



Community Business Climate Action Programme Scoping Study

POWER TO CHANGE

INFORMING POSITIVE CHANGE

Power to Change

Community Business Climate Action Programme Scoping Study

VERSION	DATE	VERSION SUMMARY	APPROVALS
R0	7.12.21	Final V1	Principal author: Rhona Pringle,
			Approved by: Mary Anderson
R1			Approved by:
R2			Approved by:
R3			Approved by:

FOR DIRECT ENQUIRIES ABOUT THIS PROPOSAL:

Dr Rhona Pringle

Partner

CAG CONSULTANTS

Mob: 07846 923505

Email: rp@cagconsult.co.uk

TO CONTACT CAG CONSULTANTS:

CAG CONSULTANTS

150 Minories

London EC3N 1LS

Tel: 020 8555 6126

Fax: 020 7900 1868

hq@cagconsult.co.uk

www.cagconsultants.co.uk

CONTENTS

1	Executive summary	1
2	Introduction	4
3	Methodology	5
4	Discussion and key findings.....	9
5	Recommendations	22
6	Programme design considerations.....	25
7	Next steps.....	28
8	Appendices (provided separately).....	29

Appendix 1 Literature Review

Appendix 2 Interview Responses Community Business Interview Responses

Appendix 2.1 Community business interview responses (confidential)

Appendix 2.2 Infrastructure organisation interview responses (confidential)

Appendix 2.3 Funder interview responses (confidential)

Appendix 2.4 Summary of interview responses (confidential)

Appendix 3 Workshop 2 Responses....Appendix 3.1 Priority impact areas and questions that had emerged from the first workshop

Appendix 3.1 'How might we...?' questions

Appendix 3.2 What are the gaps and opportunities in the wider funding and support landscape?

Appendix 3.3 How might Power to Change work with potential partners/co-funders?

Appendix 3.4 Responses to 'What could the Community Business Climate Action programme achieve by 2025?'

Appendix 4 Opportunities Analysis

Appendix 4.1 Significant opportunities identified by community businesses

Appendix 4.2 Opportunities analysis issues map with indicators

Appendix 5 Potential Funders/Partners and other Stakeholders to speak with in the design stage (confidential)

1 Executive summary

The purpose of this study is to scope the opportunities, considerations and areas of focus for the design of a Power to Change Community Business Climate Action Programme to support community businesses to take climate action. This forms part of Power to Change's ambition, as embedded in its 2021-25 strategy, to support community businesses in a just transition to a zero carbon and sustainable economy.

The study has taken an evidence-based approach, using a combination of a literature review, stakeholder interviews, stakeholder workshops and an opportunities analysis to identify opportunities and support needs for community businesses in taking action on climate change. The approach has been iterative, with each stage of the study informing subsequent stages.

The study found evidence that community businesses are already taking climate action across a range of interconnected areas and that many want to do more. There is a key role for them to accelerate localisation, identified in this report through the '15 minute neighbourhood' opportunity¹. They can also accelerate a just transition to zero carbon that is rooted in place, as communities 'can see what change is needed, and how it can be done'.

To account for and acknowledge the interconnected, complex nature and scale of the climate crisis, support for community businesses to take climate action will require more than a fund. It will require a programme of support, including: networking, peer support, targeted work in places/sectors, policy, campaigns, funding and other activities to enable community businesses to take climate action and will also require Power to Change to work with others to deliver this. Flexibility will need to be built into the programme to adapt to evolving circumstances over time.

This report includes a number of recommendations for the design and delivery of the Community Business Climate Action Programme as follows:

- There is overwhelming evidence that there is a need for the programme.
- Three priority impact areas have been identified that the programme should focus on are:
 - **Social justice** - described by the UN as an 'underlying principle for peaceful and prosperous coexistence within and among nations. We uphold the principles of social justice when we promote gender equality, or the rights of indigenous peoples and migrants. We advance social justice when we remove barriers that people face because of gender, age, race, ethnicity, religion, culture or disability.'² In simple terms, social justice is about working towards a more equal society.

¹ See Literature review findings page 12

² United Nations World Day of Social Justice 2020

<https://www.un.org/development/desa/dspd/international-days/world-day-of-social-justice/2020-2.html>

- **Carbon emission reduction** - reductions in greenhouse gas emissions, measured in CO₂e (carbon dioxide equivalents) used by the UK Government and UN for greenhouse gas emissions reporting.
- **Systems change** - 'aims to bring about lasting change by altering underlying structures and supporting mechanisms which make the system operate in a particular way. These can include policies, routines, relationships, resources, power structures and values'.^{3,4}
- **Seven headline opportunities** for the programme have been identified:
 - Working with groups who have been under-represented in previous Power to Change programmes to ensure programme parameters, procedures and activities supported are accessible.
 - Supporting the development of community business climate entrepreneurs and leaders to develop their knowledge and skills to inspire climate action at local, regional and national level.
 - Enabling learning - sharing of information, lessons learned across community businesses that is properly resourced to enable maximum learning and engagement on climate action.
 - Providing support to enable community businesses to acquire local assets/facilities and/or develop new or refurbish existing facilities.
 - Providing support for projects to build carbon emission savings into their projects at an early stage and enable monitoring.
 - Networking to facilitate collaboration, replication of good ideas and avoid re-inventing the wheel.
 - Supporting the development of 15 minute neighbourhoods.

A large number of interventions that could be delivered through the programme were suggested by stakeholders throughout the study. These formed part of an opportunities analysis, which synthesised and distilled the data to identify a number of opportunities and activities that would address the priority impact areas. Some of the recommendations are key considerations for the programme design and some are delivery themes/activities and should be given equal weighting to the recommendations in this report.

The consultant team are extremely grateful to all the stakeholders who have contributed to the study. The detailed contributions and analysis are contained in the appendices which are provided separately. These may be useful for reference in the design stage.

The study also identified a number of potential partners and co-funders for the programme. Details have been provided in a separate appendix.

³ NPC (2015) Systems Change: A Guide to what it is and how to do it. [Online] Available at: <https://www.thinknpc.org/resource-hub/systems-change-a-guide-to-what-it-is-and-how-to-do-it/> [Accessed: 29 October 2021]

⁴ Foster-Fishman, P. (2002) How to create systems change. Lansing

Power to Change will draw on the findings of this study to inform the design phase of the Community Business Climate Action Programme in 2022.

2 Introduction

Power to Change has been a major funder of community-led climate action over recent years. Through its 2021-25 strategy, the organisation has a mission to strengthen community businesses – aiming to increase their number, resilience and capacity. Alongside this, Power to Change is committed to supporting community led businesses to take action on working towards net zero.

Building on its previous work on community climate action, one of the ways that Power to Change is looking to support community businesses is through developing a Community Business Climate Action Programme, initially to run for one year from 2022 and if additional funding can be secured, may be extended for a further two years. This study was originally commissioned to support the organisation in scoping the potential activity of a ‘Green Fund’, but the scope was broadened during the study.

The study has been an iterative process, working closely with Power to Change at every stage, with the findings from each stage informing the next. As the study has progressed, it has informed thinking within Power to Change as to how climate action by community businesses can be further embedded across the organisation’s work. This is reflected in the changing focus of study from a ‘Green Fund’ to a ‘Community Business Climate Action Programme’.

A large amount of data has been collected during the study. This report provides an overview of the process, key findings and considerations to inform the next design stage of the Community Business Climate Action Programme. Information and data collected has been distilled to identify key opportunities and considerations. The detailed data that has informed this can be found in the appendices.

The study used the ‘discover’ and ‘define’ thinking as set out in the Design Council’s ‘Double Diamond’ model⁵, to:

- understand/discover the current context for community businesses and opportunities to support them to take action climate action
- define how Power to Change could contribute to bringing forward these opportunities and addressing the challenges involved through a Community Business Climate Action Programme.

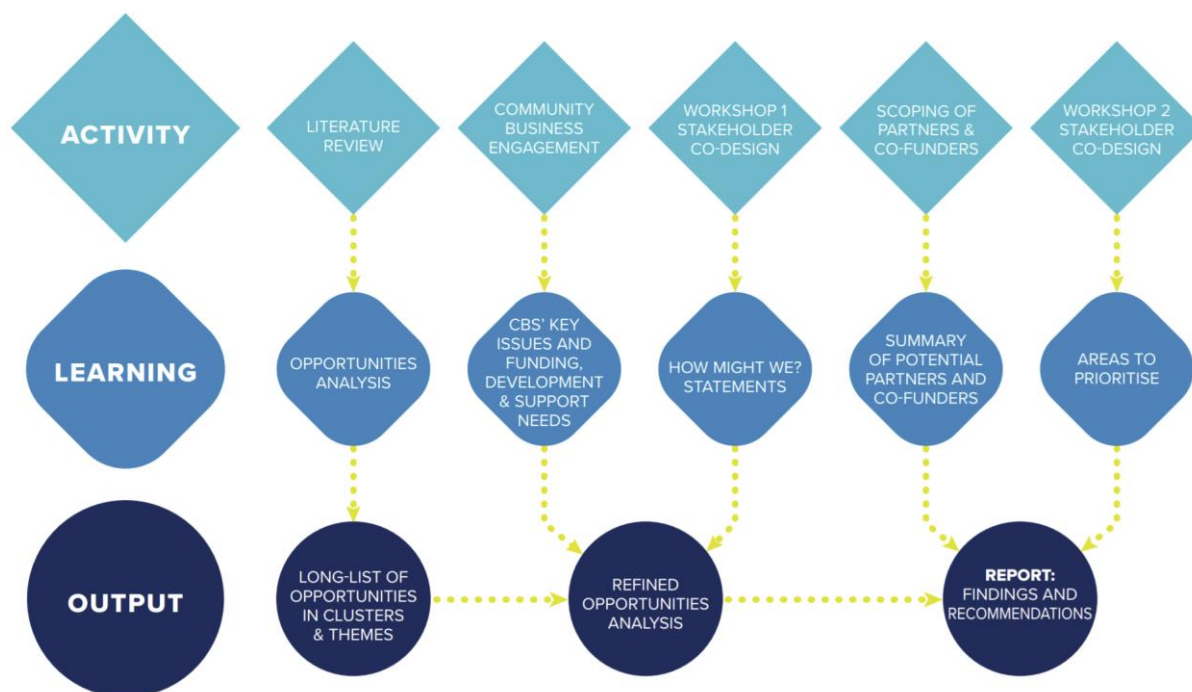
The report is split into four main sections: methodology; discussion and key findings; recommendations; and considerations for the design phase.

⁵ <https://www.designcouncil.org.uk/news-opinion/what-framework-innovation-design-councils-evolved-double-diamond>

3 Methodology

There were a number of key tasks undertaken during the study, with the findings from each task informing the subsequent tasks. The processes and tasks followed throughout the study, and their relationships, are set out in Figure 1. The detail of work undertaken in each task is set out below.

Figure 1. Process diagram for the scoping study



Literature review

The literature review was the first task undertaken as part of the 'discover phase', focusing on issues relevant to community businesses in England. This took a wide perspective of available data to provide an overview of development needs/opportunities, funding and support gaps for community businesses in addressing the climate emergency. The full literature review, which informed subsequent stages of the study, can be found in Appendix 1.

In undertaking the literature review, it was found there is limited literature/data specifically on community business climate action and activities as a broad sector. Indeed, Power to Change are leading the way in compiling data on this. This is consistent with their mission to *strengthen community business to tackle some of society's biggest challenges at a local level*, recognising that social inequalities and the climate crisis are innately connected in their causes, impacts and solutions.

The literature review considered the constituent parts of the community business sector and also wider data/perspectives. The review includes - for example - literature on both

community organisations and SMEs, because almost all community businesses are small⁶ so will face some similar challenges and opportunities to SMEs.

Where data exist on issues relevant to climate action, the review also considers literature relating to some of the sub sectors within the broad community business community. In terms of opportunities, needs and potential partners/funders, the review focuses on the short to medium term, aligned with the planned timescale of the proposed Community Business Climate Action Programme.

The review was undertaken at the start of the scoping study and was updated as the study progressed to incorporate contributions from stakeholders and evolving thinking within Power to Change. Their approach was modified during the course of the study by emerging findings on how the organisation could best support community businesses climate action, aligned to its Climate Action Strategy (Power to Change 2021a).

One example of this evolving thinking is that the name of the proposed programme was changed from a 'Green Fund' (aiming to support community businesses in taking climate action) to become the 'Community Business Climate Action Programme'. This reflects consideration of a more holistic approach to the support needs of community businesses in taking climate action and also takes account of how climate action might be embedded within wider Power to Change programmes. Another example of evolving thinking was around the priority impact areas the programme might focus on.

A summary of the key issues from the literature review is presented later in the sections on discussion and findings and on programme design considerations.

Preliminary opportunities analysis

Following the literature review, as part of the 'define' phase of the study, a preliminary analysis was done of potential opportunities that the Community Business Climate Action Programme could address in supporting community business to take climate action. This formed the first of study's 'define' stages.

The analysis set out to identify priority impact areas, and gaps in funding and support and map these against the taxonomy of community businesses developed by Data Orchard⁷ for Power to Change.

Following a feedback session with Power to Change it was agreed that the priority impact areas Power to Change had proposed: Social justice, Carbon emission reduction, viable business models and resilience would be discussed at the first stakeholder workshop. It was

⁶ Power to Change (2021b) *The Community Business Market in 2020: Research Institute Report No. 29* [Online] Available at: <https://www.powertochange.org.uk/wp-content/uploads/2021/03/Community-Business-Market-in-2020-FINAL-2.pdf>

⁷ Power to Change (2021) Data analysis of Power to Change grants for climate and ecological action [taxonomy]

also agreed that the opportunities analysis would be updated following agreement on the priority impact areas for the programme.

Stakeholder interviews

Stakeholder interviews formed part of both the 'discover' and 'define' elements of the study. A list of potential interviewees was agreed with Power to Change, including community business, infrastructure organisations and funders. 19 interviews were undertaken with 18 organisations, broken down as follows:

- 4 funders
- 7 infrastructure organisations (IOs)
- 7 community businesses (CBs)

The CBs and IOs interviewees represented a broad cross section of community business sub-sectors and activities, while funder interviewees covered a range of programmes and activities. Interviews were conducted online or by telephone. Some interviewees were also invited to attend the stakeholder workshops.

The key issues emerging from the interviews are set out in the discussion and key findings section and programme design considerations sections.

Stakeholder workshops

Following on from stakeholder interviews, a feedback session was held with Power to Change to discuss the issues emerging from the literature reviews, the opportunities analysis and the stakeholder interviews.

Two online stakeholder workshops were planned as part of both the 'discover' and 'define' phases of the study. It was agreed that the programme for the first stakeholder workshop would include: an update on the study findings so far, and discussion/agreement on the priority impact areas that the Community Business Climate Action Programme should focus on and how the programme could deliver these priority impacts. The participants of the first workshop were mainly community businesses, with some funders and infrastructure organisations. The list of invitees was agreed with Power to Change and the workshop was attended by 7 community business, 2 infrastructure organisation and 1 funder participants, together with Power to Change staff. The findings from the workshop are set out in the discussion and key findings section.

Following the discussion at the first workshop, the second workshop aimed to examine in more detail how Power to Change might best support community businesses to take climate action. It focussed on the priority impact areas and questions about how these priorities might be delivered. It also asked what the programme could achieve by 2025, what the gaps and opportunities are in the wider funding and support landscape and how Power to Change might work with potential partners/co-funders. The second workshop was attended by 3 funders, 3 infrastructure organisation and 1 community business participant,

together with Power to Change staff. Findings from the workshop are set out in the discussion and key findings and programme design considerations sections.

Community business representatives were reimbursed for their time attending the workshops at the Power to Change agreed rate.

Opportunities analysis update

Using the agreed priority impact areas, other information from the workshops, together with the literature review and further analysis of interviews, the opportunities analysis was revised as the final part of the 'define' phase to identify potential opportunities for the Community Business Climate Action programme. This formed a significant part of study findings: recommendations are shown in the discussion and key findings and programme design considerations sections.

4 Discussion and key findings

This section discusses the findings from each of the tasks and the iterative process that was used, whereby the information collected and findings from each of these informed subsequent tasks.

Literature review

As described in the methodology section, the literature review was the first 'discover' stage and provided a foundation for the rest of the study. Given the likely 3-year timeframe of the Community Business Climate Action Programme, the opportunities examined in the review have focussed on that time horizon. A summary of opportunities identified in the literature review and impacts of Covid-19 on community businesses is provided below. The full literature review can be found in Appendix 1.

Impacts of Covid-19

The pandemic has had a massive impact on the way we live and work. As with many businesses, the Covid-19 pandemic has had a significant impact on community businesses. Whilst community businesses in general have been resilient in the face of the pandemic, with many increasing or expanding the services they provide and their methods of delivery, there have been a small number of community businesses that have had to close.

There is a mix of optimism and concern amongst community businesses about their post-pandemic future. On the positive side, a large number of community businesses expect to open up new lines of trading activity or diversify their products and services when the pandemic ends⁶. This could present opportunities for them to take positive climate action. However, this is combined with concern amongst community businesses about the future financial outlook, with 73% being less confident about their financial future.

Opportunities

The review identified a number of potential opportunities for community businesses across a range of activities including community assets, transport, community energy and energy efficiency. Some key opportunities identified were:

- The Power to Change Community Business Market in 2020 report⁶ and the taxonomy of climate action (prepared for Power to Change in 2021) ⁷ both identify activities undertaken by community businesses - as part of bringing buildings and assets back into use - that can deliver positive climate action.
- Consideration should be given as to how councils can ease the asset transfer process to support greater community ownership. This could include supporting the 'meanwhile use' of buildings and management leases of high street assets such as markets, public spaces, libraries and community hubs, directly to trusted community businesses. Councils could also look at providing community businesses with secure leases or leases

for these assets in which scale up over time, giving community businesses space and time to become financial sustainable.⁸.

- Community businesses have an appetite to take positive action to address the climate emergency across a range of areas, including energy and buildings, waste and consumption, education and awareness raising and organisational policy strategy development/delivery.⁷
- Research shows that there is a strong desire for people to be able to continue to work remotely in a post pandemic world and that they also expect to continue to spend more in their local community.⁹ Revitalisation of town centres and neighbourhoods offers opportunities for community businesses to take assets into community ownership and undertake low carbon/energy efficient renovations as part of this. This could provide new opportunities for community businesses to provide flexible work space for remote working and other local amenities.
- The adoption of the '15 minute neighbourhood' concept by cities, towns and neighbourhoods is increasingly being seen as an opportunity for communities to plan and work on how they achieve net zero carbon in neighbourhoods and towns across the country.^{9,10} With the Government focus on active travel – in part to address the climate emergency (Department for Transport 2020) - this presents new opportunities for community businesses to expand existing or develop new services in a post pandemic world. Community businesses could play an active role in the transition to net zero carbon in and with the communities where they work, by being part of a 15 minute neighbourhood approach in their area. This could provide opportunities for Power to Change to support community businesses taking climate action, making a positive contribution through reduced vehicular/increased active travel, the development of local supply chains (e.g. food, energy, waste) and increasing the circulation of money within a local economy.
- The Power to Change Community Business Market in 2020 report and the dataset of climate activities delivered through Power to Change grants (2021) show that the majority of community businesses are venues such as community hubs and village halls.^{6, Error! Bookmark not defined.} As these all have a physical buildings base, it is possible that the biggest single impact on climate change mitigation for community businesses would be for grant or loan funding to be provided to retrofit these buildings for energy efficiency, including low carbon heating systems. In addition to the direct carbon savings, it is also possible that this would have co-benefits in the form of revenue cost savings for heating/lighting and improved comfort/lighting for building users etc. There needs to be funding and support systems in place, both to support the asset transfer (where needed) and also to enable energy efficient renovations/retrofitting to be

⁸ Power to Change (2020) *Saving the High Street: The Community Takeover* Power to Change [Online] Available at: <https://www.powertochange.org.uk/research/saving-high-street-community-takeover/> (Accessed: 17.9.21)

⁹ Demos and Legal and General (2021) *Post Pandemic Places: From Renew normal The People's Commission on Life After Covid 19* [Online] Available at: <https://www.legalandgeneralgroup.com/media/18369/post-pandemic-places-final-1.pdf>

¹⁰ C40 Cities, Arup (2021) *'Green and Thriving Neighbourhoods A pathway to net zero, featuring the '15-minute city'* [Online] Available at https://www.c40.org/wp-content/uploads/2021/10/C40-Arup-GTN-Guidebook_2021.pdf

undertaken as part of bringing buildings and assets back into use. This retrofitting activity would involve a positive community business climate action.

Support needed

Given the concern of community businesses about their future financial outlook, consideration needs to be given to providing the best financial and policy levers to enable them to survive, thrive and make a positive contribution to climate action.

This could include:

- Funders pooling their investments– ensuring they co-ordinate their grants and loans to recipients.
- Councils having dedicated policies to support ‘anchor’ community business organisations⁸, such as Calderdale Council’s Community Anchor Policy¹¹.
- Ring-fencing of a proportion of existing public funds committed for local economic development (e.g. the Shared Prosperity Fund, any future rounds of the Future High Street Fund/Towns Fund, and funding for Local Enterprise Partnerships [and Combined Authorities] to be spent on community business development¹².

Power to Change has recognised that community businesses need support as they begin work on developing or growing their organisations and have recently launched the Powering Up programme. This aims to help community businesses plan for their activities in the key areas of digital growth, zero carbon and sustainability, and financial resilience, with a cross cutting theme of diversity, equity and inclusion. The support will be funding for a combination of support, including an unrestricted grant to be spent on support determined by each business, development support funding to pay providers to meet a community business' specific needs and funding for professional development and wellbeing support¹³.

The issues outlined above, which were identified in the literature review, were used to inform each subsequent stage of the study.

Stakeholder Workshops

As described in the methodology section, the workshops set out to get views from community businesses and from infrastructure organisations and funders who support their work on key areas. During the first workshop, participants were provided with an update on the study, which then informed consideration of two key issues:

¹¹ Calderdale Council (2016) Community Anchor Policy [Online] available at:

https://www.calderdale.gov.uk/nweb/COUNCIL.minutes.pkg.view_doc?p_Type=AR&p_ID=46505

¹² Plunkett Foundation (2020) *State of Rural Community Business: A snapshot view in June 2020* [Online]. Available at: https://plunkett.co.uk/wp-content/uploads/State-of-Rural-Community-Business-Covid-19-report-FINAL.pdf?utm_source=Active+Members+2020&utm_campaign=4d2b996b4b-EMAIL_CAMPAIGN_2019_10_11_02_25_COPY_03&utm_medium=email&utm_term=0_2a09e3f424-4d2b996b4b-EMAIL_CAMPAIGN_2019_10_11_02_25_COPY_03&utm_medium=email&utm_term=0_2a09e3f424-4d2b996b4b-

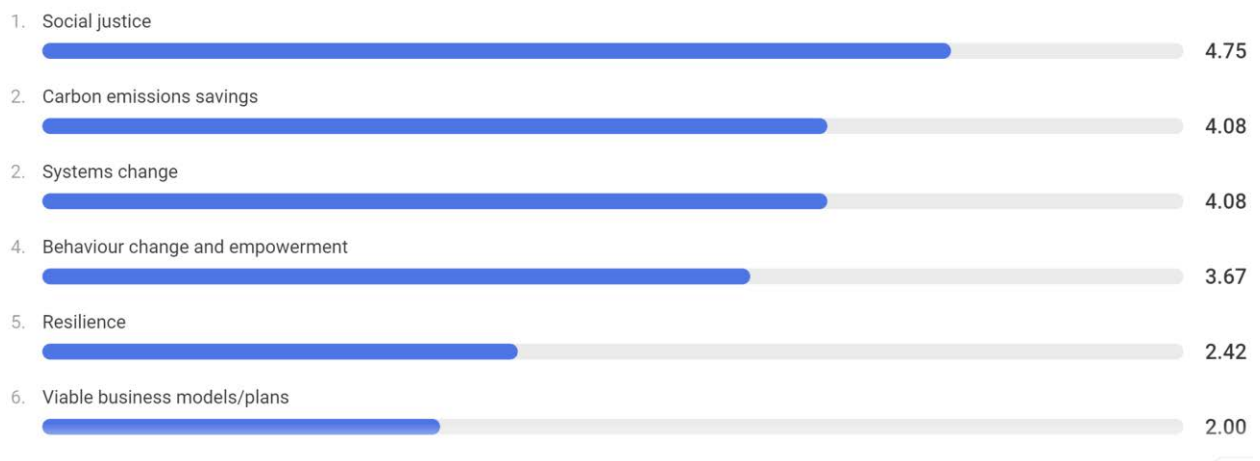
¹³ Power to Change 2021c Repowering [Online] Available at: <https://www.powertochange.org.uk/our-work/our-programmes/powering-up/>

- the priority impact areas that the Community Business Climate Action Programme should focus on.
- how the programme could deliver these priority impacts.

The four priority impact areas proposed by Power to Change at the start of the study were: social justice, carbon emission reduction, viable business models and resilience. These were considered by workshop participants who also suggested two other priority impact areas; systems change and behaviour change and empowerment. These six priority impact areas were then considered by the participants and ranked in order of importance. The three highest scoring impacts were social justice, carbon emission reduction and systems change – see Figure 2.

Figure 2 Priority impact area workshop poll results

Please rank these impact areas in order of importance for Power to Change's new programme to support and encourage climate action by community businesses (1= most important) 12



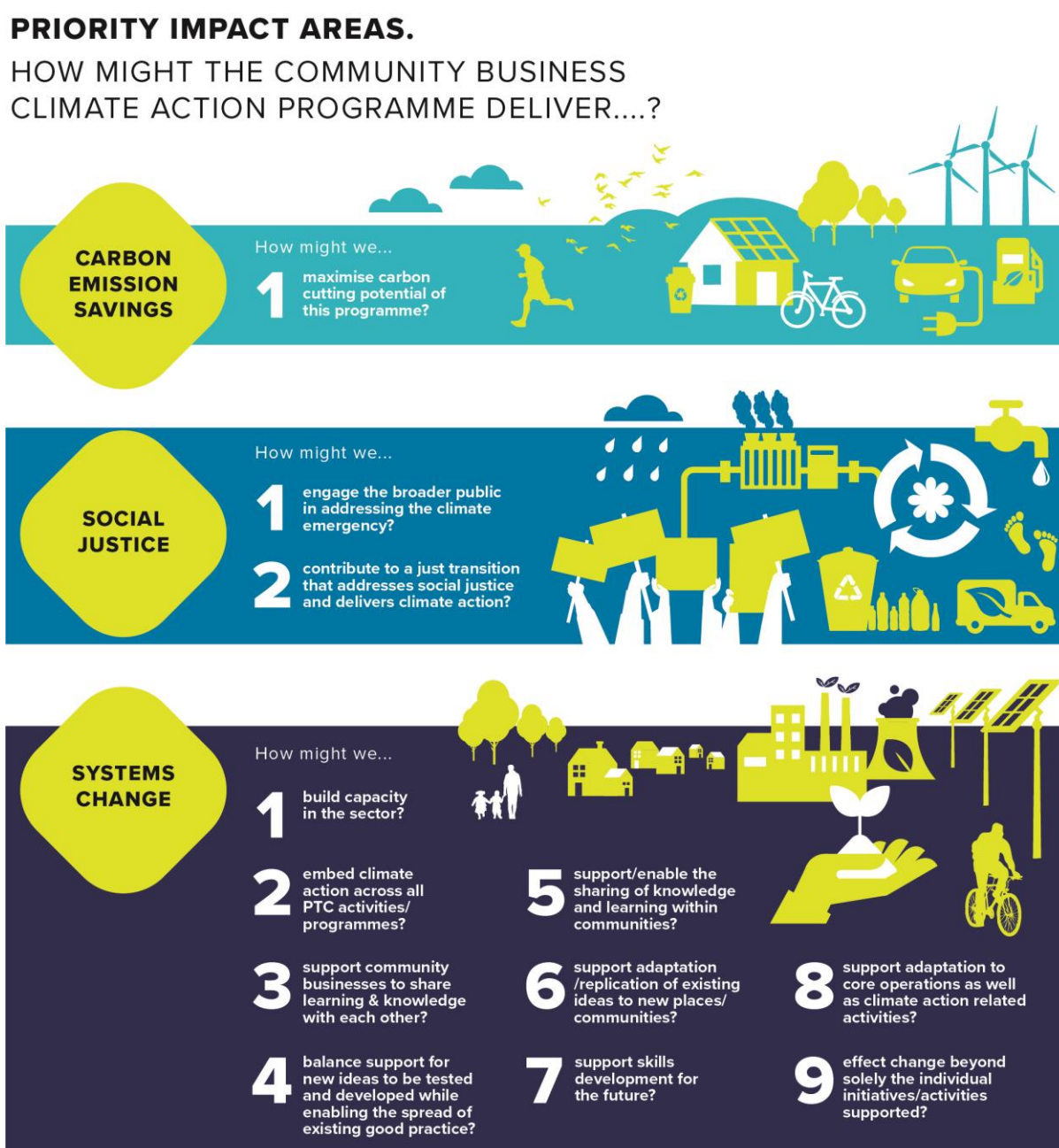
These Priority Impact Areas were agreed by Power to Change as the three the Community Business Climate Action Programme should focus on. Whilst these will need refinement during the next design phase of the programme so that they are clear to any future partners/applicants, it is useful to consider what is meant by each of these terms here:

- **Social Justice** is described by the UN as an 'underlying principle for peaceful and prosperous coexistence within and among nations. We uphold the principles of social justice when we promote gender equality, or the rights of indigenous peoples and migrants. We advance social justice when we remove barriers that people face because of gender, age, race, ethnicity, religion, culture or disability.' In simple terms, social justice is about working towards a more equal society.²
- **Carbon emission reduction** for the purposes of this report is reduction in greenhouse gas emissions, measured in CO₂e (carbon dioxide equivalents) as used by the UK Government and UN for greenhouse gas emissions reporting.

- **Systems change** 'aims to bring about lasting change by altering underlying structures and supporting mechanisms which make the system operate in a particular way. These can include policies, routines, relationships, resources, power structures and values'

Having identified priority impact areas, participants in the first workshop then considered how the programme could deliver these priority impacts. Their responses were distilled into statements and in consultation with Power to Change these were reframed into a series of questions aligned with the three priority impact areas as set out in Figure 3 below.

Figure 3 Priority impact areas and questions emerging from workshop 1



The second workshop, which comprised mainly funders and infrastructure organisations, examined how Power to Change might best support community businesses to take climate action. Participants discussed:

- the priority impact areas and questions that had emerged from the first workshop
- what are the gaps and opportunities in the wider funding and support landscape?
- how might Power to Change work with potential partners/co-funders?
- what could the Community Business Climate Action programme achieve by 2025?

The detailed responses to these can be found in Appendices 3.1-3.4.

The contributions from both workshops have been used to inform the Opportunities analysis and Programme design considerations described below.

Opportunities analysis

The opportunities analysis has been an iterative process, distilling and organising all the learning from the literature review, interviews and workshops. This has involved review of the evidence on which the findings and recommendations are based. The complete analysis is laid out in three parts:

1. A selection of principal opportunities, noting the activities which might be undertaken in respect of each opportunity, as set out below.
2. A narrative describing a wider range of significant opportunities as identified by community business interviewees. This is presented in Appendix 4.1
3. A comprehensive database of detailed opportunities, presented in spreadsheet form in Appendix 4.2. More information about how the database is structured, and how it may best be used, is presented in the detailed opportunities section.

The analysis was updated throughout the course of the study. The headline opportunities that the Community Business Climate Action Programme could deliver described below, have been chosen because they would deliver key priorities identified in all stages of the study; some as new business opportunities, some as opportunities to improve existing processes, operations, and facilities and some as support to maximise opportunities for engagement and delivery of climate action by community businesses. They reflect the interconnected nature and scale of climate action needed and that the response requires a co-ordinated programme of activities and opportunities for partnership working, rather than just a specific fund.

Potential activities have been identified through synthesis of evidence from the literature review, contributions from stakeholders and review sessions with Power to Change. The principal opportunities are shown in Figure 4, which also sets out which of the 'How might we..?' questions they will address.

Many opportunities have been identified in the literature, and through the stakeholder engagement tasks. Not all of these are identified here as key opportunities for the Community Business Climate Action Programme. However, these wider opportunities may be useful to inform the embedding of climate action across Power to Change's activities and to inform discussions with potential partner organisations. The full set of potential opportunities can be found in Appendix 4.2

Selection of principal opportunities and activities

This subsection outlines many of the more significant opportunities identified during the study, including those identified in the literature review – focussing on opportunities to 2025, responses from stakeholder interviews and contributions in the stakeholder workshops. Whilst some of the opportunities align to specific impact areas, others will also address one or more of the other impact areas. It looks, in turn, at those relating to each priority impact area, namely social justice, carbon emissions reduction and systems change. After this, it looks at a possible cross-cutting opportunity, which is to deliver a range of activities contributing to the creation of 15 minute neighbourhoods. While the opportunities listed below have been aligned to one impact area predominantly, in reality the vast majority will address two or more of the impact areas.

The following section gives more detail on the activities, summarised in Figure 4.

Social justice opportunities

1. Work with groups who have been under-represented in previous PtC programmes to ensure programme parameters, procedures and activities supported are accessible. Activities could include:
 - a. Working with Black and Minority Ethnic (BAME) infrastructure organisations to support a BAME-led hub or business incubator to address the range of barriers facing the sector. These barriers include fundraising, marketing, collaboration, networking, accessing investment, business planning, and political influence.
 - b. Work with organisations in areas with a lower Index of Multiple Deprivation (IMD), where climate action is often not a considered a priority, compared with generating an income or caring for children or other dependents. Such work could focus on co-benefits, such as supporting energy efficiency installations which lead to warmer homes, helping people stay healthy.
2. Provide support to enable community businesses to acquire local assets/facilities and/or develop new or refurbish existing facilities, particularly in deprived areas. Assets here are physical forms, for example, buildings, solar farms. and facilities could include training services, such as apprenticeships Activities could include:
 - a. Working with community infrastructure organisations, councils and other funders to co-finance Local Land Banks. These would be community benefit societies, pre-capitalised by funders, councils and community share issues, able to buy high street buildings and other assets when, or before, they come to market. Once purchased, they could be sold on, or leased, to community businesses. This would overcome the challenges that such buildings are sold before communities come together and

acquire the skills and finance to bid for them, and that the Asset of Community Value mechanism¹⁴ is largely ineffective.

- b. To complement the existing Booster capital match financing provided by Power to Change, consider co-designing 'patient' and low interest loan (or bond) options in partnership with funding partners and existing social lenders, to address gaps identified by local groups. Where such options are put in place, include support to build understanding and internal capacity to manage the implications of loan or blended finance.
- c. Retrofitting (of community assets, skills development and job creation opportunities).

Carbon emission reduction opportunities

1. Support the development of community business climate entrepreneurs and leaders to develop their knowledge and skills to inspire climate action at local, regional and national level. Activities could include:
 - a. Funding "climate fellows", being entrepreneurial individuals in local communities keen to promote community business climate action. Support could be core funding for five years or the balance of the programme term.
 - b. Providing bursaries for shorter-term learning opportunities for people in community businesses.
2. Provide support for projects to build carbon emission savings into their projects at an early stage and enable monitoring. Activities could include:
 - a. Developing, and making available to applicants, a very detailed carbon calculator enabling groups to measure carbon emission savings from individual interventions (to include both energy efficiency measures and, for example, those relating to changes in transport habits). This reflects the fact that it is difficult for non-specialists to determine the overall, long-term effect of an intervention. For example, the annual reduction from retrofits, or community renewables, is falling as the carbon intensity of grid electricity changes. Equally, the embedded carbon in solar PV panels needs to be taken into account in projections. Both of these factors add to the complexity of carbon calculations. If this opportunity is pursued Power to Change should work in partnership with others to build on and/or adopt existing approaches and tools, for example, The Carbon Trust¹⁵ or Energy Savings Trust¹⁶.
 - b. Holding workshops and producing guidance on carbon emission savings (to complement the above).

Systems change opportunities

1. Enable learning - sharing of information and lessons learned across community businesses that is resourced to enable maximum learning and engagement on climate action. Activities could include:
 - a. Supporting development of 100 case studies with quantifiable evidence.
 - b. Workshops

¹⁴ <https://mycommunity.org.uk/what-are-assets-of-community-value-acv#:~:text=What%20defines%20an%20Asset%20of,do%20so%20in%20the%20future>

¹⁵ <https://www.carbontrust.com/>

¹⁶ <https://energysavingtrust.org.uk/>

- c. Site visits
2. Networking to facilitate collaboration, replication of good ideas and avoid re-inventing the wheel. Activities could include:
 - a. Supporting development and operation of networks between community business, and particularly catalysing the creation of, and funding, peer networks in sectors and for issues where they do not exist. Ashden¹⁷ has excellent models for networking generally, including supporting climate champions. Its methods include masterclasses, informal conversations and peer learning. Community Energy England and Devon Community Energy Network' models could be adapted for use in other sectors.
 - b. Supporting development networks between infrastructure organisations and funders.
 - c. Establishing a mentoring programme.

The 15 minute neighbourhood opportunity.

While the 15 minute neighbourhood approach was originally a planning concept, it is increasingly being seen as an opportunity for communities to plan and work on how they achieve net zero carbon.^{18,19} Ahead of COP26, and C40 cities and Arup published a guidebook that provides a framework and approach for delivering net zero at the neighbourhood scale.²⁰ It sets out 10 approaches to deliver neighbourhood level net zero, as follows:

1. Complete neighbourhood
2. People-centred streets and mobility
3. Connected place
4. A place for everyone
5. Clean construction
6. Green buildings and energy
7. Circular resources
8. Green and nature-based solutions
9. Sustainable lifestyles
10. Green economy

Community businesses could play an active role in the transition to net zero carbon, in and with the communities where they work, by being part of a 15 minute neighbourhood approach in their area. This could be an opportunity for Power to Change to support community businesses taking climate action when viewed as a lens through which to view local and community led regeneration and creating resilient local economies. Viewed in this way, many of the activities identified in the opportunities analysis could be delivered in a co-ordinated manner. Such activities could include:

¹⁷ <https://ashden.org/>

¹⁸ <https://www.smartcitiesworld.net/news/neighbourhoods-urged-to-use-15-minute-city-principles-to-become-greener-6903>

¹⁹ <https://www.localgov.co.uk/How-the-15-minute-concept-is-key-to-tackling-the-climate-crisis/53089>

²⁰ https://www.c40.org/wp-content/uploads/2021/10/C40-Arup-GTN-Guidebook_2021.pdf

- a. Local supply chain development (e.g. food, waste, energy).
- b. Retrofitting (of community assets with associated skills development and job creation opportunities).
- c. Low carbon/active travel (bike/e-bike hire, bike restoration/maintenance workshops, infrastructure development, EV charging points).

Figure 4 Activities that the Community Business Climate Action Programme could support

ACTIVITIES THAT THE COMMUNITY BUSINESS CLIMATE ACTION PROGRAMME COULD SUPPORT.
HOW MIGHT WE...?

1 engage the broader public in addressing the climate emergency?	2 contribute to a just transition that addresses social justice and delivers climate action?	3 maximise the climate benefits of any programme?	4 build capacity in the sector?	5 embed climate action across all PTC activities/ programmes?	6 support community businesses to share learning & knowledge with each other?	7 balance support for new ideas to be tested and developed while enabling the spread of existing good practice?	8 support/ enable the sharing of knowledge and learning within communities?	9 support adaptation/ replication of existing ideas to new places/ communities?	10 effect change beyond solely the individual initiatives/ activities supported?	11 support adaptation to core operations as well as climate action related activities?	12 support skills development for the future?

ACTIVITIES

- Work with BAME support organisations
- Work with organisations in areas where climate action is not a considered a priority
- Work with community infrastructure organisations, councils and other funders to co-finance Local Land Banks in area of deprivation
- To complement the existing Booster capital match financing, consider co-designing patient and low interest loan options in partnership with other organisations and existing social lenders, to address gaps identified by local groups. Where such options are put in place, to include support to build understanding and internal capacity to manage the implications of loan/blended finance.
- Retrofitting (of community assets, skills development and job creation opportunities)
- Local supply chain development (food, waste, energy)
- Retrofitting (of community assets, skills development and job creation opportunities)
- Low carbon/active travel (bike/e-bike hire, bike restoration/maintenance workshops, infrastructure development, EV charging points)
- Climate fellows programme
- Short term bursaries
- Develop a carbon toolkit for projects to use to measure carbon emission savings
- Workshops and guidance produced on carbon emission savings
- 100 case studies across England
- Workshops
- Site visits
- Support development and operation of networks between community business
- Support development networks Between infrastructure organisations and funders
- Establish a mentoring programme

Database of detailed opportunities

As described earlier, this study has identified a large number of opportunities to support community business climate action. The database presented in Appendix 4.2 sets out many of these detailed opportunities and is structured as follows:

1. There are separate tabs for information, depending on their source. This reflects the fact that different types of information came from each source. For example, the literature review contains suggestions which can be laid out according to their place in the taxonomy of community business sectors **Error! Bookmark not defined.**, or shown as relating to community hubs or halls, or are cross-cutting. By contrast, the opportunities and suggestions from the stakeholder workshops concern fund design.
2. Opportunities are laid out according to four themes. Three relate to community business needs, reflecting the scoping study brief: 'funding', 'support', and 'development'. The fourth theme, 'overall fund design', was added during the analysis, reflecting the fact that many comments concerned this overarching theme rather than a community business need. Table 1 below shows the layout used, with two sub-themes for each theme.

Table 1 Themes and sub-themes used in the opportunities analysis

Funding Theme		Support theme		Development theme		Fund Design	
Grant	Capital Investment	Via existing support providers	Via external specialist agency	Asset-related	Other	Category	Suggestion

3. The opportunities database uses colour coding to reflect the priority impact areas: social justice (yellow), carbon emissions reduction (green) and systems change (pink). Where an opportunity clearly relates to one, or sometimes two, of the priority impact areas, the relevant cell has been colour-filled to reflect this. Here is an example:

Activity delivering social justice
Activity delivering carbon emissions reductions
Activity delivering systems change

It is suggested that the reader begins by reviewing the stakeholder workshop and interview tabs of Appendix 4.2, as these focus mainly on fund design opportunities and suggestions. Once the overall design of a programme has been determined, the opportunities in the literature review

and community business interviews tabs could be read in detail. These can inform the proposed programme's parameters, and the activities that it will support.

5 Recommendations

Introduction

There has been an enormous amount of data collected during the course of the study. The consultant team is extremely grateful for the time and contributions from community businesses, infrastructure organisations and funders to help inform this study.

Unsurprisingly, given the diverse nature of the community business sector and supporting organisations, the number of responses received has been large and their scope wide ranging. In this section, the data has been synthesised to compile recommendations for opportunities and considerations for Power to Change in the next design phase of the programme's development are contained in the following section. It has not been possible to include every suggestion made by stakeholders in the recommendations here. However, the detailed data that has been collected is presented in the appendices provided separately to the main report.

The programme design considerations that are presented in the following section are of equal importance as the recommendations and should be considered alongside these in the programme design stage.

In identifying both the recommendations and design considerations below, there are a number of important elements to recognise:

- The key role and potential 'added value' that Power to Change can bring in supporting both the 'community' and 'business' aspects of community businesses. **ate action:**
- **Multiplicity of actions** to account for and acknowledge the interconnected, complex nature and scale of the climate crisis. This will require Power to Change to work with others to deliver funding and support, policy, campaigns and other activities,
- **Capacity strengthening support**, especially for early stage in feasibility to understand potential carbon savings etc.
- **Supporting the sharing of knowledge, learning and movement building** to increase impact with a particular focus on supporting those from marginalised communities and/or young people. For example through fellowships and apprenticeships or peer learning and mentoring programmes.
- **Sharing best practice**, examples and good news stories of what is possible.
- **Working with others** (funders/policy/campaigns) to create change greater than the sum of their parts.
- **Embed and integrate** study findings across Power to Change programmes to 'add value', such as the development of capabilities through the Powering Up programme and support for innovation, such as developing new community energy business models through the Next Generation programme.
- **Joint funding/support programme(s)** with other organisations.
- **Working in and with specific places** to explore role of community businesses in wider local 'just transitions to net zero' (e.g. via 15 minute neighbourhoods).
- **Maintaining flexibility** to explore new and specific sectors/places/partnerships over the time of the programme.

Recommendations

The recommendations from this scoping study for the Community Business Climate Action programme are as follows:

1. There is a need for a Community Business Climate Action Programme. When addressing the questions as to whether this programme is needed the overwhelming response from stakeholders and evidence from the literature review is 'yes' there is a need for a programme, as will have more enduring impact on climate action by community businesses than just short term grants.
2. The 3 priority impact areas that should be the focus of the programme are:
 - Social Justice
 - Carbon emission reduction
 - Systems change
3. The programme considers delivering the headline opportunities and types of activities outlined earlier and set out again in the table below:

Table 2 Opportunities and activities that the programme could deliver

Social Justice	Carbon Emission Reduction	Systems Change
<ul style="list-style-type: none"> • Work with BAME support organisations • Work with organisations in areas where climate action is not a considered a priority • Work with community infrastructure organisations, councils and other funders to co-finance Local Land Banks in area of deprivation <p>To complement the existing Booster capital match financing, consider co-designing 'patient' and low interest loan options in partnership with partner organisations and existing social lenders, to address gaps identified by local groups. Where such options are put in place, to include support to build understanding and internal capacity to manage the implications of loan/blended finance.</p>	<ul style="list-style-type: none"> • Climate fellows programme • Short term bursaries • Develop a carbon toolkit for projects to use to measure carbon emission savings • Workshops and guidance produced on carbon emission savings 	<ul style="list-style-type: none"> • 100 case studies across England • Workshops • Site visits • Support development and operation of networks between community business • Support development networks Between infrastructure organisations and funders • Establish a mentoring programme

Social Justice	Carbon Emission Reduction	Systems Change
15 minute neighbourhoods		
Local supply chain development (food, waste, energy) Retrofitting (of community assets, with associated skills development and job creation opportunities) Low carbon/active travel (bike/e-bike hire, bike restoration/maintenance workshops, infrastructure development, EV charging points)		

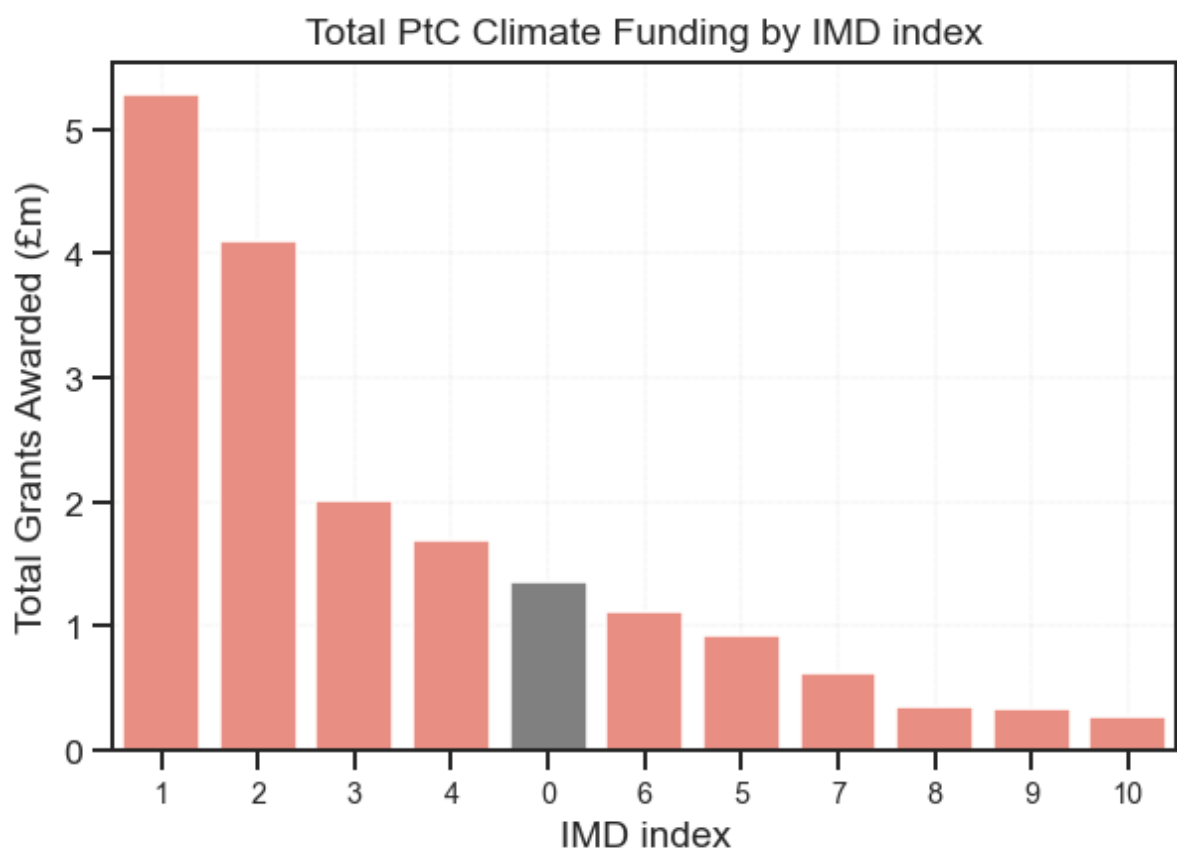
4. Power to Change should explore opportunities to co-fund/work in partnership with funders and stakeholder organisations who have expressed an interest in joint working, so as to maximise the reach and impact of the programme. See Appendix 5 (confidential).
5. Explore opportunities within Power to Change's existing programmes to support community businesses climate action.

6 Programme design considerations

Just as important as the recommendations above are the large number of issues to consider during the next design phase of the Community Business Climate Action Programme and the potential design questions to pose to those involved. These are summarised below:

- Given the close correlation discussed in the literature review between deprivation and impacts of climate change, consideration should be given as to whether the programme should prioritise support to areas of highest deprivation. The data from the Future Energy Associates/Data Orchard Data analysis of Power to Change grants for climate and ecological action presentation **Error! Bookmark not defined.** shows that a significant majority of Power to Change climate funding is already being invested in areas with the highest levels of deprivation (see Figure 5). If it is decided to continue to prioritise support in this way, it may be possible to use existing methodologies for allocation of support through the Community Business Climate Action Programme as has been used for these other funding streams.

Figure 5



- Consider whether the programme should only support projects which address both social justice and emissions reduction. This reflects the widespread acceptance that they must go hand in hand, and could differentiate the programme from other funding programmes. It would also allow the programme to focus its limited funding and develop particular expertise. Finally, it would help existing social justice organisations to

develop climate-related activities, because these would still have a strong social justice focus.²¹

- Direct grant funding for projects could provide support in several ways:
 - Early stage funding to support new ideas and new community businesses
 - Project development funding for community assets and services,
 - Innovation funding
 - akin to the Next Generation community energy programme, but expanded to include developing new business models on wider climate action as well.
 - Revenue funding to support community businesses launch near market opportunities, to build capacity or skill up, or build scale.
 - (Lower cost) capital funding for new assets
- Funding for community businesses to take climate action should meet at least two priority impact areas.
- Projects delivering energy efficiency improvements for community buildings have already received the fourth largest amount of Power to Change grant funding²², so it will be an important consideration as to whether this type of activity should be funded through the Community Business Climate Action Programme or whether it can be funded from other sources within the organisation.
- Power to Change has already provided significant support to community energy through the Next Generation programme. Consideration will need to be given as to whether it should be a priority for funding through the programme in terms of community business climate action. Given the rapid and planned decarbonisation of the National Grid²³, the carbon savings delivered through community electricity projects may on their own not be significant. However, the co-benefits such as recirculation of money within a local economy, local job creation and development of skills, knowledge and capacity could make a significant contribution to developing community resilience.
- Funding and support for pre-development activities (e.g. feasibility, planning) should be considered to support development of viable business plans/models.
- Power to Change are already considering how to partner with other funders/ stakeholders in developing the programme and as part of this, pooling of different funders' investments should be considered to ensure there is co-ordination of their grants and loans to recipients.
- Given the priority impact area of systems change, consideration should be given to New Philanthropy Capital (NPC)'s 2015²⁴ report which made recommendations on how funders can support systems change, as follows:
 - **Going beyond one-to-one grantee relationships.** The chances of effecting systems change are greatly increased by finding ways to pool resources and thinking bigger – working in partnership with other funders and organisations.

²¹ One interviewee pointed out that it can be hard for existing organisations to pivot to climate change work.

²² Power to Change (2021d) What is Community Business? [Online] Available at: www.powertochange.org.uk/community-business/what-is-community-business/

²³ Electricity System Operator Limited (2021) Future Energy Scenarios 2021 [Online] Available at: <https://www.nationalgrideso.com/document/202851/download>

²⁴ NPC (2015) Systems Change: A Guide to what it is and how to do it. [Online] Available at: <https://www.thinknpc.org/resource-hub/systems-change-a-guide-to-what-it-is-and-how-to-do-it/>

This supports the approach that Power to Change is taking in this scoping study by seeking views and potential co-funding/partnership opportunities.

- **Funding in a way that doesn't constrain.** Systems change takes time and does not align well with restrictive, short term funding with excessive monitoring regimes. This suggests that three years' funding may not be enough. Careful consideration will need to be given to how systems change can be meaningfully addressed by Power to Change if this is a three year programme.
- **Building the field.** It is important to consider the 'glue' between organisations that enable them to deliver, as well as the organisations themselves. Consideration needs to be given to infrastructure and connections between organisations in encouraging systems change. Suggested ways of doing this include: 'using convening power to help grantees create networks, funding collaborative work, or supporting good quality research about what works rather than spending small sums on individual evaluations.' This approach aligns well with views expressed during interviews undertaken in this study.
- **Learning.** Given the position of power and influence that funders have, they are well placed to promote learning and could also fund generation/spread of knowledge and good practice. It is important for funders to use monitoring information and to support their own ongoing learning so that their funding is evidence based.
- When The National Lottery launched its Climate Action Fund programme in 2020, they identified nine key tensions during the Round 1 application stage to help them 'prioritise what 'good' looks like, and how to shape the programme'. The Climate Action Fund supports community led climate action, so there are likely to be some comparisons to the Community Business Climate Action Programme. It would, therefore, be worth considering the nine key tensions identified during the programme design stage and if applicable, how they could be addressed:
 - *The balance between climate adaptation and carbon mitigation*
 - *The balance between overall climate impact, and community engagement*
 - *Balancing the overall scale of a project's carbon reduction potential with its ability to be replicable in communities across the UK (and beyond)*
 - *What level of importance should we place on the ability to accurately measure the overall carbon reduction — and hence, climate impact*
 - *Prioritising tried-and-tested projects that are immediately ready to go*
 - *Prioritising one beneficiary group(s) over another*
 - *What does 'good'...climate action look like, and what is most appropriate for us to support*
 - *How to tackle the difficult balancing act of raising awareness, and raising climate anxiety*²⁵

²⁵ Gardner, N. (2021) [Online] Available at: <https://nick-gardner.medium.com/funding-community-led-climate-action-exploring-some-key-tensions-ee4bf7ef48bc>

7 Next steps

The next steps for Power to Change in developing the Community Business Climate Action Programme are that:

- Power to Change should move into a design phase to create the initial aspects of the Community Business Climate Action Programme, launching in mid 2022.
- Power to Change should focus on building partnerships with other funders in the design and operation of the Community Business Climate Action Programme.
- The Community Business Climate Action Programme should have a focus on the impact areas identified in this scoping study.

8 Appendices (provided separately)

Appendix 1. Literature Review

Appendix 2. Interview responses (Confidential)

Appendix 3. Workshop 2 responses

Appendix 4. Opportunities Analysis

Appendix 5. Potential Funding Partners, Stakeholders, and other organisations to speak with in the design stage (Confidential)



CAG CONSULTANTS

Founded in 1983, CAG Consultants is an independent, employee-owned co-operative. We provide support, research and analysis, policy advice and training in a wide range of fields relating to sustainable development and climate change. We have practitioners in stakeholder & community involvement, regeneration, evaluation, economics and regulatory affairs. We deliver high quality, innovative and thoughtful work for our clients, who include government departments, local authorities, public agencies, the NHS and regeneration and community planning partnerships across the UK. We pride ourselves on our strong ethical approach and our commitment to social justice and improving and protecting the environment.

CAG Consultants' Quality Management System is approved to the Quality Guild standard.

For more information, see www.cagconsultants.co.uk