



power to  
**change**

business in  
community  
hands

## **Research Brief:**

# **Diversity in community businesses**

**Establishing a baseline and working towards a more equitable sector**

Suzanne Perry, Impact and Learning Officer  
Edward Walden, Diversity, Equity and Inclusion Manager

November 2021

# Introduction

## About Power to Change

Power to Change is the independent trust that supports community businesses in England.

Community businesses are locally rooted, community-led, trade for community benefit and make life better for local people. The sector owns assets worth £870m and comprises 11,300 community businesses across England who employ more than 37,000 people<sup>1</sup>.

From pubs to libraries; shops to bakeries; swimming pools to solar farms; community businesses are creating great products and services, providing employment and training and transforming lives. Power to Change received an original endowment from the National Lottery Community Fund in 2015. Our 2021-26 [strategy](#) sets out our new vision and mission, and an important tenet of our strategy is to ensure we are working towards a more diverse, equitable and inclusive community business sector.

[www.powertochange.org.uk](http://www.powertochange.org.uk) @peoplesbiz

# Background to the research

## What do we want to know?

Community businesses support some of the most marginalised and underprivileged groups across a range of social issues, including financial deprivation, disability, people who experience racial inequality and food poverty.<sup>1</sup> Therefore, as a charitable trust focusing on supporting and developing the community business sector in England, DEI is intrinsic to the success of our broader mission

Evaluating the progress made in terms of making the sector more diverse, equitable and inclusive, will need to include an ongoing overview of the community business sector more broadly as well as our own grantees – without this we will not know how successful we are being in reaching and supporting more diverse audiences. We first need to start by establishing a current baseline which gives us a picture of the diversity of community businesses leaders and beneficiaries including both our past/current grantees as well as the community business sector as a whole.

## Why do we want to look at this topic?

Moving into the future with DEI as a core part of our strategy, we will be continuing to better tailor our guidance, application forms and support to include people from marginalised communities. For us to know whether we are doing this effectively, we need to know broad information about the diversity of the community business sector. For example, if numerous

---

<sup>1</sup> See the latest Power to Change Impact report for some evidence around this:  
<https://icstudies.org.uk/sites/default/files/uploads/research/ER-2021-03-The%2520power%2520on%2520your%2520doorstep.pdf>

community businesses which are led by disabled people already exist, we need to improve how we reach them. If they do not yet exist, we need to learn how to attract disabled people into the sector and overcome any unique challenges they face. Whichever is true, we need the data to help guide our path forward.

This research will accompany another future piece of work which will look in-depth at the barriers to accessing funding/support for community business leaders and beneficiaries from marginalised communities.

## How are already progressing this work?

Historically, Power to Change has not routinely recorded information about grantee or wider sector community business demographics or diversity of their staff or beneficiaries. There has been some attempt though, to gather information from our grantees and applicants relating to DEI. Below is a list of research and data which may be utilised, built upon and/or provide context for the proposal and/or research project.

### *Surveying grantees*

In the past, grantees were surveyed once per year and asked about the diversity of their leadership. This approach was not hugely successful; too few grantees completed it and it provided inadequate data.

### *Collation of historical data on grantees*

Power to Change, Access and Social Investment Business (SIB) commissioned some [research to set a baseline of support given by our three organisations to minoritised ethnicity community and social enterprises](#). While the data was patchy – there has been some effort in this direction. This also included a review of the barriers for support organisations and community/social enterprises to accessing support and investment. As a result, SIB launched a [diversity data dashboard](#) which incorporates a few more funding programmes.

### *Ongoing applicant and grantee data collection*

Power to Change will be capturing DEI related data by asking most of its applicants a series of questions for a broad range of population groups<sup>2</sup>. This will both help us understand our grantees and the sector better as well as align funding towards the reduction of inequality.

This work began in 2020 when a couple of our funding programmes were asking a limited range of DEI questions of applicants to help us effectively monitor whether funding was reaching people experiencing the greatest deprivation due to Covid-19. Specifically we were collecting information about the leaders<sup>3</sup> and beneficiaries that were disabled people and/or people experiencing racial inequity (termed 'BAME' at the time). For Renewal Fund for example of 1053 total eligible applicants 31% identified as led by and 45% identified as substantially supported by people from a minoritised ethnicity, meanwhile 10% identified as led by and 36 identified as substantially supported by disabled people.

---

<sup>2</sup> Disability, ethnicity, LGBTQIA+ and age in relation to their leadership and disability and ethnicity in relation to their beneficiaries

<sup>3</sup> Our definitions specified that: *By 'led' we mean that either: (i) 51% or above, of the board and senior management team are from marginalized backgrounds; or (ii) Organisations self-define as led by marginalized people based on who is making their key strategic decisions. By 'making key decisions' we mean that decisions on core strategic and financial matters are taken by a group of decision-makers with lived experience of marginalization, not that consultation is undertaken to inform decisions that are subsequently taken by a group that does not have that lived experience. In addition, By 'representation' we mean that at least one of your board or senior management are from marginalized backgrounds. These definitions are informed by research done by the Arts Council.*

There were also specific qualitative questions about whether any service was deliberately designed to include a particular marginalised group (regardless of service user/customer demographics) which indicated whether there had been efforts made to be more inclusive. It was made clear to the applicant that data would be used to align funding towards the marginalised group(s) mentioned and was therefore a successful method of data collection. This means this data is available for these grantees and applicants and can provide some insight to this research project.

The underlying intent behind this was to ensure that funding reached communities who had experienced historic marginalisation in terms of exclusion from funding and were facing increasing inequality during Covid-19. Additionally, it was to ensure that active efforts towards inclusion were recorded so that we can both build a picture of the ways in which community businesses consider themselves to be inclusive to better our understanding of the sector and use this insight in decisions and thinking around our funding and support.

#### *Wider sector diversity data collection*

The [DEI Data Standard](#) is building a dataset, in collaboration with 360 Giving. Multiple funding and infrastructure organisations are involved and committed to this. The data collected overlaps with some of our applicant monitoring data (see above) but with the notable differences in the parameters given to what we mean by diversity 'led' and 'represented'. All Power to Change grantees will be asked to complete the DEI Data Standard. This will enable us, over time, to see the diversity of the wider sector and to identify what funding is reaching which communities. A subset of the available dataset will be community businesses including Power to Change grantees.

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

This research will give Power to Change both a deeper understanding of the machinery of marginalisation in the community business sector as well as a baseline understanding of the diversity within it. It will enable us to measure ourselves against the baseline and reflect on whether our approaches are effective and whether our grantees are representative of the sector as a whole. This will help us to align DEI activities to have greater impact. As DEI work evolves across the sector these needs may change and this research may lead us to deeper understanding of inequity across the sector and therefore may inform future research or programmatic needs and work.

### **Who are our audiences and how will we share the findings?**

The anticipated audiences for this research include:

- Power To Change, who will utilise the findings to improve our funding and support offers to better meet the needs of people from marginalised groups
- Community Businesses, who can use the outputs of the research to benchmark themselves against the sector
- Those interested in understanding, supporting or investing in DEI in the community business sector. This includes multiple infrastructure and funding partners, such as the Funders for Race Equality Alliance and DEI Data Standard Working Group
- Policymakers in central and local government may find the research of interest as it may show that the community business sector is broadly diverse, and diversifying. It can make the argument that the community business sector as a whole is an equitable vehicle to challenge marginalisation

- Researchers and others in the sector who may use the findings to inform future work

# The research

## Research aim

The aim of this research is to scope out the most effective methods for and to build a baseline dataset which will develop our understanding of the diversity of the community business sector in relation to Power to Change grantees.

## Research question(s)

1. What is the demographic make-up of the leadership and beneficiaries of the community business sector in relation to the protected characteristics/population groups below<sup>4</sup>

- Communities experiencing racial inequity
- Disabled people
- Faith communities
- LGBT+ People
- Migrants
- Older and younger people
- People who are educationally or economically disadvantaged
- Women and girls

2. What is the difference between the demographic make-up of Power to Change grantees and the wider community business sector in relation to those groups?

## Methodology

We would like bidders to consider in their proposal and explore further if they were successful the most appropriate methods to answer our research questions. We have considered methods which might be used to answer the research questions which the bidder should build upon:

- Could the DEI data standard questions be asked within an existing survey sent out by Power to Change e.g. the Community Business Market survey or rolling grantee survey.
- Could the DEI data standard questions be asked of all current and historical Power to Change applicants (successful or not) as a stand alone survey to establish a baseline dataset quickly?
- Is it possible to identify community businesses (and therefore those which are not grantees) in DEI data standard data 360 giving dataset?

---

<sup>4</sup> The questions and groups align exactly with the DEI Data Standard so that the outputs from this research can be directly comparable with the wider dataset.

- It is possible to incorporate monitoring data into a DEI dataset?

We are conscious of survey fatigue in the sector and would like the bidder to consider how to minimise this when writing their proposal.

We are also interested in making the methodology replicable so that we can measure change over time.

## Quality and impact

Research quality is important to us. We aim to continue to build a robust social and economic evidence base around community business, that will stand as a legacy of Power to Change. We invite bidders to consider how they can work with us to deliver high-quality research, and to make alternative proposals where they feel an amended budget or approach could deliver better quality.

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

In addition, we want our research efforts to create change. Please consider how this work will influence change and create impact and reflect this in your proposal.

# Deliverables

## Reporting and dissemination

The following are the anticipated deliverables for this research:

**An anonymised baseline dataset** detailing the diversity of the community business sector and of Power to Change grantees and applicants as a subset. There should be an accompanying **short explainer paper** on this to be shared publicly, reflecting on what the dataset is showing and where the gaps are.

**A short learning paper** for Power to Change, which should follow on from looking at the gaps in the explainer paper to talk about how we might improve on data collection. This paper should also provide reflections, based on the research and any thinking done alongside it, about what the future research, about barriers to people from marginalised communities accessing support, should focus on. This paper can also provide suggestions and recommendations for other future research and data collection.

**A blog**, potentially cowritten with a Power to Change colleague, to be hosted on our website. It should capture key elements from the two other outputs – outline the research, the findings and what action should be taken as a result.

Consider the audiences listed above for dissemination.

The structure of these outputs should be agreed with us in advance of writing.

All sources must be clearly referenced using the Harvard system. A bibliography should be included where appropriate as an appendix, along with other relevant information such as lists of consultees.

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

It is our intention to make all the underlying data from all of our commissioned research openly available via the Institute for Communities Studies website.

# Project management

## Timescales

Our timescales for commissioning this research are as follows:

Suppliers invited to tender	Thursday 4 <sup>th</sup> November
Confirm intention to bid	Thursday 18 <sup>th</sup> November
Suppliers respond	Thursday 2 <sup>nd</sup> December
Selection	Panel review 9 <sup>th</sup> December Interviews (if required) 13 <sup>th</sup> December
Project inception	Week commencing 20 <sup>th</sup> December (with a view to start in earnest w/c 3 <sup>rd</sup> January 2022.
Project completion	We expect this research to be completed by June 2022 i.e. a six month project.

## Budget

We have reserved an indicative budget of up to £35,000 inc. VAT for this work. As part of your proposal, please provide detailed costings for the research/proposed research ideas, showing costs per phase and per individual member of the team. Please also address our emphasis on research quality and impact how this can be achieved within the available budget. If you feel the budget needs revising, please suggest how and why in your proposal – there may be scope to make changes.

## Project management day-to-day

The Project Manager for this work will be Suzanne Perry, Impact and Learning Officer. An informal internal team will be convened, as needed, to support the research. This is likely to comprise Suzanne Perry, Edward Walden, Diversity and Inclusion Manager and Chloe Nelson, Impact and Learning Manager. We will discuss with the successful bidder whether a Steering Group or other means of sector consultation would add value.

# How to apply

Please confirm your intention to bid by Thursday 18th November by emailing Suzanne Perry, Impact and Learning Officer - [suzannep@powertochange.org.uk](mailto:suzannep@powertochange.org.uk)

Please submit a proposal outlining how you would deliver this research to the same person by 09:00 at the latest on Thursday 2<sup>nd</sup> December.

Your proposal should cover the following:

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

We are happy to receive single organisation or consortium proposals.

We will assess proposals against the following criteria:

- Demonstrated understanding of community business
- Demonstrated understanding of the importance of developing deeper awareness about the diversity of the sector
- Suitability of methodology
- Quality and impact of research proposed
- Capability to carry out proposed research including ability to reach and work with community businesses
- Relevant experience of team and of organisation