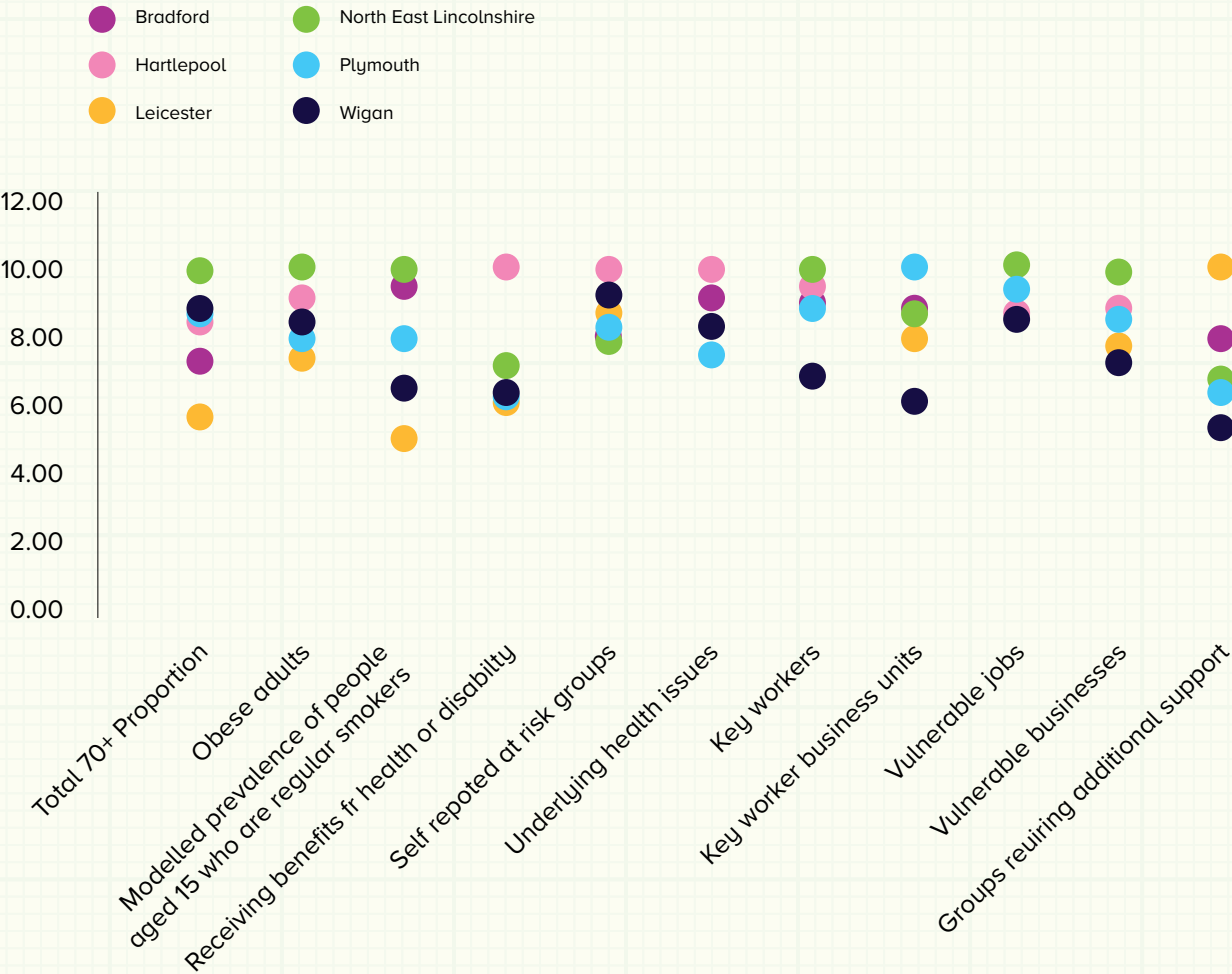


Figure 10: COVID-19 risk by local authority area<sup>40</sup>

Local authority rank by risk indicator.



<sup>40</sup> Office for National Statistics, Department for Work and Pensions, Census, Hospital Episode Statistics, House of Commons Library, Business Register and Employment Survey.

Caveats to the data: The data has been collated against various indicators of risk from different data sources, this means there is some potential for double counting across the sub-indicators. For example: In the *Receiving benefits for health or disability* main indicator, there are *People receiving Disability Benefits AND Personal Independence Payment (PIP), respiratory disease claimants AND Universal Credit claimants – Conditionality Regime: No work requirements*

**Table 6:** Breakdown by highest and lowest risk local authority areas<sup>41</sup>

INDICATOR	HIGHEST	LOWEST
Total 70+ Proportion	North East Lincolnshire	Leicester
Obese adults	North East Lincolnshire	Leicester
People aged 15 who are regular smokers	North East Lincolnshire	Leicester
Receiving benefits for health or disability	Hartlepool	Leicester
Self-reported at risk groups	Hartlepool	North East Lincolnshire
Underlying health issues	Hartlepool	Leicester
Key workers	North East Lincolnshire	Wigan
Key worker business units	Hartlepool	Wigan
Vulnerable jobs	North East Lincolnshire	Bradford
Vulnerable businesses	North East Lincolnshire	Wigan
Groups requiring additional support	Leicester	Wigan

<sup>41</sup> Ibid.



**“There’s a real sense of, ‘this person needs help, I can help them’.”**

## 5.2 Impact of COVID-19

At the time of writing, the places with the highest risk factors for COVID-19 (Hartlepool and Grimsby) have been least affected by the virus in terms of number of cases, likely to reflect the fact that people do not travel as much to and from these areas. Bradford, Leicester, Wigan and Plymouth, with their better transport links and easier access to bigger cities, have had more cases. However, all of these places are likely to be significantly impacted by the financial and economic impacts of the crisis.

The usual wisdom about which organisations are financially stronger or weaker has been overturned by the economic impact of the crisis. Smaller, more grant dependent catalysts appear to be more secure in the short term. The larger catalysts with more diversified income streams, especially those with significant trading activities, are at most immediate risk of financial difficulty.

Catalysts as community anchor organisations are being relied on heavily by the statutory sector to bolster local infrastructure, and this has become even more apparent in the response to the COVID-19 crisis:

***“The problem with the community anchor role is an expectation that we will mobilise quickly – which we did. But it wasn’t easy.”***

### ***Catalyst interview***

All catalysts have been in a position to respond and some have provided essential community organising, local infrastructure to support the community response, and emergency support.

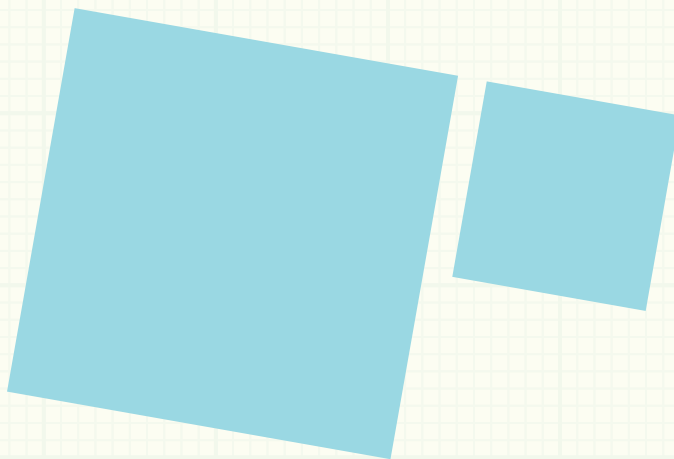
***“There’s been a very quick and very positive response. There’s the willingness and the ability to act quite quickly... There’s a real sense of, ‘this person needs help, I can help them’.”***

### ***Catalyst interview***

Some of the places with a weaker economy, a lack of infrastructure and a larger number of people relying on Universal Credit, such as Hartlepool, predict that the crisis will intensify the challenges their community already faces and the need to provide the type of support that they already have to provide due to gaps in the social security system – in other words, the crisis represents a difference of degree of need, not of category.

### 5.3 The role of evaluation in COVID-19

Renaissi's role will focus on capturing impact through qualitative interviews and creating feedback loops for Power to Change, allowing real time capture of impact and ability to learn, react and adapt to needs as necessary during and post the COVID-19 crisis. Our associate Close-Up Research will support with the production of video diaries to record personal accounts of events or experiences, recorded to camera. We anticipate producing further publications on this work in the coming months.



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## Conclusions

Catalysts sit at the centre of the Empowering Places model and Power to Change's investment of resources and finances in catalysts is the predominant route to creating place-based change and achieving the aims described at the beginning of this report. The catalysts are using community businesses as a tool to support change in place, and using wider place-making activities as a tool to support enterprise development by providing opportunities for skills development and agency, to meet two clear and complementary aims: to grow and sustain community businesses and to improve the social economy of a place.

'Success' for the programme is described as better community businesses, stronger communities and better places. The report finds that community businesses supported through the programme are experiencing challenges with:

- 1) Generating sufficient income through trading; and/or
- 2) Effectively engaging the community.

Broadly, three factors have influenced these challenges:

- 1) Many of the community businesses are nascent;
- 2) They have had a less organic emergence into being than 'typical' community businesses which emerge without the support of a programme like Empowering Places; and
- 3) External social and economic factors in these places have made it harder to finance themselves and to turn a profit.

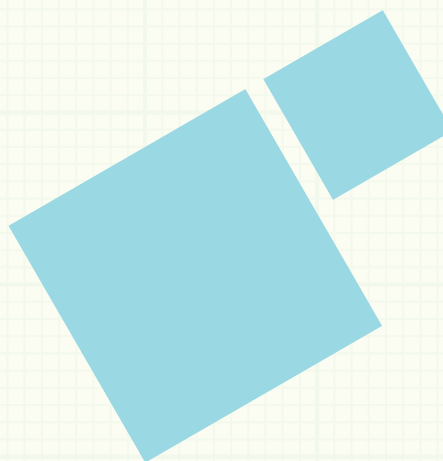
Both the catalysts and community businesses have various support needs that are being addressed by the capacity support and through the peer network. The impact of investing time to grow relationships between tech leads and catalysts / community businesses has been significant, and tech leads have been particularly impactful in supporting catalysts be more influential at a local, regional and national level. Whilst the programme has made a substantial investment in the provider pool, catalysts have sometimes found it difficult to engage with this support because they lack the capacity to alongside also delivering activities locally. The support available also tends to be one-off or short term, whereas some catalysts would benefit from longer term expert support (like the type of support offered by tech leads).

Wider place-making activities such as increasing assets, broadening local networks, deepening relationships with local authorities, as well as approaches like community organising are gaining traction, although this type of work has required more time and investment than was originally anticipated. Collaboration between community businesses with the aim to produce mutual networks of support is also a growing focus for the programme, but is taking time to develop.

Relationships at every level are key enablers of success. This is fourfold:

1. **Between the catalysts and the support providers/tech leads/Power to Change** – supporting the catalyst to support themselves to support the community businesses and to improve the place.
2. **Between the catalysts and the community businesses** – often mutually beneficial, both contributing to the other's successes (in their local engagement for the catalyst, or in their survival for the community businesses).
3. **Between the catalyst and the community** – based in trust and mutual benefit, acting on the interest of the community and involving them in change making.
4. **Between the cohort themselves** – supporting new ideas and the opportunity to learn from each other.

Understanding the strengths and weaknesses of the catalyst's relationships at each level is likely to support the programme to understand where most value can be added to affect local success and the legacy of the programme.



The table below looks specifically at the evidence of impact at each stage, against what is still unknown:

Measure of success	Evidence	Still unknown / too early to tell
<b>Better Community Businesses:</b> there are more, stronger, and more successful community businesses in these places thanks to the support provided through the programme	<p>48 community businesses are being supported through the programme</p> <p>Community businesses are responding to local needs</p> <p>The holistic and flexible capacity support from tech leads and through the peer network is having a positive impact on community businesses</p>	<p>How far community businesses are sustainable without ongoing catalyst support</p> <p>The potential impact of community businesses on local people and places, particularly as they grow and develop</p> <p>The impact of clusters of community businesses working together on the local community, as these relationships are still very nascent</p>
<b>Stronger communities:</b> communities become more resilient, enterprising and able to drive positive change thanks to the opportunities provided through the programme.	<p>Catalysts are strengthening their role as community anchor organisations by increasing assets, building partnerships and engaging communities through activities like community organising</p> <p>Catalysts are providing opportunities for people in local communities to work together to drive change locally, through getting involved in community businesses and/or through other community engagement activities</p> <p>Several catalysts are starting to explore a local community wealth building agenda</p> <p>Catalysts are joining conversations at a local, regional and national level that they may not have been involved in without the programme</p>	<p>The medium and longer-term impact of wider place-making activities on communities</p> <p>The impact of place-making activities on catalysing community businesses</p> <p>Whether the programme will succeed in having a longer-term impact on changing some structural barriers facing places that prevent people from starting sustainable community businesses</p> <p>Whether this learning will be applied in other places and contexts outside of this programme</p>

Measure of success	Evidence	Still unknown / too early to tell
<p><b>Better places:</b> communities become better places to live thanks to the positive effects of activities delivered through the programme.</p>	<p>Catalysts have developed new partnerships since the programme started, in particular with VCSE organisations, tenants, Trusts and Foundations</p> <p>Clusters of community businesses creating a mutually beneficial economy of supply across the local area are beginning to appear (notably in Wigan and Grimsby)</p>	<p>The extent to which Power to Change's seven longer-term outcomes for better places have been achieved</p> <p>The impact of collaboration between community businesses on their ability to offer more services, products and activities, benefiting their community</p> <p>The impact of the programme on the wider social economy marketplace at different scales of place</p>



## **Implications of COVID-19**

The shock of COVID-19 has been unparalleled in recent memory. Factors such as job losses, inability to trade, increased numbers of people accessing Universal Credit and an increase in demand for community services is placing an additional strain on the voluntary sector. In communities with high levels of deprivation, these economic vulnerabilities are even more apparent (section 5).

Power to Change and Co-operatives UK have adapted the programme to support catalysts by providing flexibility around the use of capacity funds and focusing on developing the peer network. Looking to the short to medium term (whilst social distancing stays in place), priorities will include maximising opportunities for co-production; maintaining opportunities for learning and championing the community business model; feeding into broader work with Power to Change's Priority Places workstream and maintaining flexible access to capacity building funds.

Co-operatives UK report that the biggest perceived risk to community businesses on the Empowering Places programme (bearing in mind that most are pre-trading) will be 'ability to keep community business leaders engaged and motivated so work can re-start when it is safe.'<sup>42</sup> Their focus therefore will be to support catalyst organisations to remain stable and continue to support and nurture community business leaders.

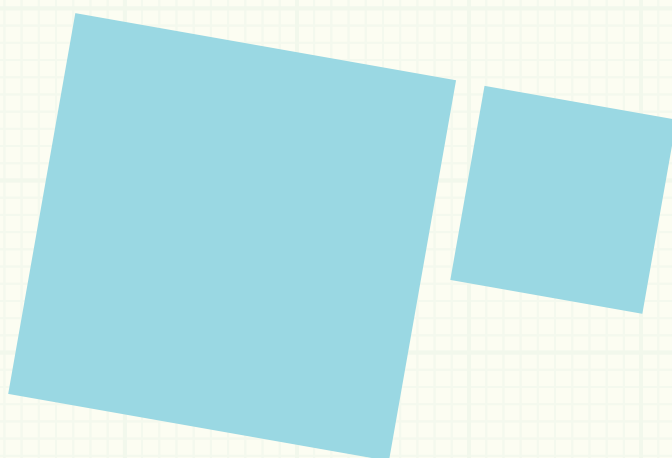
Given what we know about the value of relationships, consideration could also be given to developing this through longer-term coaching or mentoring for community business leaders through the provider pool, to help them to develop skills and ways of working that will support them to sustain through this period and also fulfil the role of supporting others in their community.

<sup>42</sup> Co-operatives UK, Year 3, quarter 3 Empowering Places report

## The evaluation

The next phase of the evaluation will look to address what is currently unknown by exploring the impact of the programme on people, communities and places in more depth: continuing to interview tech leads, catalysts and community businesses, as well as local people and other local stakeholders where possible. Data will also play a greater role in understanding change, now that a benchmark has been established. This will focus on understanding the structural context in each place and the relative impact of COVID-19; as well as building an evolving picture of how the programme has influenced and interacted with changes in each place.

COVID-19 has brought about huge societal changes, the magnitude of which is still unknown. These will inevitably continue to impact the catalysts, the community businesses, the people, communities and places, and the delivery of the programme. It is important that the evaluation remains flexible to respond to this change of context. We will continue to evaluate the success of the programme within an understanding that this will look different than originally envisaged. We will also aim to pivot our work to focus more on learning, and rapid insight gathering to support Power to Change to inform their work. The implications of these changes may mean we start to focus more on some questions than others, or start to look at different questions. We will engage with both Power to Change and programme delivery partners to agree 'what next' and ensure that the evaluation continues to be relevant and generate valuable learning.



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## Appendix One: Learning from other Power to Change programmes

### A.1. What we know about the origins and development needs of community businesses

#### A.1.1. Learning from the Bright Ideas Fund<sup>43</sup>

- **Origins of community business:** New community businesses typically arise from one of the following scenarios:
  - An asset becomes available for purchase or rent, for example through an asset transfer from the local authority, a private asset for sale, or a derelict asset with the opportunity to renovate.
  - A ‘parent organisation’ (for example, a local community hub) has a new business idea and has a reason to want to set it up independently (for example, because it sits outside the main strategic focus of the organisation).
  - A community group or network of local people have a business or project idea, and the Bright Ideas Fund prompts them to set it up as a community business (they may have already considered this, or they may not have previously been aware of community business as a concept).
  - An individual person has a business or project idea, the Bright Ideas Fund prompts them to set it up as a community business, and they are able to engage other local people in the idea to.
  - Some combination of the above – these are not mutually exclusive types.
- **Timescales:** Typically, it takes at least a year for the community business to get off the ground, and some take longer, even with the advice and support of the Bright Ideas Advisor.
- **Role of assets:** New community businesses are often catalysed by a community asset becoming available, such as a building, land or other premises. This gives them an anchor for the business idea and a location for business activities that drive revenue.

The community businesses being supported through Empowering Places are not dissimilar to these, however the majority do not have an asset of their own – they often use the catalyst’s asset instead. Compared to Bright Ideas Fund grantees, they are more likely to emerge from a business idea rather than an asset opportunity. This is an important point for understanding the sustainability of these businesses.

<sup>43</sup> Litchfield, A. et al. (2020) *Community Business Fund, Trade Up and Bright Ideas Fund evaluation annual report* (forthcoming)

### A.1.2. Learning from the Community Business Fund<sup>44</sup>

- **Origins of community business:** Community businesses have varied organisational histories. In many cases, they do not start life as a community business, but become one over time.
- **Charities:** For example, many community businesses are charities which used to rely on grant funding, but have diversified into trading activities in response to the need to develop new funding streams.
- **Asset ownership:** Other community businesses were a charity or community group, until they acquired an asset which has enabled them to develop business activities.
- **Social enterprise:** Some community businesses operated more like a social enterprise (without community ownership), but have since strengthened their community engagement.

Because of the criteria of the programme, Community Business Fund grantees are typically well-established, relatively large, and financially stable enough to have sustained for many years or decades. They are much more similar to the catalysts than they are to the community businesses being supported through Empowering Places. However, in their past many Community Business Fund grantees have been similar to the middle two types of initiatives supported by the catalysts (social enterprises and community groups or projects).

<sup>44</sup> Ibid.; Thornton, A. *et al.* (2019) *Community Business Fund evaluation: Interim report*, Power to Change. Available online here: <https://www.powertochange.org.uk/wp-content/uploads/2019/03/CB-funding-Evaluation-DIGITAL.pdf>

### A.1.3 Learning from the Community Business Trade Up programme<sup>45</sup>

- **Community business development:** Trade Up grantees are generally less similar than Bright Ideas Fund grantees to the community businesses supported by the catalysts, because they are usually more established. Nonetheless, they tend to be relatively small and young trading entities which are still seeking support with sustainability. It is plausible that some of the nascent Empowering Places community businesses might become similar to Trade Up grantees in 3-4 years' time, and some of them are already similar.
- **Business support needs:** Many Trade Up grantees need support with their business model, specifically to focus on the profitability of their trading activities. This can include developing new traded income streams or attracting new customers for existing ones.
- **Business challenges:** Trade Up grantees tend to find it challenging to implement changes or improvements to the business because they have a small staff team, and often heavily rely on one or two members of senior management and the Board for strategic development.
- **Investment needs:** Trade Up grantees, particularly smaller ones, benefit from the grant as an investment in their core capacity to make improvements to the business, including their back office operations and systems.

If Empowering Places community businesses are likely to become more similar to Trade Up grantees in future – or conversely, if Trade Up grantees used to be similar to Empowering Places community businesses in the past – then the experience of businesses on Trade Up could provide clues to the future development needs of nascent community businesses.

<sup>45</sup> Litchfield, A. et al. (2020) *Community Business Fund, Trade Up and Bright Ideas Fund evaluation annual report* (forthcoming)

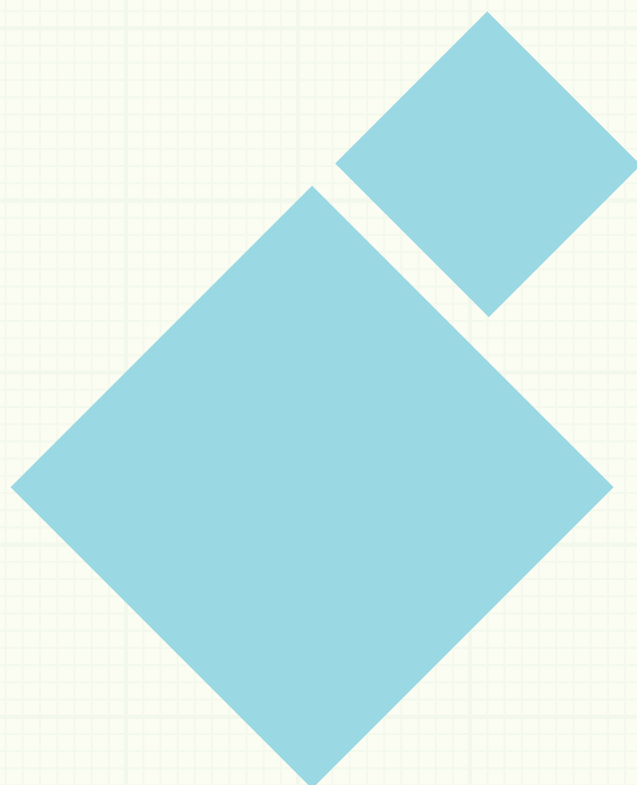
## A.2. What we know about community business sustainability

There is an ambition for the community businesses to become mutually supporting and sustainable.

‘Sustainability’ of community businesses is used to mean slightly different things on different Power to Change programmes:

1. **Community Business Fund:** typically focuses on the sustainability afforded through asset ownership driving revenue growth
2. **Community Business Trade Up:** supports grantees to diversify income and increase customer base
3. **More than a Pub programme:** focuses on the community shares model as a form of sustainability supported by clear community ownership
4. **All:** Power to Change’s theory of community business posits that strong community support and engagement, coupled with a healthy trading model, supports community business sustainability in the longer term

Only the second and fourth of these ‘sustainability models’ are likely to be relevant in these six places as part of this programme. The first is less relevant for businesses that do not own an asset, and the third is an ownership model that has not been used in Empowering Places to date. However, the second model is challenging in depressed local economies, and the fourth is also more powerful in places where people have more economic power.



**Power to Change**

The Clarence Centre  
6 St George's Circus  
London SE1 6FE

020 3857 7270

[info@powertochange.org.uk](mailto:info@powertochange.org.uk)

[powertochange.org.uk](http://powertochange.org.uk)

 [@peoplesbiz](https://twitter.com/peoplesbiz)

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