



power to
change

business in
community
hands

UNDERSTANDING COMMUNITY BUSINESSES' **IMPACT MEASUREMENT NEEDS**

PHASE 1 LEARNING REPORT 2023

May 2023

MB Associates



ABOUT **POWER TO CHANGE**



Power to Change is the independent trust that strengthens communities through community business. We use our experience to bring partners together to fund, grow and back community business to make places thrive. We are curious and rigorous; we do, test and learn. And we are here to support community business, whatever the challenge.

ABOUT **MB ASSOCIATES**



MB Associates help people, projects and organisations to understand and increase their social impact. They work alongside their partners to create a robust evidence base and embed a better way of doing things for people, planet and prosperity. By listening to individual voices, they learn from lived experience and transform how value and success are viewed.



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GLOSSARY

**Impact measurement:**

Collecting quantitative and qualitative data to evidence the difference made by businesses.

Impact:

The effect that business actions have on people, prosperity, and planet whether they be positive, negative, intended, or unintended.

Plan, do, review, embed cycle:

A way of approaching planning and evaluation which supports continuous action and learning.

Qualitative data: descriptive data, referring to things that can be observed but not measured.

Quantitative data:

Anything that can be counted or measured; it refers to numerical data.

Story of Change:

MB Associates' own impact model which details the people who matter, what they contribute (inputs), what happens (activities and participation, or outputs) and the difference it makes (outcomes).

Theory of Change:

A specific and measurable description of change that forms the basis for planning, ongoing decision-making, and evaluation.

1. INTRODUCTION



1.1 The purpose of this research

Since 2015, Power to Change has made significant investments in research, evaluation, and data analysis to better understand whether community businesses improve places, and, if so, whether Power to Change has supported them to do so. For the past eight years, Power to Change have carried out annual research with the community business sector using the Community Business Market Survey. The results from this survey show that community businesses are confident in the impact they are having in their local area but need further support in order to evidence it.

In the 2022 [Community Business Market Report](#):

98%
of community businesses said they increase community cohesion;

97%
said they foster community pride and empowerment;

97%
said they improve health and wellbeing and reduce social isolation;

87%
said they increase employability; and

72%
said that they improve their local environment.

However, within this same survey, community businesses were asked what type of support they would find most beneficial, and measuring impact was the second most frequently selected out of 18 options, behind support with financial access to funding. In total, 51% of respondents selected this option as one of the top five areas that they needed support with. This is consistent with findings from previous years: 52% of respondents selected support with impact measurement in 2021.

This research was commissioned to build an understanding of the needs of community businesses in measuring their impact and is broken down into two phases. This report presents the findings and conclusions from Phase 1.

Phase 1: Investigating the issue

Phase 2: Sharing resources for community businesses

1.2 Background and research framework

In 2022, Power to Change commissioned Renaisi to explore what community businesses can do to understand their social impact, reflecting on challenges and building upon good practices identified through Power to Change funded programmes. This paper concluded that whilst many community businesses know and want to tell the story of the difference they make, they lack the skills and capacity to use a robust evidence base to measure their social impact, articulate it, and adapt as a result.¹

¹ Understanding impact for Community Businesses, Renaisi, for Power to Change 2022

Community businesses have become more and more important within the community development, levelling up and devolution ecosystem; ideally placed and led by local people to respond to the current socio-economic challenges we are all facing. They are embedded in their own communities, with a keen understanding of what is needed to make towns and villages better places to live and work in. The growing number of community businesses means that significant change is happening at individual, community, and place level.

Power to Change's research and evaluation suggests community businesses often achieve a range of outcomes (reducing social isolation, improving health and wellbeing, increasing employability, better access to basic services, improving the local environment, promoting community cohesion, and fostering community pride and empowerment). However, these changes are not always mapped, measured, and articulated well, nor is consequent learning embedded in organisational change.

Community businesses and teams are often fluid, and skills are varied. Although commitment is high, volunteers come and go, resources are often tight, and the focus can be on day-to-day delivery, rather than robust structures that enable impact measurement. And whilst understanding and measuring impact is crucial to improving resilience overall, it's sometimes just one thing too much to address.

This research aims to build on existing research by exploring community businesses motivations, ambitions, practice, successes, and challenges, to measuring and articulating impact. As a starting point, we created a research and consultation framework, used it to shape a review of existing data, research, and insights to establish where strengths, gaps, barriers, and opportunities have already been identified, and test these through structured interviews with the Power to Change team and community businesses.

Our research framework included a focus on:

- Motivations and needs for measuring and articulating impact.
- Each part of the Story of Change, to understand where the focus of any existing practice is, i.e., process vs outcomes evaluation.
- What tools, methods or guidance community businesses are using to support the evaluation process and why.
- Where in the plan, do, review, embed cycle the barriers to measuring and articulating impact lie.
- What content, platform, media and engagement and support methods have or would be most helpful for community businesses to address these barriers.

We reviewed eight pieces of research on the community business sector, the majority commissioned by Power to Change. We also reviewed a range of 23 community outcomes frameworks, tools and guidance resources that were either currently being used, or that might be of use, by community businesses embarking on measuring impact.

We conducted seven one-to-one structured interviews with key Power to Change team members to gather external perspectives of the community business sector, and with 14 selected community businesses from across the UK. The criteria for selecting a representative range of community businesses to participate in this research included: business size; sector; audience served; geographical location; and expression of interest in this area of work.

1.3 Learning from previous research

Our secondary research showed that community businesses struggle to define and articulate intangible or direct impact. The 'Understanding Impact for Community Businesses' paper, produced by Renaisi, shows that many community businesses struggle to identify key metrics and analyse data. This is correlated with a lack of understanding of what social impact means. Staff and volunteers, a significant proportion of the workforce, have limited time and are less likely to use that collecting and analysing evidence unless they have experience, skills, or interest in this area.

We found that user-friendly toolkits and guidance are hard to find; many with complex or large volumes of information and inaccessible language.

Words like 'impact', 'data', 'outcomes' and 'indicators' create barriers and can make simple concepts seem more complicated. There was only one community business specific tool, TWINE, reviewed below, for supporting one aspect of impact measurement. A pressing lack of human resource means that community businesses cannot make the most of what the toolkits offer, even if they are able to find a good starting point.

We identify below some approaches that previous research highlights as successful in building the 'impact measurement' skills and capacity of community businesses.

Successful approaches



Power to Change has provided more than **£105M in grants and more than 5000 days in capacity-building support**. Some of this support will have been used for building the skills to measure and articulate impact but has not necessarily been ringfenced for that purpose. Continued ringfenced financial and capacity support would be beneficial to community businesses.



Creating and finding space to embed learning in everyday practice. Where there has been skill building within funding support, organisations that have created time to reflect and embed learning are much more likely to be able to effectively measure and articulate impact.



Creating a Theory of Change (ToC). Stories or Theories of Change are a crucial part of the planning and evaluation cycle. Through our literature review, we found that where community businesses have had support to develop a ToC, the focus has been on financial investment and organisational learning rather than on social impact – places, people, prosperity, planet.



Using toolkits that include templates, guidance, and other helpful resources. Resources that help build confidence and skills, whilst saving valuable time, have supported more sustainable businesses in some cases, but the examples are limited.

What is still missing for community businesses?



Understanding social value and social impact and applying that to a community business context.



Identifying the best-suited tools and frameworks which could help to reduce the data burden and improve efficiency for community businesses.



Skills to translate impact measurement into learning. There should be easy access to consistent tools, templates, workshops, 'best practice' and other resources around impact measurements and methods to articulate value.

2. UNDERSTANDING THE COMMUNITY BUSINESS ENVIRONMENT – PRIMARY RESEARCH

As previously mentioned, over half of respondents to the Community Business Market Survey 2022 wanted more support with measuring the impact their business makes in the community. Further correlation analysis with their responses to other questions in the survey shows that:

98% said their primary purpose is generating economic and social and/or environmental benefit in the local community. Specifically, around three-quarters felt they have a lot of impact in reducing isolation, improving health and wellbeing, generating community cohesion and community pride and empowerment. Typically, these are viewed as intangible outcomes and therefore difficult to measure.

13% The average number of staff in community businesses is nine. Over half the community businesses who marked support with impact measurement as their top priority reflect this and have **ten or less paid members of staff, with 13% not having any paid staff at all.** This demonstrates how little capacity some of these businesses have to engage in holistic evaluation activity.



For these businesses, **the next priority for support (after measuring impact) included: financial management and control**, strategic and business planning, diversity, equity and inclusion and digital support. The implications here are that community businesses are grappling with a critical range of other internal processes focusing on delivery and the day to day running of their organisations.

65%

of the organisations have received or applied for grant funding in the past 12 months. This is less than community businesses overall (84%) which could suggest they struggle to apply for or secure grants, which was suggested by some community businesses during research.

85%

are expecting to apply for future grants. A perceived need to be more reliant in the future on external funding potentially presents a funder-driven, rather than a cultural approach to evaluation activity, which our later findings substantiate.



The National Lottery wouldn't fund us because we didn't have long term impact measurement

Move Momentum

We interviewed a sample of 14 community businesses to explore their motivation for wanting support in measuring impact and the barriers stopping them doing so.

- Disability Lambeth
- Plastic Shed
- Myddleton Road Market
- Grounded Community
- Move Momentum
- Wickham Community Centre
- St George's Community Trust
- Murray Hall Community Trust
- CPCT (Crystal Palace Community Trust)
- Longfield Hall
- Wood Street Walls CIC
- Congresbury Community Cafe
- Beats Bus Records
- The Pelican Centre

The following Power to Change team members were also interviewed to explore their external perspectives of working directly with or leading projects for community businesses:

Stephen Miller,
Director of Impact and Learning

Fergus Arkley,
Digital Innovation Manager

Ed Howarth,
Powering Up Programme Manager

Kate McKenzie,
Leading the Way Programme Manager

Kate Higgins,
Programme Officer

Bonnie Hewson,
Place-based Investment Manager

Alex Steeland,
Operational Controls Grant Manager



2.1 Motivations for measuring and articulating impact

What did Community Businesses say?

Focusing on the needs of Funders

The most common motivation for community businesses to measure and articulate their impact (86%) was the needs of funders. This included direct asks from previous or current funders, or the need to prove impact to secure future funding. For example, one organisation had previously been turned down for funding because they were unable to evidence long-term change, whilst another felt they did not have the evidence to prove their worth in the health sector.

“**NHS don't have a very high opinion of voluntary sectors, but impact reporting could provide confidence in us.**

Murray Hall

“**Money! From a cold point of view, it supports applications.**

Crystal Palace Community Trust

“**Largely from funders, they always ask for impact information.**

Grounded Community

Focusing on developing services or products

There was a strong sense across our interviewees that their community businesses exist to fulfil a community need. Almost half the people we spoke to want to use evidence to develop better services or products for their participating communities. They want to know they are making a significant difference, and if possible do better.

“**We want to make sure we're doing what people need and want, to be sure we're not missing things.**

Wickham Community Centre

Telling their story

Of equal importance to community businesses was the ability to articulate their story externally. This included being able to communicate to decision makers and funders as well as to the communities they serve. Most of the people we spoke to wanted to share authentic human stories of change in their communities but didn't know the best ways to do that.

“**We want to tell more stories, perhaps support community journalism and have creative communications.”**

Disability Lambeth

“**We need specific guidance on creating clear measurable outcomes, and translating data into meaningful narrative, basically storytelling.”**

Grounded Community

Validation

Internal motivations, such as to boost staff morale (by proving what they already know or think), or organisational development were mentioned by a third of businesses.

“**Internally we want to make sure we are achieving our missions and vision, evidencing that supports our 'raison d'etre.'**

Crystal Palace Community Trust

“**It's what we're about. We exist for a social purpose. If you can't measure the good, you can't be a successful business.**

St. George's Community Trust

What did the Power to Change team say?

There was a strong sense within the Power to Change team that, anecdotally, businesses know the significant local impact they have, but don't have robust qualitative and quantitative evidence that combined would recognise the real value to communities as well as giving them validation, and a boost in team morale.

The need to evidence impact for funders is clearly a significant driver for community businesses. Whilst this leads to some data gathering, it is seen as a 'something we have to do' rather than supporting an organisational culture of learning. However, Power to Change staff shared that community businesses also show a desire to articulate their story to their community stakeholders, and not just their current and prospective funders.

The team noted some evidence of strong practice where five community businesses involved in the Leading the Way programme have collaborated in commissioning tailored support to measure impact. These organisations are being resourced to support a member of staff's time to focus on development away from day-to-day delivery, creating the space to think about impact measurement in a more structured way.

2.2 The challenges to measuring and articulating impact

What did community businesses say?

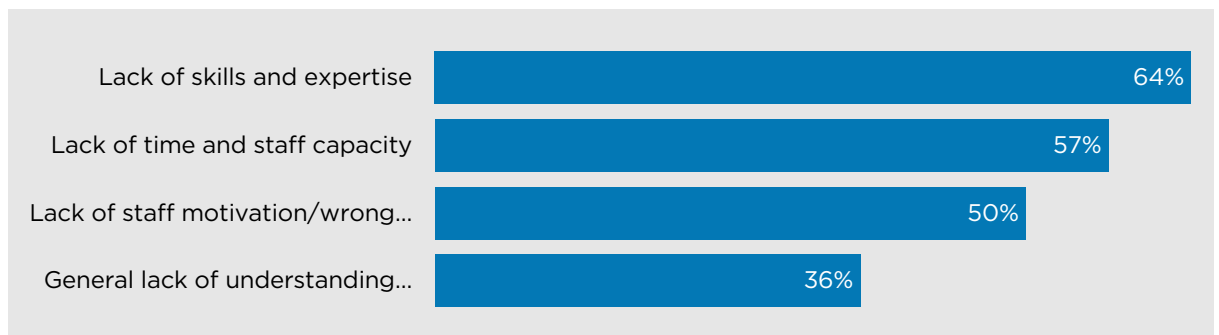
The main barriers to measuring impact are set out in Figure 1 below. In line with previous research, community businesses confirmed that, generally, they do not possess the right skillset and expertise. However, there was discrepancy in what this meant to each business. Some do not know where to start or how to use outcomes for planning, others don't know what data to gather, how to gather it or what to do with it once they have it. There is consistent evidence that the term 'social value' is not clearly understood and sometimes presents a barrier before work can even start.



We need help demystifying impact measurement, we've put it in the 'too hard to do box.'

St. George's Community Trust

Fig. 1 Main barriers to measuring impact



Some community businesses have created a Theory of Change, giving them a clearer picture of the impact they want to make, including more recent focus on environmental impact. However, our research suggests that this is not necessarily being used effectively to plan evaluation activity.

“**What impacts we measure are down to the funder or the individual project rather than from our Theory of Change. A weakness of our organisation is we develop different policies but then don't refer to them doing our day-to-day business. Not sure why that is... the day to day running of the business is more in your face so we react to that rather than an aspirational idea which is not as easy to implement.**

Crystal Palace Community Trust

A small number are collecting and analysing, sometimes 'crude'[sic] data, but they need more support to tell their full story and to gather longitudinal evidence, particularly of qualitative outcomes they perceive as difficult to measure. Businesses have differing skills and experience at different points in the evaluation cycle (See Appendix 2).

For some, this is about data collection and front-line staff feeling under confident in their skills or that it is beyond their job description. For others, the majority of staff have to prioritise day-to-day business needs, which means this work falls onto one person and is overwhelming:

“**We have mostly functional staff, so only one person looking at impact measurement. She reads lots but doesn't feel confident. She's been on lots of courses but doesn't feel like she can put it into practice.**

Wickham Community Centre

“**Not all of our front-line providers do it [data collection], due to the skills of people delivering a service, it's just not their thing, and this is more prevalent than people think. For us, in youth delivery it's a chore. The types of people delivering community service aren't necessarily a natural fit for doing that measurement.**

Crystal Palace Community Trust

One community business said they struggle with the technicality of effectively analysing data, although they have found a temporary solution in ProBono Economics, who on an individual application basis, will analyse survey data for free:

“**Analysing data is quite a specialist skill, so it's hard work! ... We have worked with ProBono Economics before and are doing so again. Our Youth engagement survey is being analysed by a ProBono Economics volunteer, you have to re-apply for each different project but it's not too arduous, a 45 mins application.**

Move Momentum

There is a focus on numbers and outputs, admittedly for some community businesses because quantitative data is easier to collect than qualitative, or is at least, less time consuming. And we see indications that people assume numbers are more robust. However, this means community businesses are missing a holistic understanding of what it is about their process that produces valuable impact.

“**You need time & energy to gather qualitative data. Number crunching is easy.**

St. George's Community Trust

For others the lack of skills is pulling everything together, how to tell an effective story and pitch it right:



We just don't have the knowledge of how to do it properly, we're not 100% on techniques or clear on an approach to writing reports but want to learn.

Beats Bus Records

Other reasons mentioned by a small number of community businesses included lack of funding to allow a focus on evaluation, worry over community consultation fatigue, inability to measure long term or be consistent (some funders now require longitudinal measurements of impact), a need for simple solutions, and poor previous experiences of funder driven monitoring and evaluation.

What did the Power to Change team say?

In line with our findings, the Power to Change team feel that one of the main challenges is a lack of understanding of social impact within the sector. Most are output, rather than outcome focused, driven by gathering numbers and challenged by capturing real experiences. This, combined with a lack of skills internally to collect, analyse, and communicate impact or change and means that many community businesses are at a loss as to where to start.



Maintaining services & looking after staff comes first.

Disability Lambeth

Resourcing this work was also highlighted as a key challenge, again reinforcing previous findings. The Power to Change team commonly noted that community businesses are often entirely focused on their day-to-day delivery and are unable to free up time and resource for more strategic thinking in the short-term, even if this would help them be more efficient and have more impact in the long-term.

In part, this lack of resource challenges the ability to collect and analyse evidence, but more pertinent, the time and ability to ask, “Why do we need to do this?” and “What are we trying to measure?” in the first place. This is linked to having (or not having) the right internal culture. Programmes that build in collective reflective space are starting to address this challenge.

2.3 What resources are being used by community businesses to measure impact?

We investigated what works well in terms of current and previous resources used, and what support might assist community businesses to move forward.

Tools, toolkits, and data collection

None of the community businesses we spoke to were using a particular structure or toolkit consistently. Toolkits that have been used, have usually been specific to a funder and not used effectively afterwards. Similarly, grantee support from Power to Change was found to be helpful whilst community businesses received funding, but processes, tools and lessons learnt were not embedded long-term, partly because of lack of immediate perceived need.



We had a grant from Power to Change social enterprise, the Community Trade Up Programme and the support covered everything [including impact measurement]. I will have had a guide on how to do it, but it was quite a long time ago now and I've not used it since because there hasn't really been the need.

Myddleton Road Market

There was little consensus in the type and success of evaluation and monitoring tools and resources used by our interviewees. Table 1 on the following three pages explore their responses. Of note,

43%

of the community businesses we interviewed said that they used partner data to bolster their own evidence of impact. This is interesting, but again focused on numbers and likely not used to the greatest effect. There is scope to build on partnership working to generate good qualitative evidence that would benefit all partners. The examples of partnership data being captured included:

- Impact and evaluation reports created by partner organisations
- Ofsted reports
- Anonymised statistics or demographics collected by partners
- Anecdotal feedback
- Economic impact (based on volunteer hours) from housing associations

43%

were gathering survey data, however many felt that whilst this is a quick and easy way to gather information, it is becoming less useful as consultation fatigue is reducing the number of responses received.

29%

mentioned the power of gathering honest and authentic case studies or anecdotes that demonstrate the human story. There was little evidence of a structured approach to gathering, analysing, and presenting this sort of evidence or strengthening the message using statistical data analysis.

21%

were working with external consultants, the challenge being an overreliance on external teams to deliver a whole evaluation, rather than developing the skills of the team to work on their own in the future.

1

Only one organisation had explored environmental impact measures.

One organisation did note that it would be helpful to have a framework specific to community businesses, that accounts for the fact they are trying to make a profit and create social value.

“

We could really do with an alternative framework

Wood Street Walls CIC

Understanding community businesses' impact measurement needs

Table 1: Tools, toolkits, and data collection used by community businesses

Tool/Process	% Businesses Using		Negative	Notes
		Positive		
Partner data	43%	Very little resource needed	It doesn't tell the whole story	Data from schools, housing associations, and health/wellbeing partners – tends to be output rather than outcome based
Surveys	43%	Easy to use, understand them	Consultation fatigue and need a level of literacy for self-completion.	Customer satisfaction and some input into future programming. Some using surveys to gather baseline and then ongoing data.
Case studies (written/film)	29%	Tells a story and can be insightful and funders like them	People don't often volunteer for them as don't want to be seen using that service or not confident enough to share their story.	Films and written case studies. Films don't work for everyone as quite intrusive.
Funder driven (not a toolkit)	21%	Templates	Only used whilst being funded	
Anecdotal	21%	Get an honest response	Record keeping	All the organisations have an idea of their impact from 'anecdotal' evidence, but no one was recording it systematically.
External consultant	21%	Training, getting an external perspective, highly skilled	Not sustainable long term and not always transparent with findings	Some organisations have had external expertise (e.g., to develop a Theory of Change) but once the consultant has gone the learning is not embedded or the consultant was not transparent which led to mistrust of findings

Understanding community businesses' impact measurement needs

Tool/Process	% Businesses Using	Positive	Negative	Notes
Basic monitoring	21%	Basic figures are helpful for us and funders	There is no 'human' story. Record keeping is challenging	Most organisations can provide evidence of outputs. However, some articulated that even managing a spreadsheet is too time consuming for the value it gives them.
Outcomes stars	14%	Easy to use with young people	People do not always stay in the programme long enough to get long-term journey outcomes	Used in youth settings as something quite quick and easy but even this tool is rejected by some front-line staff.
Power to Change Programmes/ support	14%	Good support at the time	Not continued when support not in place	Various organisations mentioned Power to Change. One community business said the support was excellent but although they still had the guidance documents (from Community Trade Up Programme), they no longer used them after the programme because there was no drive to. TWINE was used by one community business but unsuccessfully as they felt their offer was too fragmented.
Theory of change	14%	Identifies tools and processes and helps tell a story and clear mapping of values and captures complexity		Some organisations had developed a Theory of Change with external expertise, this seemed less embedded. One organisation had self-taught and developed their own and were successfully using this as a framework.

Understanding community businesses' impact measurement needs

Tool/Process	% Businesses Using	Positive	Negative	Notes
Wellbeing questions	14%	Can be used across different services to offer comparison		Only mentioned by one organisation who had a Theory of Change and had a degree of understanding of evaluation and social impact.
TWINE	7%		“Didn’t work for our organisation as our work was too fragmented.”	Only being used by one organisation during the funded project.
Environmental impacts	7%		Very complex	One organisation had researched measuring environmental impact but had found the results overwhelming.
Observations	7%	Can be insightful and non-intrusive to carry out.	Needs the person carrying them out to be confident and have skills	Observations are being used where there is resistance to collecting data (from staff as well as participants), but it is not thought to be systematic, and analysis is difficult without some training.
Tool/Process	% Businesses Using	Positive	Negative	Notes
CRM System	7%	Maps progression of individuals		Only being used by one organisation
Social Value portal	7%	Understand potential social value and can see calculations	Not appropriate for SMEs	Only being used by one organisation
Social media	7%	Accessible and free	Not very in depth or the whole picture	Only being used by one organisation

Table 2 shows the support requirements of community businesses we spoke to. In contrast with what they highlighted as a barrier, the biggest support need identified was funding. Reasons given were the need for a dedicated member of staff for monitoring and evaluation, for staff cover to deliver evaluation, or to pay directly for staff training. One organisation pointed out that a typical training course, for example, for developing a Theory of Change, is likely to cost around £800. This is seen as out of their price range and so they had self-taught.

This organisation said that they had not calculated the full cost of their own time in doing this, or a comparison of the cost-benefit analysis compared to professional training.

On further exploration, a package of support for measuring impact is deemed the best solution by community businesses, something that as a minimum includes funding, resources, and training.

Table 2: What support would help community businesses?

Support requirements	% Responses
Funding (for training or staff costs)	57%
Resource bank/signposting to resources	50%
Training	43%
Tailored/continued support	29%
Framework/guide/toolkit for CBs	29%
Access to technology/software	21%
Change of culture	21%
Mentoring/peer mentoring/network	21%
Tool development	14%

3.

UNDERSTANDING THE COMMUNITY BUSINESS ENVIRONMENT – SECONDARY RESEARCH



We reviewed community and social impact toolkits as part of our secondary research approach, revealing a plethora of free resources and guidance available.

3.1 Community outcomes frameworks

We conducted a comparison and thematic analysis on 23 relevant outcomes frameworks, tools, and sources of guidance freely available to any organisation. These resources are not endorsed by Power to Change. Some are generic community outcomes frameworks and tools, few are more specific to a business context, and one has been developed by funders in collaboration with community businesses. There is variation between the detail, language, tone, and format of each but there are useful aspects within them all.

The table in [Appendix 1](#) outlines the benefits and disadvantages of each resource with a focus on which stage in the evaluation cycle it is most useful for. This overview demonstrates the sheer number of guidance and support resources available for those who are already committed to measuring their impact. Deciding on which tool to use is a real challenge for community businesses, particularly with limited time and resource. And embedding those tools in practice is an even longer process. As such, an accompanying decision tree would need to be developed to aid selection of the most relevant resource.

Community outcomes frameworks and tools reviewed:

- [Understanding Thriving Communities](#): Community outcomes and indicators bank
- [Thriving Places indicators](#): Local area quality of life statistics
- [Themes Outcomes and Measures \(TOMS\)](#): A plug in tool for measuring social value
- [Outcomes matrix](#): An online tool for developing an outcomes matrix
- [Social value library](#): A global network resource bank
- [Impactasaurus](#): An online bank of questionnaires
- [Outcomes Stars](#): A digital outcomes self-report tool
- [UN SDGs](#): The Sustainable Development Goals, often useful in setting outcomes
- [Community Life Survey](#): A government led national data set of measures including social cohesion, community engagement and social action.
- [ONS4 wellbeing questions](#): A validated set of 4 questions to measure personal wellbeing that users rate on a scale of 0 to 10.

- Happiness Pulse: A tool for measuring happiness at different stages in a project.
- Warwick and Edinburgh Mental Wellbeing Scale (WEMWEBS): A validated set of 7 or 14 scales for assessing mental wellbeing.
- Measure What Works Wellbeing: A practical guide for charities and social enterprises looking at impact.
- TWINE: A digital tool for measuring change developed by Power to Change
- NCVO: Guidance for understanding the evaluation process
- Good finance: What is social impact and how to measure it
- NEF Consulting: Prove and Improve Toolkit guidance
- The Social IMPact measurement for Local Economies (SIMPLE)
- Social Care Institute for Excellence: measuring impact the integrated care system
- Business in the Community: The responsible business tracker
- The B Impact Assessment tool for businesses to self-assess practice and outputs
- Social Impact Toolkit for Community Food Businesses
- Community Places: The Community Planning Toolkit



4.

CONCLUSIONS FROM THE RESEARCH SO FAR



Our research reinforces and extends previous findings about the strengths, weaknesses, barriers and opportunities of community business impact measurement and articulation. Our research sample was small scale but triangulates the perceptions of the Power to Change team, with that of community businesses and secondary evidence. **The biggest challenge is skills and capacity, particularly the case where community businesses have a large volunteer workforce.**

With **a growing need to balance day to day delivery with understanding and articulating social value, for ethical, accountability and learning** purposes, there is a considerable opportunity to co-create a support package with community businesses. The community businesses we spoke to are passionate about their communities and their work and have an intuitive understanding of the impact they are having locally, but they need more **focused skill building and support to measure and articulate their value** for better efficiency, organisational resilience, and ultimately for improving quality of life in their local areas.

We found a range of differing motivations and support needs of people and organisations at different stages in the evaluation journey. We found a range of differing motivations and support needs of people and organisations at different stages in the evaluation journey. There is an opportunity for funding bodies to shift impact measurement from 'accountability' and numbers, to evidence gathering to enable 'organisational learning'. **Funder driven approaches to evaluation may be creating a culture of poor evaluation, where a focus on numbers and outputs means a lack of analysis of process and outcomes.**

Support needs vary from early planning to articulating value and embedding change and can be mapped to the six stages of the evaluation cycle in [Appendix 2](#). Even those proactively trying to measure impact struggle to find simple starting points and solutions amongst the vast number of resources and guidance available. Some **simple steps and tools for each stage of evaluation (planning, data collection, analysis, reporting, embedding change)** is clearly required. Many focus only on the middle stages of the cycle, data collection and lacking awareness and time to focus on proper planning, analysis, reporting or embedding learning.

With regards to reporting and communicating learning, storytelling was noted time and time again, and is a powerful and necessary skillset that most community businesses do not feel they have. **Again, focused resources and guidance could help, alongside signposting to relevant and case studies that demonstrate achievable approaches.**

Funding and access to free resources can provide incentives for community businesses to engage with the process of measuring and articulating their value. **But without a more explicit external articulation of the benefits of measuring impact and without the right internal culture or expertise, it is unlikely that community businesses will commit to this process.** There is a role for funders and other strategic partners to encourage 'better evaluation' and be clearer about good evaluation looks like, through marketing and communication work as well as targeted investment in this area.

There is an evident need for support, but there are **challenges identified to embedding learning and practice long term.** Learning from other community businesses is likely to generate the greatest opportunities for developing practice in the sector.

Our recommendations contain a series of options for Power to Change, other funders and the wider sector to consider in the future. The 'Next Steps' section outlines immediate actions for MB Associates delivering phase 2 of this commission.



5. RECOMMENDATIONS FOR THE WIDER SECTOR



The options for action set out below are for wider funding bodies and the community business sector to consider in the future.

1. No action

Whilst this is the least costly, there are significant implications for the sector to taking no action, resulting from the recommendations in this report. Focus, skills, and capacity in the sector are unlikely to increase without further investment.

Impact: Community businesses will continue to struggle to effectively manage, measure and articulate their social value with consequent impacts on recognition of the overall value of the community business sector to people, prosperity, and planet.

Investment implications: None

2. Ringfenced funding for external evaluation support

Our research highlighted lack of funding and capacity as one of the main barriers to measuring impact for community businesses. And consequently, the most obvious solution is to have more funding available. Ringfencing 10% of individual grant funding for 'impact measurement' could be one way forward.

Impact: Ringfenced funding may well motivate community businesses but not necessarily for the right reasons, and often results in commissioning consultants to parachute in without building the capacity of existing staff. In our experience, developing

the skills, understanding and commitment within the community business is more likely to effect long term success.

Investment implications: For this to be effective a significant uplift in the funding available would be needed to cover additional costs.

3. A marketing and communications campaign

There is much evidence for the importance of 'good evaluation', where it is embedded, and the learning acted upon. However, there is significant variation in the depth and focus of evaluation requirements from funding bodies. Many require grant holders to report on the difference they make but may focus too heavily on numbers and outputs.

There is scope for funders to campaign more explicitly for the benefits of 'good impact management and measurement'. This could be delivered through a focused marketing and communications campaign with case studies produced for longer term use online.

Impact: More strategic marketing aimed directly at the community business sector would help to build commitment to the value of good impact measurement.

Investment implications: One-off costs for an online marketing campaign would provide time limited support. Gathering good case study examples needs consultant time.

4. A clear and accessible bank of existing resources

The perceived and real lack of user-friendly resources, particularly those designed specifically for community businesses, means that even finding a starting point is a challenge for some. The development of a self-assessment tool and decision tree for community businesses to identify where they struggle in the evaluation cycle and which resource would best support them would be beneficial.

Impact: Presenting resources that already exist in a more accessible and useable format and linked to each stage of the evaluation cycle would provide clear starting points, an element of choice, and progression routes. Complexity of content and language would remain a challenge.

Investment implications: Initial investment would be needed to support the development of a co-creation group and consultant time to manage and design outputs.

5. Co-created new resource/s

The desire for access to simple tools came across very clearly in our research. The recommended development would be the co-creation of a simple tool specifically for community businesses to manage and measure their social impact and value. This should offer guidance and digital templates at each of the six stages in the evaluation cycle with the opportunity to digitally collate and view the results. There are already existing resources that could be adapted, including the MB Associates Culture Cubed guidance and LIFE APP that uses researched and validated questions linked to national data sets for comparison. Or a new toolkit could be developed.

Impact: This option would provide some consistency to measuring impact and would be tailored for the community business sector. A simple resource would offer different entry points for different levels of experience and expertise. Community businesses want to articulate better their own stories of change, the difference they make communities, and we suggest any toolkit is developed with this in mind.

Investment implications: Initial investment would be needed to support the development of a co-creation group and consultant time to manage and design outputs. This investment would be considerably bigger than Option 4 and could include development of digital tools.

6. Co-created training or development programme

Community businesses agreed that training and one-to-one support has been the most helpful for them on the evaluation journey during project delivery. Good learning starts with understanding need and committing to a process, followed by exploring best practice, sharing ideas, and applying the learning. We recommend a series of online pick and mix video guidance or tutorials aimed at community business teams and focusing on each of the six stages of the evaluation cycle that enable an analysis of process and outcome alongside collecting numbers. This could be accompanied by a series of consultant-led workshops enabling networking and sharing across the community business sector. Alternatively, or in addition, investment could be used to support community members to become evaluation mentors with a role to support the sector.

Impact: This option is likely to have the most sustainable impact because of the deeper and longer-term engagement required of participants and the focus on building an organisational learning culture. Our experience of co-developing training programmes shows that peer led delivery/sharing is often more positively received within community led initiatives.

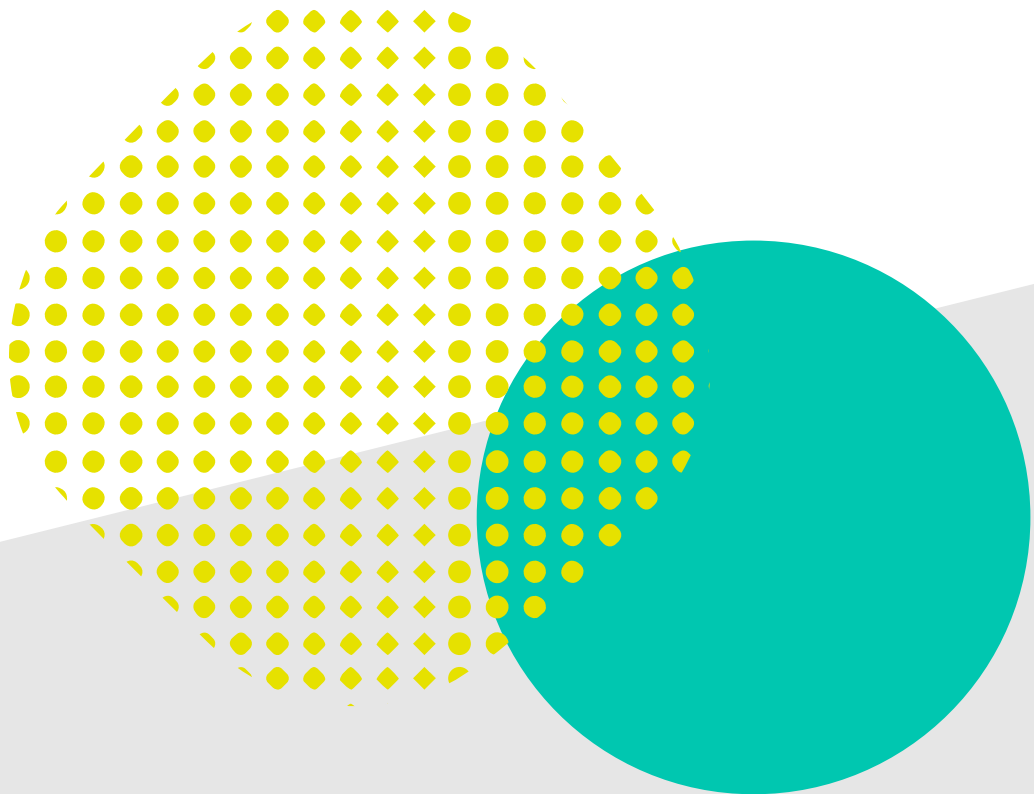
Investment implications: Initial investment would be needed to support the development of a co-creation group and consultant time to manage and deliver resulting workshops and design outputs. Outputs would be likely to include digital resources.

7. A combination of points 2-6

In an ideal world, the combination of a bank of accessible but simple to navigate resources alongside tailored support and a compelling advocacy and marketing campaign would make the most difference for community businesses, their partners, and their funders.

Impact: This is the only way that skills, practice, policy, and organisational culture will shift to really value effective evaluation work.

Investment implications: This option represents a significant investment over a long period of time.



6. NEXT STEPS FOR PHASE 2.



We have identified several immediate actions for MB Associates to develop with Power to Change, responding to Option 5 above, as part of the second workstream within this commissioned research.

The overall aim is to recruit a representative group of community businesses to co-create a tailored solution to the challenges and opportunities identified in this report. The value of this will be that the resulting resource or guidance will be accessible and directly relevant to the needs of community businesses. And therefore, more likely to be adopted the wider sector, growing a body of good practice and evidence of its collective value.

It is likely that co-creation workshops will generate more questions, and further illuminate the root cause of the challenges identified in this report. This will add depth to the wider recommendations for the sector outlined above.

- Review the content, format, and usage of existing **Power to Change toolkits and guides** uploaded on the [My Community](#) platform. This will add value to the co-creation process where we want to encourage divergent thinking about what's possible within the parameters of this workstream.
- Recruit a **small group of representative community businesses**² to discuss the findings in this report, and to co-create the format and content of a new resource to support holistic impact measurement. We anticipate this will take place in a series of **3 co-creation workshops**.
- This may include exploring resource banks, digital options, and barriers to using traditional and academic evaluative language, for example 'evaluation', 'data', 'measurement', 'impact' versus the need to tell a compelling 'story'. This is where the real value of this work lies, direct input, development, testing and trialling with people on the ground.
- Develop detailed **plans and content for any new resource** agreed by the co-creation group. This may include further research and consultation, design thinking and sourcing case study material or other external content. We have already been signposted to community businesses showing strong practice at different stages of the evaluation cycle including: Homebaked, Knowle West Media Centre and community businesses who took part in Real Farming Trust programme.
- Manage the **design and publishing** of new resources created.
- **Validate the learning** and resources with participating community businesses, to be sure we are representative of ideas and community business type.
- **Generate learning blogs** based reflecting on the development of any new learning and support resources to share with the wider community business sector.

² Power to Change remunerates community businesses for their time spent participating in research activities.

APPENDIX 1: COMMUNITY OUTCOMES FRAMEWORKS



Name of resource	Which part of the process can this help with.	About this framework or tool
Understanding Thriving Communities- report and measures bank	Defining specific outcomes and questions/metrics	<p>Developed by 'What Works for Wellbeing', in partnership with the Centre for Thriving Places (previously called 'Happy City') and The National Lottery Community Fund. The measures bank suggests a range of specific outcome indicators and questions /metrics for different 'thriving community' themes, linked to wider datasets where possible. The themes are:</p> <ul style="list-style-type: none"> ● People-led ● Relationships and connections ● Individual wellbeing and resilience ● Places and spaces ● Other factors
Thriving Places indicators	Identifying indicators and comparing your findings to local context	<p>This is a suite of UK indicators covering a wide range of quality-of-life outcomes.</p> <p>Pro: existing outcome framework and data sets at local authority</p> <p>Data is available at local authority level, providing a high-level overview of the status of your area against these outcomes; Endorsed by Kate Raworth, author of 'Doughnut Economics'.</p> <p>Con: impact of a successful CAF project is unlikely to be detectable on these area-wide outcomes, within project timescales. But the indicators can provide contextual data.</p>

Understanding community businesses' impact measurement needs

Name of resource	Which part of the process can this help with.	About this framework or tool
Themes Outcomes and Measures (TOMS)	TOMs (Themes, Outcomes, Measurements) – developed by the Social Value Portal consultancy, the TOMS framework can be used to calculate a measure of social value by plugging in appropriate metrics, covering social, economic, and environmental outcomes.	<p>Pro: a lot of Local Authorities, and the Welsh Government, are using TOMs to quantify Social Value in procurement processes. Convenient and easily comparable to others.</p> <p>Con: Whilst they do allow some comparison, TOMS measures are not good for understanding specific local contexts or exploring the different value that diverse communities place on things. The specific metrics used by TOMS tend to be relevant to larger commercial firms tendering for public sector contracts.</p>
Outcomes matrix	Creating an outcome matrix for your project or organisation	<p>Developed by social investment organisation Big Society Capital, this resource covers:</p> <ul style="list-style-type: none"> ● Arts, heritage, sports, and faith ● Citizenship and community ● Conservation of the environment ● Employment, training, and education ● Housing and local facilities ● Income and financial inclusion ● Mental health and wellbeing ● Physical health <p>Pro: downloadable tool, free to use. Tutorial video talks you through the tool, to help you create an outcomes matrix.</p> <p>Con: the matrix gives you suggested indicators, but you then need to collect the evidence!</p>
Social value library	Understanding social value in a global context	<p>Global network for social value and impact management</p> <p>Pro: wide range of resources available</p>
Impactasaurus	Measuring and reporting on impact	<p>Free online tool for small and medium sized charities</p> <p>Pro: free tool; catalogue of questionnaires.</p>

Understanding community businesses' impact measurement needs

Name of resource	Which part of the process can this help with.	About this framework or tool
Outcomes Stars	Gathering evidence of outcomes	Developed by Triangle consultancy, Outcomes Stars are tools to help measure outcomes for service users and inform service improvements. There are many different variations of the Star, tailored to specific social service sectors and co-created with services and service users. The Community Star measures progress and outcomes across six key areas, each of which is underpinned by a five-stage Journey of Change:
UN SDGs	Contextual evidence from national data sets on community cohesion, engagement, and social action	An annual Government survey led by the Department of Media, Culture and Sport covering several measures including social cohesion, community engagement and social action. Pro: widely used and well-validated. Contextual data available from national survey. Questions can be used in local surveys. Free to use. Con: Community Life Survey does not provide a survey platform, just the questions themselves.
Community Life Survey	Contextual evidence from national data sets on community cohesion, engagement, and social action	An annual Government survey led by the Department of Media, Culture and Sport covering several measures including social cohesion, community engagement and social action. Pro: widely used and well-validated. Contextual data available from national survey. Questions can be used in local surveys. Free to use. Con: Community Life Survey does not provide a survey platform, just the questions themselves.
ONS4 wellbeing questions	Defining outcome indicators; defining survey questions	Developed by the Office for National Statistics (ONS), the ONS4 are four survey questions about personal wellbeing that users rate on a scale of 0 to 10. Pro: widely used and well-validated, including use by some CAF projects. Contextual data available from Census. Questions can be used in local surveys. Free to use. Con: ONS4 does not provide a survey platform, just the questions themselves

Name of resource	Which part of the process can this help with.	About this framework or tool
Happiness Pulse	Defining outcome indicators; defining the questions to be asked; collecting, analysing, and storing survey data	<p>This tool has been developed by the Centre for Thriving Places (previously called 'Happy City') in partnership with the New Economics Foundation, ONS, The National Lottery Community Fund and other partners. It's designed for use by projects that are seeking to monitor users' wellbeing at various stages in a project. The survey has four basic modules: General wellbeing, Be, Do and Connect, incorporating metrics from the short scale of Warwick and Edinburgh Mental Wellbeing (WEMWBS see below). Advanced modules can be added (including the 'Community Pulse' module focusing on how the place people live impacts on their wellbeing).</p> <p>Pro: ready-made tool. Already taken by more than 30,000 users, with results comparable to a national survey by YouGov in 2018. Basic version of tool is free to use. Online survey takes users approximately 5 minutes.</p> <p>Con: provides quantitative survey data not in-depth insights; focused on wellbeing – may not cover all the outcomes you want to assess; multiple users, detailed analysis and advanced/custom survey modules would require a paid plan.</p>
Warwick and Edinburgh Mental Wellbeing Scale (WEMWEBS)	Gathering evidence of outcomes	<p>Developed by NHS Health Scotland and Warwick University, WEMWBS is a widely used and well-validated scale for assessing mental wellbeing. There are two scales, one with 14 items and a shorter scale with 7 items. Users rate their responses to statements such as 'I've been feeling optimistic about the future' and 'I've been feeling useful' and 'I've been feeling relaxed'.</p> <p>Pro: widely used, well-validated and recognised by the medical and scientific community. A shorter WEMWEBS survey is also available</p> <p>Con: some community groups have found WEMWBS complex to implement. It provides quantitative survey data not in-depth insights; it's focused on wellbeing – and may not cover all the outcomes you want to assess; WEMWBS is protected by copyright. Non-commercial organisations can register to use the scale, subject to certain conditions.</p>
Measure What Works Wellbeing	Working through the whole process of understanding and measuring wellbeing impact	<p>Practical guide for charities and social enterprises looking at impact.</p> <p>Pro: provides an overview of many of the tools outlined above, as well</p> <p>Con: none – other than potential confusion about all the tools available!</p>

APPENDIX 2: THE SIX STAGES OF THE EVALUATION CYCLE

Taken from MB Associates Culture Cubed resource <https://culturecubed.org>



APPENDIX 3: **SECONDARY RESEARCH SOURCES**



Better places through community business, 2018, Harries and Miller, Power to Change

Community Business: The power on your doorstep, 2020, Harries and Miller, Power to Change

The Community Business Market, 2021, CFE Research for Power to Change

Community Business Market Survey 2022, CFE Research and Power to Change

Empowering Places Change Framework, 2021, Renaisi for Power to Change

Empowering Places, the impact of the programme on community businesses, 2022, Renaisi for Power to Change

Understanding Impact for Community Businesses, 2022, Renaisi for Power to Change

Community Businesses and High Streets, 2022, Sheffield Hallam University

Young People in Community Business, 2022, COVI for Power to Change



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