



COMMUNITY BUSINESSES AND CLIMATE ACTION

A report for Power to Change

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ABOUT THE RESEARCHERS

IPPR NORTH

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Research summary

Community businesses are taking decisive and impactful climate action. Such action is made up of a multitude of activities, which are often motivated by goals to improve people's lives or the places where they live rather than explicit goals of reducing carbon emissions.

This report:

- outlines what climate action looks like among community businesses, whether climate-focused or otherwise
- considers what makes such action or business models viable and replicable, presented in such a way as to be readily used by community businesses
- considers the climate impact of these actions and models, setting out a framework that can aid in measuring and maximising impact.

This research, delivered by IPPR North and Locality, involved an extensive evidence review, developing a list of diverse case study community businesses, and engaging these businesses and other stakeholders in roundtables. Iteratively developing the outputs below, this research involved detailed engagement with 10 final case study community businesses from across the country:

- **Ambition Lawrence Weston** in Bristol has developed and own England's tallest wind turbine.
- **Bradford Organic Communities Service** in Bradford recycles paint, runs a community garden and recycles goods for craft materials.
- **Heart of BS13** in Bristol runs a flower-growing business.
- **Derwent Valley Car Club** in Blackhall Mill, north east England, runs an all-electric car club for local residents.
- **East Manchester Environment and Resources Group (EMERGE) Recycling** is a well-established waste and recycling service business in Manchester.
- **Fordhall Farm** in Shropshire is a community-owned livestock farm.
- **Granville Community Kitchen** in London runs the Good Food Box scheme, offering locally grown, sustainably sourced produce to the local community at affordable prices.
- **Heeley Trust** in Sheffield is a diverse community business that refurbishes heritage assets into workplaces and runs a range of cycling projects.
- **Latch - Leeds Action To Create Homes** in Leeds refurbishes derelict housing in areas of high deprivation to provide homes to people in housing need.
- **Witton Lodge Community Association** in Birmingham has converted a renovated heritage lodge into an eco-hub.

These organisations are diverse in their aims, activities, business models and impact, or potential impact. Many work in areas facing multiple disadvantage – areas most likely to be impacted by climate change or affected if the net zero transition is not pursued fairly.

Our analysis has drawn out common themes across the 10 businesses to inform the development of two robust and useful tools. These tools aim to help community businesses identify and deepen their climate impact, increase climate action, and pursue projects and ideas using viable paths to impact.

The two tools are designed for community businesses, climate-focused or otherwise, and those interested in maximising the impact of community businesses in addressing climate change, such as funders, policymakers and evaluators. This research highlights the role community businesses can, and do, play in securing the net zero transition and building more resilient communities, by addressing climate, social and environmental goals together.

This research includes two key outputs:

- a **framework for measuring climate impact** across nine typologies and 10 examples, using this framework to assess impact
- a **Climate Opportunity Map** that identifies potential opportunities and barriers for different climate-focused business models, and how they might be replicated.

While the report is rich with findings specific to the different models or case studies, there are also common findings and areas for further development. For example, often the higher the potential financial upside for community businesses, the higher the upfront cost of entry and capital requirements. Development time and organisational capacity required are also consistent barriers for communities.

One clear lesson that arises across the different elements of this research is that many community businesses often directly or explicitly target wider social or local economic goals to which climate impact is complementary but secondary. It is not only those community businesses that are explicitly and directly climate-focused that can learn from this report and deliver climate impact; rather all community businesses and wider stakeholders can use the tools it provides.

To strengthen the impact of this research and advance the tools developed, the report makes a number of recommendations, outlined below:

1. **Providing the tools:** Make the Climate Opportunity Map and impact framework widely accessible to community businesses to support climate action.
2. **Refining through action research:** Refine the impact framework by working with several organisations in implementing it into their business plans, working with them to measure their impact within the typology, and assessing the usefulness of impact measurement. Tracking and recording this process would help evolve the framework to improve its usefulness.

3. **Testing applicability:** Further test the framework by applying it to a wider range of community businesses, including those not explicitly undertaking climate action. Help not only identify its role driving the salience and likelihood of achieving impact, but also how high-quality impact measurement can be delivered in a low-cost way.
4. **Engaging the community business ecosystem:** Promote the tools identified to organisations in the wider community business ecosystem, including funders, to promote the tools offered in this research, further refining these tools for use in funding decisions. Ensuring funders consistently consider climate impact in a way that works for community businesses could bolster funding availability for community businesses looking to undertake climate action.
5. **Establishing a common typology:** Use the impact framework and Climate Opportunity Map as a launchpad for a common typology of activities and impacts in assessing climate impacts for funding and evaluations among key funders, aiming to improve access to funding for community businesses undertaking climate action.
6. **Aligning socioeconomic and environmental goals:** Grasp the potential to address economic, social and environmental goals together, and the role community businesses can play in delivering and sustaining them. Develop assessment and evaluation frameworks tailored to community businesses to meet these multiple goals, allocating funding accordingly to facilitate scaling up of funding allocations and promote alignment in funding streams.

1. Introduction

The climate crisis continues to impact our society. Achieving sustainability requires significant change to our economic model. While this presents a challenge, it also presents an opportunity to create a new economy that puts people, planet and communities first.

Communities are playing their part in tackling the crisis (Webb et al 2021). Much of this community climate action is already performed by community businesses, representing a key vehicle for action while supporting local economies and better social outcomes (Power to Change 2021).

There is a strong case that community action and climate action can, and do, go hand in hand. However, it remains challenging to quantify or qualify the precise climate impact community businesses have. It is also insufficient for community businesses to think about potential impact of climate action in isolation, without having clear pathways to robust business models that can sustain community climate action in the long term.

Power to Change commissioned this research to map out practical paths for community businesses to have, or deepen, their climate impact – and, in doing so, to advance how we understand the climate impact of community businesses – and to identify the practical challenges and opportunities for developing sustainable business models. The research underlying this report has been conducted by IPPR North and Locality.

This report provides a new framework for considering and measuring community businesses' climate impact and outlines viable and replicable paths to achieve it. This has been derived from an extensive evidence review and action research working with community businesses that are having, or plan to have, a climate impact. It goes on to provide a Climate Opportunity Map for community businesses, to provide inspiration and information about a range of potential business models and help shape decisions about how best to show local climate leadership.

Researchers first established an evidence base on community businesses and climate impact to inform the creation of our matrix for thinking about and measuring the climate impacts of community businesses. Starting from this initial matrix, a longlist, then shortlist, was produced, made up of organisations that offer a breadth of experiences across community businesses taking climate action in England. These 10 final organisations were engaged and interviewed to create case studies. These case studies resulted in a refined matrix for measuring impact – an impact typology – and informed the Climate Opportunity Map.

The conclusions of this report make recommendations for how this measurement framework and Climate Opportunity Map can be mainstreamed by community businesses across the country, to better capture and articulate their climate impact and help them ensure their activities are financially sustainable in the long term.

2. Evidence review: Current understanding of community business and climate action

This chapter seeks to outline our current understanding of how community businesses take climate action – and sets out the context within which they are doing so.

2.1. What is a community business?

Community businesses are predominantly run by community members, aiming to serve residents living in that community and its local area. They offer a variety of services or engage in trade. Community businesses range from shops, transport services, farms and gardens to libraries, repair shops, advice centres and much more (Power to Change 2022).

The significant difference between traditional businesses and community businesses is the business purpose and end goal. Traditional businesses' primary goal is profit-making, and they are accountable to their owners, including invested shareholders. On the other hand, community businesses are accountable to, and based within, communities – aiming to serve local people while advocating for social, economic or environmental change within their communities. Profits made from community businesses are often invested back into their community (Brite 2021; CLES 2019).

According to Power to Change (2022), community businesses:

- have local roots – a business started by local people, for local people
- are accountable to the local community
- trade (sell services and products) for community benefit in and around their local area
- and address different community needs, for example, offering support to a disadvantaged group and offering a space for local groups to gather and address issues of poverty and inequality.

Around 53 per cent of community businesses act as hub for their communities and positively impact the lives of local people by reducing social isolation, improving wellbeing and health, community cohesion and community pride, and empowerment (CFE Research and Power to Change 2022).

2.2. Community businesses and the pandemic

The Covid-19 pandemic underscored the need for greater social cohesion and local social support networks, particularly during lockdowns. Some community businesses during this time suffered the consequences of the pandemic, and some became unsustainable due to a variety of restrictions placed upon them and a lack of business support.

Other community businesses were able to adapt and increase their support to their local communities and significantly contribute to building their community's resilience (ibid; Gardner et al 2021). For instance, community shops selling essentials such as food, fuel and clothing could continue generating profit as they were able to stay open under government guidance. They also generated more profit during lockdown periods due to consumers' behavioural change, choosing to shop local and in smaller shops to avoid large supermarkets during the height of viral transmission. On the other hand, community businesses that focused on arts, heritage and cultural provision were closed completely, could not find ways to adapt and had their revenues reduced to zero (ibid).

Despite these challenges, their adaptability ensured that many community businesses were resilient to economic shocks. Power to Change reports a marked increase in demand for community business during the pandemic, particularly for those that provide wellbeing services. As a result, businesses have started to bounce back quickly: 90 per cent of community businesses were fully operational in 2022, compared to 61 per cent of businesses in 2021, and 15 per cent in 2020 (CFE Research and Power to Change 2022; Higton et al 2021).

2.3. The impact of the climate crisis on disadvantaged communities and community businesses

The climate crisis can act as a 'threat multiplier', where local issues that communities face are further compounded. Recent research by IPPR North (Johns and Hutt 2023) has highlighted that where you live and work in the UK has a substantial impact on both your exposure to air pollution and the impact of your work and life on the planet, with deprived communities generally more exposed to higher levels of air pollution. The Joseph Rowntree Foundation (JRF) found that social justice implications of the climate crisis in the UK could be better understood and that policy research in this area is underdeveloped. JRF also found: "Lower income and other disadvantaged groups contribute least to causing climate change but are likely to be most negatively affected by it; they pay, as a proportion of income, the most towards implementing certain policy responses and benefit least from those policies; and their voices tend to go unheard in decision-making" (Banks et al 2014).

Environmental issues such as air quality can become localised and directly impact communities. The climate crisis also risks eroding communities' resilience and could create new injustices such as exposure to extreme weather (Power to Change 2021).

Community businesses disproportionately operate in areas facing multiple disadvantage. Research from Power to Change finds that 48 per cent operate in the 30 per cent most disadvantaged areas in England and 67 per cent are in a part of the UK where social and economic inequalities are growing (Power to Change 2021). Therefore, community businesses have a pivotal role in building resilient and sustainable communities and contributing to a fair and fast net zero transition.¹ Evidence shows that community businesses are already taking climate action across various areas, and many want to play a more prominent role still in addressing the climate crisis. However, community businesses require more support and resources to further ambition in responding to the climate crisis – whether they are climate-focused, or their climate impact is incidental.

2.4. How are community businesses taking climate action and regenerating nature?

Community-led initiatives to tackle the climate crisis take various forms, as mapped out in IPPR's report *The Climate Commons: How communities can thrive in a climate changing world* (Webb et al 2021). According to Power to Change (CFE Research and Power to Change 2022), 72 per cent of community businesses report to be taking some climate action, regardless of their primary purpose.

However, only around one in five regard it as their primary purpose. Research of the community business sector shows that 11 per cent provide environmental and nature conservation services whereas 6 per cent address waste and consumption, and 3 per cent are involved in energy generation (CFE Research and Power to Change 2022). Environmental activity is therefore not the primary purpose of most community businesses, though there is a significant and important minority where it is.

Intention and impact are distinct, and while climate action may not be the primary purpose of many community businesses, their climate impact is often significant. For instance, community businesses drive positive impacts in their local areas by taking on local food production, creating or maintaining green spaces, revamping old buildings, and undertaking decarbonisation activities from their operations. So far, 31 per cent of businesses are involved in growing or providing, or educating people about, food; 35 per cent are involved in improving buildings; 29 per cent are involved in improving or protecting the natural environment, and 38 per cent are involved in managing waste or resource consumption (ibid).

¹ For example, see Fairness and Opportunity: A people-powered plan for the green transition, IPPR.

2.5. What types of community business models are addressing the climate crisis?

Climate action fits naturally in the model for many community businesses because they are based on and prioritise values such as ensuring that community's quality of life, wellbeing and economic empowerment. The following business models investigated are addressing the climate crisis, and include those businesses or projects that have a discrete climate focus and some models which incidentally have climate impact:

- community energy
- low-carbon transport initiatives
- community-supported agriculture
- community land trusts
- circular economy initiatives.

This is not an exhaustive list and is largely indicative of the areas in which the case study organisations interviewed as part of this research operate.

Community energy

Community energy refers to different forms of collective action taken by local people with the primary aim to reduce, purchase, manage and generate energy. Community energy initiatives can be independent energy advice service providers. In addition, they can be electricity or heat generation assets, low-carbon transport (LCT) initiatives, and various other projects that generate sustainable and low-cost energy for communities. *The State of the Sector Report* by Community Energy England (CEE 2022) identifies 495 organisations that are taking part in such initiatives.

The UK has 331 megawatts of community-owned renewable energy capacity at the time of writing, within a total UK capacity of 106.4 gigawatts. In England alone, group membership levels have grown since 2020 by 73 per cent. This is primarily due to the sector's growing success in raising funds via community share offers. In 2021 alone, 17 community energy organisations were registered in England, the highest number in the past five years. The impact of community energy on the ability to tackle climate action and regenerate nature is significant; such interventions have saved an estimated £3.4 million from UK energy bills and generated £15 million in income, which has been reinvested locally, boosting local economies and contributing to community wealth-building. This has had a knock-on effect of creating local jobs and strengthening local supply chains (ibid).

Low-carbon transport initiatives

CEE reports that LCT projects have grown in recent years and there has been a notable shift away from electrical vehicle (EV) ownership models towards 'whole systems' approaches. In 2020, 89 per cent of activities focused exclusively on ownership of charging points and EVs (CEE 2022). However, as of 2021, only 53 per cent of low-carbon transport activities in the community energy market focus on this, as more organisations are deploying a range of initiatives such as the facilitation of car sharing, e-bikes and forms of active travel. E-bikes are a notable innovation for low-carbon transport, with 18 community organisations providing this service in 2021. CEE reported that in 2021, 90 organisations delivered a range of low-carbon activities, including installing 113 electric vehicle charging stations (ibid).

Community-led travel initiatives provide flexible and accessible solutions to address the unmet needs for local transport, and include minibuses, voluntary car schemes, community bus services, and school or hospital transport. Their objectives are often driven by a social purpose – such as alleviating loneliness and social isolation – or economic benefit. Such initiatives benefit many vulnerable and isolated community members, often older people or people with disabilities (CTA 2022).

However, some community transport initiatives also aim to directly tackle the climate crisis. For example, the Isle of Wight's Hero for Zero project was awarded £26,000 grant funding to convert a diesel minibus fleet to electric vehicles, and to generate its own green electricity to run them (South West Net Zero Hub 2020).

Community-supported agriculture

Community Supported Agriculture (CSA) is a network of farms that are partnerships between citizens and farmers, meaning that responsibilities, risks and rewards of farming are shared. These partnerships aim to form a direct connection where produce is directly given to the consumer.

Basing their business models on values such as fairness and reciprocity, farmers receive a more stable and secure income and a closer connection with their community. Citizens in partnership benefit by being able to access and eat fresh, locally sourced produce, and learning more about how their food is grown.

CSA farms further enable short and sustainable supply chains due to hyper-local direct distribution. Literature on the impact of CSA is limited to date. However, existing literature does indicate that while CSA initiatives in the UK are relatively small, they are growing, and the economic impacts are significant with CSA farms contributing directly to local economies. Further studies have shown that CSA improves members' health, skills and wellbeing; 70 per cent of CSA members have said their overall life quality improved because of membership. This is attributed to changing shopping, cooking and eating habits, and the use of seasonal and healthier produce (Saltmarsh et al 2011).

Community land trusts

Community land trusts (CLTs) are democratic, non-profit organisations that own and develop land for the direct benefit of communities. Whoever runs the land essentially becomes the long-term steward of the land. There are currently 548 CLTs in England and Wales. According to Community Land Trust Network (CLTN 2022), CLTs have focused on creating new affordable housing and, so far, 1,100 CLT homes have been completed, with a further 7,100 in the pipeline. In a similar vein, Power to Change's Homes in Community Hands programme made grants of over £5.1 million to 44 different community-led housing organisations who have a planned development pipeline as of 2022 of 4-5,000 homes (Arbell et al 2022).

CLTs have diversified in recent years, primarily due to the pandemic. CLTs have been set up to provide various amenities for local communities like local shops, recreational spaces, shared workspaces, energy schemes, food-growing initiatives and conservation landscapes. CLTs can be set up by the community, a landowner, a developer or a council. CLTs are defined in law and must have specific characteristics. For instance, they must be set up to benefit a defined local community and must be not for profit. This means they can, and should, make a surplus as a community business, but this surplus should be invested directly into the community. Local people must also be allowed to join the CLT as members if they support the CLT's aims.

Although evidence on the wide-ranging climate impact of CLT housing is limited, one small-scale study was carried out in 2021 by the Community Land Trust Network, funded by Power to Change. This shows that houses built under CLT schemes where local authorities required a reduction in CO₂, met, and in some cases, exceeded these requirements across the community-led housing development schemes reviewed. Meanwhile research by Power to Change (Arbell et al 2022) outlines key impacts of community-led housing, including:

- major housing affordability benefits
- employment and training opportunities
- improved community relations
- reduced environmental impact of housing development
- and better neighbourhood spaces and facilities.

Altogether, this is a positive indication that community-led housing could play a role in raising standards and aiding the transition to net zero in the UK.

Circular economy initiatives

According to the Ellen MacArthur Foundation (2022), a charity committed to supporting circular economy initiatives, there are three principles behind the circular economy:

- eliminating waste and pollution
- circulating products and materials (at their highest value)
- and regenerating nature.

The Foundation described the circular economy as a: “systems solution framework that tackles global challenges like climate change, biodiversity, loss, waste and pollution.”

Community businesses that engage in the circular economy can look like swap shops, libraries of things, local recycling enterprises and repair cafés. In addition, 74 per cent of community businesses that engage in the circular economy through waste management or resource consumption can demonstrate their impact on improving the environment through their activities (Higton et al 2021).

Research shows that a move towards a more circular economy offers “significant potential for emissions reductions across many sectors of the UK economy” (Molho and Young 2021). Significantly, developing a circular economy could enable the UK to meet its fourth carbon budget and reduce the expected emissions gap to meet the fifth carbon budget by nearly 80 per cent (ibid).

An extensive range of climate action

Beyond these highlighted examples, there is an extensive range of climate action pursued by community businesses, captured by the climate impact framework below. Clearly, community businesses' climate action has extensive socioeconomic benefits too, and this research also identifies the opposite to hold true too.

Other areas not explored in detail above – such as climate adaptation/resilience or the creation and management of the natural environment – also align with this argument. There are clear environmental benefits from enhancing wildlife habitats, and reducing emissions and waste, as well as indirect benefits of positive behavioural change among participants. For instance, research published by Our Bright Future in 2022 found wide-ranging benefits of involving young people in environmental projects such as environmental conservation. These included better mental health and wellbeing, new skills and knowledge, and increased employability.

Across all forms of climate actions considered throughout this research, there are clear bi-directional benefits for socioeconomic and environmental matters.

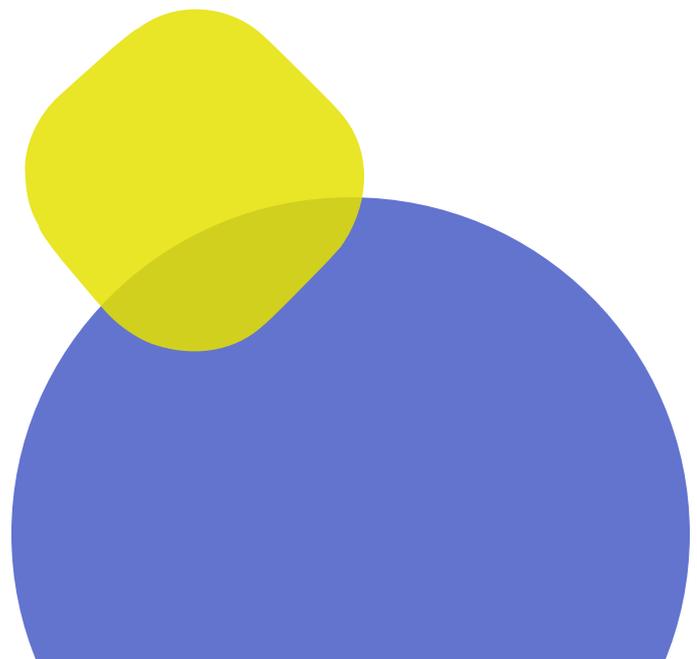
What are the main opportunities and barriers for the community business sector to transition to a fairer, greener economy?

Opportunity for community businesses in climate action include their ability to build legitimacy, efficacy and resilience in local climate action, helping too to advance attitudes around net zero. Local authorities leveraging their powers to support community businesses and the levelling-up agenda can align with a just transition to net zero, opening space for community businesses to make climate action. However, barriers also exist. These include funding, viability and organisational constraints as well as unhelpful policy contexts and cumbersome processes.

2.6. Opportunities

Community work is climate work

Recent evidence shows that local climate action can build “stronger legitimacy than national and international levels, alongside greater efficacy than individual action” (Tiratelli et al 2021). This has significant advantages due to direct citizen engagement of community businesses in enacting meaningful action to address the harmful impacts of the climate crisis.



Local climate action is also more adaptable than national and international action, creates more resilient communities in responding to climate emergencies, and helps advance the transition of social and economic norms required to achieve net zero. Organisations like New Local (ibid) champion the idea that community work is climate work; this means community action does not necessarily need explicit, direct focus on addressing the climate emergency to have a climate impact. This complements IPPR's Environmental Justice Commission, which explored and highlighted the co-benefit of community-led initiatives (IPPR EJC 2021) and Power to Change's (CFE Research and Power to Change 2022) findings that while a small proportion of community businesses regard environmental causes as their primary purpose, 72 per cent of community businesses undertake climate action.

Local authorities leveraging their powers

Many local authorities have specific goals to tackle the climate crisis and it is high in their priorities: 75 councils have declared a climate emergency (Climate Emergency UK 2021). Local authorities are also engaging in deliberative work, like citizens' assemblies, to better interact with local people on such issues and to find or co-produce solutions to tackle the climate crisis.

Many local authorities have significant resource and capacity constraints and are working in the context of an over-centralised government, all undermining their ability to deliver local goals (Johns and Hutt 2023). However, local government has a range of hard and soft powers which could be used to bolster community businesses working to tackle the climate crisis. For instance, local authorities are responsible for areas like local infrastructure, elements of local transport, waste management and council housing. However, not all of these responsibilities are considered inherently climate policy, because centralised funding models and some local authority decision-making happens in silos. Other councils however do seek to take 'whole-institution' approaches to the climate crisis, with significant growth in accountability, institution-wide strategies and embedding climate policies in different policy areas. Local authorities are furthering this, for example, some are exploring their own renewable energy generation and have established joint ventures and other partnership approaches with community enterprises to develop community-owned green assets (Tiratelli et al 2021).

Levelling up for a just transition

The levelling-up agenda can be aligned with a just transition to net zero. Levelling up is one of the current government's flagship policies, and devolution deals across England are evolving. This could empower local community businesses, enhance sentiment of pride of place, and allow for potential quick wins if decision-making and resource allocation leverages are strengthened locally (ibid).

Local authorities can also use soft powers (such as their convening role) to create powerful partnerships between community businesses, other public or private organisations, and voluntary groups with common goals, like addressing the climate crisis. There is growing consensus across the policy sector that an ambitious approach to devolution could be a potential means to achieving the UK's net zero commitments (Billingham 2021; Policy Connect 2022; Ainscough 2022).

2.7. Barriers

Although community business models are adaptable and can be resilient in the face of challenges, the need to adapt has meant some of the businesses' aims and end goals have changed. Below are some factors that create barriers for community businesses in climate action.

It is relevant to keep in mind that the Covid-19 pandemic has also led to some undesirable rollback on the progress of environmental regulations, particularly around reusable and single-use products. Important local levers supporting community businesses also experienced significant resource strains due to the pandemic, and continue to impact to date.

Lack of funding and viability

Despite the prioritisation nominally placed on the net zero transition by different levels of government and broad acceptance across society for the need to take climate action, there remains restrictive funding for net zero and for community businesses to secure funding for environmental projects. In recent years, there have been campaigns targeted at trusts and foundations to encourage them to better fund environmental causes, with one finding that only 3 per cent of charitable funding from trusts and foundations is directed towards environmental causes (Weakley 2021). Grant funding is particularly important for initial outgoings and project initiation.

However, it is not initial funding alone that is a key financial barrier. Achieving financial viability for climate action can be a difficult task. Moreover, as this research identifies, while many community businesses recognise the need to play a bigger role in local climate leadership and pursue environmental projects, they are often unclear about what this looks like or what viable paths are available to them.

This means that while access to funding – particularly grants – is a barrier, it is not an unqualified one. Indeed, 84 per cent of community businesses accessed grant funding in 2021 to support their work. However, without clear paths to achieve viability, overreliance on this form of funding can emerge. This poses risks as community business models can become dependent on financial assistance (CFE Research and Power to Change 2022).

Constraining policy context

The policy context provides a two-fold problem. Firstly, while there is political consensus on the need for the net zero transition from different levels of government, the UK is not on track to stay within its carbon budgets – therefore the UK must go further and faster to achieve the net zero transition and ensure its economic benefits are secured and shared fairly (IPPR EJC 2021; HMG 2023).

Secondly, community businesses have criticised the net zero agenda as being too top-down for them to be included. The policy landscape on community climate action is relatively piecemeal and there is a lack of recognition of community-owned businesses' transformative potential (Policy Connect 2022).

Despite COP26 and increasing public support for renewable energy, particular government support mechanisms have been removed in the community energy sectors in 2021, directly impacting the sector. Community Energy England also notes that: "The Net Zero Strategy recognised the importance of communities and local climate action, and both it and the Levelling Up White Paper emphasise empowering local leaders. Unfortunately, they seem to mean local government leaders, ignoring the leaders of community energy over many years on local climate action and community support" (CEE 2022).

In the UK, there is disparity between the recognition of the climate crisis as an urgent policy issue and the comparatively weak national response. For example, YouGov polling shows that 91 per cent of people agree that national governments should do more "to protect the environment" (Ipsos Mori 2021).

These two problems compound to constrain community businesses taking climate action. However, there is a clear recognition of the need to shift the approach, supporting local action, ownership and delivery, and giving people ownership over the net zero transition (IPPR EJC 2021). This is recognised in the independent Review of Net Zero in its recommendations to accelerate the UK's net zero transition: "If central government is to bring communities along on the net zero pathway – which it must do to achieve a fair, popular and successful transition – it must start now to ensure widespread community support for local net zero action. To achieve this support – and to deliver the scale of change needed – government must involve communities directly in local net zero action and encourage communities across the UK to lead their own net zero and climate projects. This should include encouraging younger generations, who have shown great passion for net zero, to be involved in and lead positive local net zero action" (HMG 2023).

While the existing policy context is a barrier for community businesses, it is not immutable. If policy rightly reframed the net zero transition as an opportunity to be seized for the UK to empower communities in parallel, as has been recommended (ibid; IPPR EJC 2021), it also presents an opportunity to be seized for community businesses.

Overly bureaucratic or inflexible processes

Some community-based initiatives involve too many bureaucratic processes, which can hinder progress or even stall projects, and poorly suit community businesses. This can mainly be seen with CLTs, and the affordability of the housing built within those schemes. A study found that “red tape bureaucracies and overly rigid regulatory activities of the authorities, the market value estimates of the sites, and the unavailability of some sites because of their prices” were all contributing factors to housing affordability in CLTs.

Power to Change’s *The Community Business Market in 2021* report noted that local council regulations and strategic priorities dictated where some community businesses could be in the local area: “Factors such as business rates, local planning strategies, and documentary evidence to show a business is a going concern led to a few community businesses describing issues of red tape and inflexible policy” (Higton et al 2021).

Some community businesses report that local councils do not understand their models as well as they do commercial businesses, hampering efforts to collaborate and make decisions on supporting local community businesses in the area (ibid).

Lack of organisational capacity

Community Energy England’s assessment of the sector reported that 81 community energy organisations in the UK reported one or more stalled projects in 2021 – 65 per cent more than in 2020. A lack of organisational capacity has been the most common reason projects have remained incomplete. Although much of the community energy sector now has developed more paid staff capacity, 70 per cent of the sector is still primarily supported by volunteers (CEE 2022).

In many cases, community organisations have multiple roles and interests to serve local people in the area. Diversifying their projects affects the ability to progress towards the completion of a project, and, in the case of the community energy sector, the installation of sustainable energy infrastructure in their local area. High grid connection costs and difficulties in raising capital funding are also reasons projects stall (ibid).



3. Impact typology: A framework for measuring impact

The existing evidence on community businesses' climate action clarifies that action is holistic and impacts are often wide ranging, but businesses may not have the necessary systems or structures in place to capture environmental impact. This is often because community businesses are primarily aiming to achieve social or local economic impact. Any framework must strike a balance between being usable, while also pushing community businesses to think about how they measure and track the impact of their work.

This chapter presents a process for developing a matrix of climate impact for community businesses. This chapter also considers how this framework could be used broadly to measure community businesses' climate impact. Developing this, we reviewed existing evidence to identify key indicators of measurement. We then tested this through the action research undertaken with the 10 community business case studies.

3.1. Developing a framework for measuring climate impact

This research develops a framework with reference to Power to Change's *The Community Business Market Report* (Higton et al 2021) and *Community Business Climate Action Programme Scoping Study* report (Power to Change 2022), and previous IPPR research (see Webb et al 2021). This was refined according to the findings of our evidence review, stakeholder engagement and action research with community businesses. Further information on our methodology is located at Appendix A.

Using the impact typology framework

Each category of impact is subdivided into indicators. The colour of the indicator indicates the extent to which the activity's impact is measurable.

Green	impact can be readily and precisely quantified
Yellow	impact can be effectively measured, although not precisely quantified
Blue	impacts are intrinsically difficult to quantify or effectively measure, but can be qualified.

Developing this framework allows climate impacts to be captured and measured where possible (green and yellow), and monitored and discussed where not (blue). Taken together, these can give rise to a clear overall impact of a community business' climate impact.

We recommend community businesses assess their climate impact by selecting relevant indicators. Where possible, they could outline their precise measurement or approximate impact against the indicator (yellow or green), or use qualified descriptions where measurement is not possible (blue). This does not need to be onerous for community businesses.

The indicators are not intended to be exhaustive, rather to capture key domains of climate action and suggest indicators for their measurement. The typologies are intended to be sufficiently flexible and expansive to account for all community business climate action.

	Land use and acquisition	Renewable heating and efficiency measures	Renewable energy	Woodland creation and management of natural environment	Adaption to climate impacts (resilience)	Active travel and community transport	Local food production	Circular economy (waste and reuse)	Education and skills
Indicator	Land acquired/ used for sustainable activity	Installation of low carbon heating solution by community business	Presence of community owned renewable assets (e.g., solar farms)	Woodland spoaces developed/ managed by community businesses	Contribution to community adaption/ initiatives (e.g., flood defences)	Active travel schemes supported by community businesses	Growing activities undertaken	Repair and reuse actively supported by community businesses	Training into low carbon jobs
	Planned land acquisition for climate action activities	Undertaking of retrofit activity	Installed renewable energy initiatives within business (e.g., PV panels)	Management of other green spaces		Community travel schemes supported by community businesses	Business is involved in wider supply of local food produce (e.g., sustainable delivery)	Recycling and reuse by commuinity businesses	Education linked to the environment and climate change
		Building refurbishment		Measures to increase biodiversity		Investment in active travel/ community transport infrastructure			Supporting behaviour change

4. Case studies: The climate impact of community businesses

This chapter provides detailed insights from the community businesses engaged in this research. These community businesses are:

- Ambition Lawrence Weston
- Bradford Organic Communities Service
- Derwent Valley Car Club
- EMERGE Recycling
- Fordhall Farm
- Granville Community Kitchen
- Heart of BS13
- Heeley Trust
- Latch - Leeds Action to Create Homes
- Witton Lodge Community Association

All 10 community businesses are diverse in their work, geneses, locations, impact typologies and aims – with rich learnings across them for viability, replicability and impact. The impact measurement framework (see Appendix A) has been applied to each case study.

The variety of climate action captured by case studies includes:

- renewable energy schemes, and installing renewable energy generation within existing schemes or assets
- stewardship over natural and built assets, including refurbishing heritage assets or homes
- growing activities, including food and other goods, or local and sustainable sourcing and sale of grown goods like vegetables
- access to, or promotion of, active or other low-carbon transport
- and the recycling, reuse or refurbishment of things otherwise destined for waste streams.

Different types of activities have different impacts, and diverse intensity of impact too. In some cases, routes to community business viability are directly routes to impact – such as in bringing forward community energy infrastructure – while for others climate impact is a co-benefit or even tangential – such as reduced carbon emissions and energy bills from more energy-efficient homes provided to those in housing need.

All 10 community businesses are achieving climate impact, as well as social or local economic impacts. In more cases than not, climate action has not arisen from furthering climate-focused goals, rather socioeconomic impact has been the primary motive and climate action has subsequently been tied into that, either explicitly or implicitly.

Common themes arise on how climate impact is helped or hindered across the case studies. Financial sustainability is a key element of achieving and sustaining climate impact. However, not all organisations have yet achieved or may achieve it because paths to financial sustainability are both highly variable and take a significant period of time, relying on ongoing grants or in-kind support from volunteers. Some climate-focused projects are reliant upon income generation from distinct areas of business which do not always have a climate component. While lessons can be learnt from longstanding community businesses, significant contextual change especially in relation to climate action suggests that their start-up circumstances may not be readily replicable to today's context.

Community businesses are having a climate impact, but this is measured less frequently than originally expected. Many community businesses prioritise measuring their social or local economic impacts. Meanwhile, there are other cases where it is measurable but due to the stage of development, it is only potential impact that can be presented.

The impact typology presented in this research can be used to gather information to demonstrate the climate impact of community businesses, even where the primary aim of the project is not distinctly a climate one.



Ambition Lawrence Weston

Ambition Lawrence Weston (ALW) is a resident-driven organisation that has developed and owns England's tallest onshore wind turbine.

What's the story?

ALW has a strong track record of climate leadership in a deprived area. It is a resident-driven organisation established in 2012 after seeing a decline in local services during the austerity period and seeking to make Lawrence Weston, a post-war housing estate in north west Bristol, a better place to live.

What are the aims and drivers?

Rooted in the local community, ALW facilitates local community networks and has worked with local residents to develop a community plan and an economic development plan. In 2016, the economic plan set out goals across economic, social and environmental areas and in the short, medium and long terms. This included developing a strong local energy economy, developing community-owned assets with greater community control over key economic resources, and becoming an environmentally sustainable community. These goals drove an activity stream to develop sustainable community-led energy projects that create employment opportunities, as well as revenue and energy for the local community.

Looking at local assets, ALW identified large potential for delivering renewable energy, particularly wind, developing this with the engaged local community, well-established partnerships and the record of energy projects in other parts of Bristol. A long-term objective became to develop an ALW-owned renewable energy project, exploring opportunities for wind and domestic solar projects, which could help provide sustainable revenue for ALW. However, ALW noted that, lacking governmental support, substantial investment was needed to develop a new solar farm, and that energy generation and export is excluded from the social investment tax relief scheme.

In 2018, ALW refreshed its community plan and in 2022 launched a Community Climate Action Plan, all resting on strong co-production, consultation and engagement with the local community and wider partners. These plans embedded and developed ALW's commitments through clear prioritisation, goals and proposed actions.

What are their activities?

ALW created an asset-locked Community Interest Company as a subsidiary, called Ambition Community Energy (ACE), in 2018. ACE worked to develop plans for a community-owned wind turbine, including securing land and funding. It secured a land agreement with Bristol City Council in 2019, followed by a grid connection agreement, and then full planning permission in 2020. Completed in February 2023, the wind turbine is now the tallest in England.

Advancing the work required ALW and ACE to secure and combine many funding streams. Early on, they secured funding from the Department of Energy & Climate Change's Urban Community Energy Fund, Bristol City Council and Power to Change, followed by contingent development loans from the Bristol Community Energy Fund and grant funding was secured from the West of England Combined Authority via the European Bank for Reconstruction and Development. Funding in the form of loans was secured from Thrive Renewables, Bristol & Bath Regional Capital, and other local lenders. In total, the project required around £6 million of capital funding.

How can climate impact be measured?

The potential impact of this project is significant in providing locally owned, renewable energy to the community that owns it.

- **Land use and acquisition:** ALW/ACE acquired land and are using it for sustainable activity.
- **Renewable energy:** development of a community-owned renewable asset to power 3,000 homes and save around 49,000 tonnes of carbon over 25 years.
- **Education and skills:** ALW/ACE hope that skills will be shared between teams as the project develops and will seek to link this into future skills training provision, supporting access to low-carbon jobs.

Ambition Lawrence Weston solar panels, 2018



Bradford Organic Communities Service

Bradford Organic Communities Service (BOCS) recycles paint (Bradford Community RePaint), runs a community garden (Wibsey Community Gardens) and recycles goods for craft materials (Scrap Magic).

What's the story?

Bradford Organic Communities Service (BOCS) was established in 2004 with Bradford Community RePaint, and expanded in 2017 to incorporate Wibsey Community Gardens and Scrap Magic. BOCS now has two full-time employees – one is a fully qualified painter and decorator who has run RePaint for 21 years. RePaint is a paint recycling business, which has been running for 21 years. Until 2014, it was hosted by other organisations in Bradford.

What are their aims and drivers?

BOCS has provided work experience and permanent employment for many local people, particularly young people with mental health issues and autism. At the moment, RePaint states that it is difficult to recruit volunteers because it is a small organisation that does not operate at the scale required by Jobcentre Plus. BOCS is therefore lobbying the local Jobcentre Plus around the opportunities on offer to learn retail skills – including customer service or managing money. BOCS believes its training provides an excellent grounding for moving into employment. BOCS is also currently taking referrals from the Probation Service for placements for people doing community service.

Despite recruitment difficulties, BOCS succeeds in retaining volunteers. RePaint retained most of its volunteers during the Covid-19 pandemic and stayed open throughout, delivering when the paint store could not be open, then opening by appointment. During this time, BOCS developed a set of free offers, from free paint to activities for children.

What are their activities?

In terms of RePaint, paint is collected from recycling centres across Bradford and taken back to the warehouse where it is checked for quality. Matt and emulsion paint is then mixed and put into tins ready for sale. This type of operation requires a licence and excellent policies and procedures for health and safety. RePaint provides income to BOCS from selling paint and via government payments for diverting waste from landfill.

In 2016, BOCS acquired their three-acre community garden when the previous operator went into liquidation. Wibsey Community Gardens is a complex site, and includes three polytunnels and an apiary. Owned by the local authority, BOCS has a seven-year lease and is lobbying to extend this as it seeks to make improvements, including refurbishing the toilets and shower facilities.

The garden helps to bring income from the adult social care system into BOCS as it provides adult social care placements, particularly for adults with complex needs, to tend to plants and crops to support their mental health.

Another source of income from the garden is sale of produce from the site. This includes both to local people and to shops and restaurants that pay market rates for quality organic produce.

BOCS runs a small café, using the recently refurbished kitchen, selling cooked meals made from ingredients grown on site. This could be a significant strand of income, but investment is needed to develop products and increase scale. BOCS hopes to extend its café offer and make best use of the home-grown produce, enhancing sustainability.

A number of events are run in the garden, bringing together people from all sections of the community. BOCS runs cookery classes in the kitchen, showing how fresh produce can be used in meals, and use a cooking pit in the garden. BOCS also promotes and teaches about biodiversity using a wild section of the garden.

Housed in a portable cabin in the garden is Scrap Magic, a scrap store. BOCS took it over at the same time as the Wibsey Community Gardens. Scrap Magic recycles waste products otherwise destined for landfill to use as safe craft materials. In doing so, it provides affordable resources for craft and play for local families, individuals and people who work with children. It promotes recycling waste materials as low-cost play materials, encouraging creativity as well as the environmental benefits of reducing waste.



How can climate impact be measured?

BOCS is founded on environmental principles and each element of its work addresses issues around climate change, from recycling and repurposing to food sustainability and biodiversity. However, it has limited resources to do detailed measurements of its climate impact.

- Land use and acquisition:**
 Wibsey Community Garden is an approximately three-acre site growing fruit, vegetables, salad and flowers.
- Management of natural environment:**
 A portion of the garden is wild, and this is used to educate people on biodiversity.
- Local food production:** growing activities are undertaken and involved in the wider supply of local food produce. The garden grows food that is sold on site and to local shops and restaurants. This enhances sustainability within the local food supply chain.
- Circular economy (waste and reuse):** in 2017, RePaint diverted 64,000 litres of reusable paint away from the waste stream, supporting 21,000 people in Bradford with low-cost paint (as little as £1.50 per litre). Scrap Magic helps to educate families and children about recycling through creative means.
- Education and skills:** BOCS provides training and education across all three of its component service areas, including trainees supported by the European Social Fund (ESF).

Bradford Community RePaint, 2022

Derwent Valley Car Club

Derwent Valley Car Club is an electric car pay-as-you-go hire scheme located in the North East.

What's the story?

The Derwent Valley Car Club (DVCC) was set up in Blackhall Mill, a village between Gateshead and County Durham, operated by Blackhall Mill Community Association (BMCA). BMCA was successful in securing Village SOS funding from the National Lottery Community Fund, with a key focus on environmental sustainability. Community consultation identified poor local transport and high car ownership. In particular, it found that cars were a significant cost to residents, but only used once or twice a week.

What are their aims and drivers?

As an established local organisation, BMCA understood working in its local community and wanted to address this issue, carrying out extensive research and making links with other car clubs to develop DVCC. This highlighted that existing car clubs were mainly restricted to cities and larger towns, and that prices were often prohibitive. Thus, DVCC adopted the goal of an affordable, local car club that was financially and environmentally sustainable.

What are their activities?

Village SOS supported the purchase of one electric vehicle (EV), alongside the installation of solar panels on the community centre to generate income through feed-in tariffs. The income has covered the electric charging costs and supported the club, and there are now five EVs in five locations. The cars are parked outside community centres and libraries when not in use, advertising the message of more sustainable energy and transport.

DVCC promotes its work through social media and, ahead of expanding to new areas, undertakes publicity campaigns, including events, posters and flyer drops. DVCC have found that advertising at bus stops works well.

Customers pay a regular membership fee and then hire fees when using the car. DVCC holds keys in key safes at each location. Members are given passcodes when booking, allowing them to collect the keys and drive. The car is fully charged upon collection and does not need to be charged for short journeys.

Initially, DVCC intended to contract out daily operation to an established third sector operator. However, their preferred operator was not willing to negotiate to a position where DVCC felt they had enough control, so DVCC decided to run it independently, using volunteers. DVCC has its own insurance and online booking system for members. It also provides a volunteer-driver scheme for those who cannot drive and promotes car clubs as one of the solutions to mobility.

DVCC does not require any operating licences to run the car club. For members to hire a car, members must prove their identity and DVCC's insurers stipulates that it checks that the driver has held a licence for two years and has no more than six penalty points. This is mostly done online. Membership is not restricted in terms of location, beyond members' self-selection due to the cars' locations. Members take an induction before their first booking, including how to charge the car and its basic operation. Some members are unfamiliar driving EVs and so can be supported with longer induction sessions, including a test drive.

With membership increasing, DVCC secured Department for Transport funding for a feasibility study to expand into other areas of Derwent Valley. The study included extensive direct consultation, allowing DVCC to carry out a detailed market assessment. It showed significant demand for car clubs and recommended basing cars in five new locations. However, funding was not immediately available to implement the findings.

During 2019, DVCC joined a national innovation project called Scaling On Street Charging Infrastructure funded by Innovate UK and the Office for Zero Emission Vehicles, aiming to deliver 200 on-street charging posts within communities with little off-street parking. Additionally, it would aim to develop DVCC into an exemplar project with two more car club hubs and associated charging infrastructure. This allowed two new car club hubs to be launched at Rowlands Gill in Gateshead and Shotley Bridge in County Durham, increasing the geographical spread to three Nissan Leaf vehicles in three locations.

That funded project allowed DVCC to build a working relationship with Durham County Council around street charging points, particularly in rural areas. MER, the Norwegian state power company, and Durham County Council are working with DVCC around charging points with dedicated bays for DVCC cars. This ensures charging point use where initial demand would likely be low. Durham County Council's local area action partnership has funded the installation of seven additional charging points and match-funded others as part of increased availability of car club vehicles in North West Durham.

In 2022, DVCC secured Motability funding for a further two vehicles in two new locations in County Durham, from funding as part of a national proof-of-concept project. This brings their total fleet to five EVs in five community locations. DVCC is now partnering with three other organisations to further develop the proof-of-concept of rural car clubs and volunteer driver schemes: Leicestershire's Green Fox, Derbyshire Community Transport and Sussex Community Transport.

These partnerships are building a baseline of evidence to strengthen the understanding of communities' needs and aspirations. This aims to ensure tailored models meet them. They have used surveys to directly target residents in communities where a need for has been highlighted in general EV car club surveys. The partnership circulated an initial survey among community groups, parish and town councils in Durham, Leicestershire, Cumbria and Lancashire. They also delivered webinars to engage communities and explain the EV car clubs concept. Over 60 communities attended webinars and over 150 communities responded to the survey. Of those who responded: 98 per cent felt residents may benefit from additional transport options; 94 per cent of respondents were interested in a car club within their community; 94 per cent felt that a volunteer driver scheme could be successful.

How can climate impact be measured?

It is clear that DVCC is having an impact in terms of carbon emissions. This is likely to be achieved by modal shift from fossil-fuel cars towards the electric vehicles offered by the car club. Moreover, some members who may otherwise have purchased their own vehicle (with its own embedded carbon) may no longer do so. DVCC does not currently record metrics in terms of its carbon saving and a robust evaluation would be required to account for deadweight. That is to say activity that might already have taken place but over different timelines if DVCC did not exist (for example, residents purchasing EVs after successfully using DVCC's EVs or supporting charging infrastructure development in County Durham).

DVCC has also had an impact in terms of community leadership and aiding County Durham in making its broader net zero transition. DVCC has been a key partner in the roll-out of charging points in rural County Durham, expanding opportunities for local people to join the car club or purchase their own electric vehicle.

- **Community transport:** DVCC provides five electric vehicles and has helped provide community transport infrastructure (namely charging points) by working with local partners. The number of vehicle trips or distance travelled and emissions comparisons with a similar-age petrol vehicle to the car club electric vehicles could enhance this impact measurement.
- **Renewable energy:** DVCC installed solar panels on a community centre to provide renewable energy and increase the financial viability of DVCC. The output of these solar panels contributes to DVCC's carbon saving against using standard grid electricity.
- **Education and skills:** DVCC supports behaviour change by encouraging modal shift away from fossil-fuel cars through providing electric vehicles for hire. DVCC also provides discrete training to those who have not driven them before. This can encourage people to move to only using electric vehicles via the DVCC offer or purchasing their own over time.

EMERGE Recycling

EMERGE Recycling is a community business that offers waste, reuse and recycling services in Manchester.

What's the story?

The venture started in 1995 as the East Manchester Environment and Resources Group Emerge (EMERGE) voluntary group. EMERGE started with kerbside collections of recyclables from 50 homes and built from there, forming as a company limited by guarantee in 1998. By 2000, it was collecting paper fortnightly from 30,000 homes. It secured contracts and partnerships with local authorities, innovating and growing along the way, providing multi-material kerbside recycling for 63,000 homes by 2003.

EMERGE has grown considerably, supported by increased demand. According to Ethical Consumer magazine, the market for recycling in 1999 was worth £11.2 billion. Today they conservatively estimate this figure to be £122 billion. Meanwhile, the confidential shredding market in Greater Manchester alone is estimated to be a value significantly greater than £25 million and wood recycling has undergone a boom in the UK, from less than 2 per cent of wood waste in 1990 to more than 80 per cent in 2020.

Ethical Consumer's market analysis indicates desire in the wider community for high-quality ethically motivated services run by organisations who not only demonstrate value for money but treat staff well, behave respectfully towards the environment and support the wider economy and community. It is considered that EMERGE's approach and alignment with this desire has helped drive their growth.

What are their aims and drivers?

EMERGE Recycling is a social enterprise founded on the principles of sustainable resource management, social value and quality service. It has set out a clear vision, alongside their sister charity EMERGE 3Rs, for the 'real 3Rs' principles of reduction, reuse and recycling to become second nature. It seeks to achieve this vision by influencing positive changes, by upskilling and engaging with the wider community, and by improving people's lives, such as through employment opportunities with EMERGE.

What are their activities?

Currently EMERGE comprises three companies/activities: EMERGE Recycling, EMERGE 3S and Touch Wood:

- EMERGE Recycling is a Community Benefit Society with 19 employees. It provides a full range of waste, reuse, recycling and confidential shredding services to businesses and schools, and promotes sustainable resource management by offering advice and information within the wider community.
- EMERGE 3Rs is a registered charity that runs the FareShare Greater Manchester operation (it's like a social franchise, in partnership with the national charity FareShare). It accepts donated, in-date, surplus food and redistributes it to over 250 frontline charities and humanitarian initiatives across the city region, High Peak and also Cheshire East. The charity also runs volunteering, work experience and employability activities, supporting FareShare GM and Touch Wood primarily.

- Touch Wood is a reclaimed timber workshop and shop specialising in timber re-use and upcycling wood waste collected from businesses.

One speciality of EMERGE Recycling is confidential data destruction, having the British Standard in secure shredding, BSEN15713 and ISO9001 Quality Assurance systems in place. EMERGE Recycling has around 700 customers. It made a small profit in 2020 and 2021 (impacted by Covid-19) on turnover of £637,000 and £514,000 respectively.

However, the group wants to go further with its impact management. The reporting has often depended on the requirements of different funders and business strands. EMERGE hopes to develop a dashboard approach for the whole group and is working with a consultancy to do so. Recently, EMERGE investigated its social impact, finding that it has created £912,751 of social value with a ratio of £1.17 of additional social value for each £1 invested. This factored in employment, volunteering and training impacts including relief from anxiety and depression, and growing levels of confidence as a result.

The EMERGE Group has a range of partnerships with various organisations, including major corporates, which operate in different ways; it aims to develop 12 'exceptional' partnerships over its three-year plan. EMERGE works with lots of partners across the local private sector, and is seeking to diversify this – for instance, if a business starts as a customer via Emerge Recycling, they could look to move them towards partnering with EMERGE 3Rs to broaden their corporate volunteering. This model has shown some success; for instance, for some time Kellogg's has had an arrangement with FareShare GM providing surplus donations, and is also now working with Touch Wood.

EMERGE is supported by local housing association One Manchester through its Green Futures Jobs scheme. This is a programme supporting residents of One Manchester to gain experience and employment in green industries. It also partners with organisations upstream in its supply chain. EMERGE has excellent relationships with paper and card mills locally and a waste transfer station a mile away from the depot.

EMERGE Recycling reports that customer satisfaction has been consistently high, with a satisfaction score of 4.6 out of 5 for customer service and 4.5 out of 5 for collections. During the pandemic, most customers agreed to pay a retainer, despite reduced services, to help EMERGE through the difficult period. This is indicative of strong relations between EMERGE and customers.

The roof of Unit B at Maynard House, where EMERGE Recycling is based, presents an opportunity for installing of solar panels. The aim of this is for Emerge Recycling to generate its own power. This would further support EMERGE's carbon neutral goal by completing the cycle with solar power to run plant and machinery, alongside the possibility of a new source of income by generating additional electricity for at least part of the year.

EMERGE plans to invest in a new fleet to enable it to move towards carbon neutrality, which is hoped will be a guiding influence on other businesses, including its own customers. Unknown opportunities from the investment in a green fleet could create areas of diversity or customer markets not currently available. EMERGE intends to explore how it might support customers to offset other less carbon neutral parts of their businesses, due to their low carbon footprint, as well as advising them to reduce, reuse and recycle throughout all their processes.

How can climate impact be measured?

For the purposes of impact in this case study, we focus on the EMERGE Recycling operation and Touch Wood upcycling operation.

- **Renewable energy:** Installed renewable energy initiatives within business. EMERGE has installed a solar array as well as heat recovery from the FareShare GM fridges and freezers, which provides heating to the main building. There is potential to deepen this impact by installing more solar panels on the roof of the depot to generate renewable energy to power operations.
- **Circular economy (waste and reuse):** Repair and reuse by community business. According to EMERGE, in the year to March 2022, it diverted 433 tonnes of wood waste from disposal – 135 tonnes was reused, saving 216 tonnes of CO₂ in the process, and the rest was recycled. The recycling operation recycled 953 tonnes, saving 885 tonnes of CO₂. In delivering these outcomes, EMERGE also states that they use less fuel than skip collection, reuse wood more efficiently than recycling alone, and displace timber from logging.
- **Education and skills:** Providing training and low-carbon jobs and supporting behaviour change. There is a clear capacity to create a good number of jobs and provide skills training in what is in effect a logistics business within the green economy. EMERGE has pursued partnerships to deepen this and offer training. Across the group, EMERGE employs around 50 people in jobs requiring low-carbon skills and nine people were trained in the year to March 2022. The work of EMERGE also supports behaviour change, particularly given the potential of its approach to deepen engagement with partners across the business units.

Fordhall Farm

Fordhall Farm is a community-owned 140-acre livestock farm located near Market Drayton in north Shropshire, West Midlands.

What's the story?

Fordhall Farm has been chemical free for over 75 years after its organic pioneer, Arthur Hollins, realised the harmful effects of chemical farming on the sustainability of the farming system and vowed never to use chemicals on the land shortly after the Second World War. The result, according to Fordhall Farm, is a farming system low in inputs and healthy for the livestock, a system almost unique to Fordhall.

Originally, a family farm, Fordhall declined and was under threat of being sold to developers as the tenant farmer Arthur Hollins grew older. Arthur died in 2005, when his two children Charlotte and Ben decided to save the farm. Advice that they have received push them towards the community land initiative.

Now, it is effectively two businesses that are mutually interdependent: the Fordhall Community Land Initiative (FCLI) was formed in 2005 as a community-benefit industrial and provident society (IPS) when Ben and Charlotte Hollins fought to save the farm from development, and Fordhall Farm Ltd, which is the business of Ben Hollins as tenant farmer.

What are their aims and drivers?

The advice received drove the idea of forming a community land initiative ownership of the freehold. This is a slightly complex structure which was designed to keep farming land which has been in the Hollins family for generations and have the freehold ownership of the land in community ownership to protect it in perpetuity, and the non-monetary value the farm offers. They further hoped to open the farm to the wider community for enjoyment and education and to use it to promote interest in small-scale organic farming. To achieve this £800,000 had to be raised in less than six months to purchase the farm's freehold.

Charlotte and Ben, now the tenant farmer, drive Fordhall's vision, shaped by regular community consultation. Fordhall Farm's mission statement sets out that by restoring connections between 'hearts, minds and the soil', they will encourage and create meaningful change, helping to build health and resilience for people and the planet. It endeavours to demonstrate that small-scale farming connected to the local and wider community can offer a viable way of life for generations to come.

What are their activities?

Led by Charlotte and fellow female entrepreneur Sophie Hopkins, this dual-business structure facilitated the involvement of thousands of people over a short period of time to raise £800,000 in 2006. This was achieved via a high-profile national campaign promoting £50 non-profit making shares to the public; the FCLI now has over 8,000 not-for-profit members spread across the UK and the globe. This made Fordhall Farm England's first community-owned farm; the IPS for the FCLI owns the freehold on its membership's behalf. The scheme was created through community consultation and involvement, seeking to serve the local community's needs as well as those of the tenant farmers.

Collectively, members own the farm, visit and take part in activities. The FCLI is an innovative, dynamic and evolving organisation with both charitable and enterprise activities. It rents the land, farmhouse and some buildings at Fordhall Farm to Ben Hollins as tenant farmer, and he runs a farm shop and butchery on site. Meanwhile FCLI uses the same land to benefit the community and increase awareness of food and farming, through a restaurant and meeting room, renting out yurts for glamping, organising educational and social events, running day/residential courses, a community garden working with adults with learning disabilities, running a youth project to support vulnerable young people, social prescribing for mental health, volunteering opportunities, providing free access to the farm for the wider public through waymarked farm trails and publishing newsletters to members.

How can climate impact be measured?

In 2021, Fordhall Farm undertook its first carbon footprint exercise, with help from an intern at Shropshire Wildlife Trust. These results formed a baseline

for both the Fordhall Community Land Initiative and the farm business, allowing them to monitor their impacts now and understand the effectiveness of their actions to reduce carbon emissions. They used the Farm Carbon Calculator tool, which disaggregates the main sources of emissions. For FCLI, the main emissions were from materials, notably aggregates. Unsurprisingly, the main source for the farm itself is livestock.

The 2019 carbon footprint of FCLI was estimated to be 31.98 tonnes of carbon dioxide emitted. The FCLI Board have a policy to reach net zero by 2030, and are currently working on this strategy. Meanwhile, the 2019 carbon footprint of Fordhall Farm Ltd was estimated to be 303.35 tonnes carbon monoxide equivalent (CO₂e) per year.

- **Land use and acquisition:** The 140-acre site has been managed somewhat sustainably with a low input (in other words, chemical free) way of livestock farming since the 1940s and by preventing its sale to developers, this has continued. There are over 70 different plant species identified throughout the pastures at Fordhall.
- **Management of natural environment:** Community shares enabled the 140-acre site to remain as green space – with a clear goal of being accessible to the public – rather than be developed. Over 5,000 trees have been planted since it has been placed into community ownership, three ponds have been restored and one new pond has been created. There are further plans to plant new hedgerows and tree lines throughout the farm, adding to those already there. Recent carbon measurements indicate a high average of 10 per cent soil organic carbon matter within the site's soils.

- **Local food production:** The farm is operational, rearing livestock, and there is a restaurant and community garden. An estimate of scale of production – such as units sold or specific income – would strengthen this impact measure.
- **Education and skills:** Fordhall Farm offers volunteering opportunities, supports people with disabilities to learn gardening skills, supports vulnerable young people to contribute to conservation tasks, and offers education through guided visits, residential stays, events and publications on food and farming. A draft process of how the farm will encourage behavioural change has been developed, and plans are in place to measure progress against strategic objectives, with the potential to support such change.

According to surveys undertaken by Fordhall Farm, members report they are benefitting from the community business: 35 per cent of participants indicated that their association with Fordhall had encouraged them to become more locally involved while 76 per cent of participants believed that their involvement with Fordhall had made them feel part of a wider community of interest.

Supporters were asked whether their involvement with Fordhall had changed their attitudes or beliefs about life and, overwhelmingly, 86 per cent of the people surveyed replied that they felt empowered by their involvement with Fordhall, while 98 per cent would support another community farm buyout after their experience with Fordhall.

Fordhall Farm, 2015



Granville Community Kitchen

Granville Community Kitchen runs the Good Food Box scheme, providing vegetable boxes of locally grown, sustainably sourced produce at affordable prices to residents in South Kilburn, London.

What's the story?

Granville Community Kitchen (GCK) is a multi-faceted community business focused on food. Climate action is a part of a broader mission to improve wellbeing and support the community. The offer is food-centred activities, services, education and training that aims to be accessible, family friendly and open to all. This case study focuses on the Good Food Box operations component of GCK. Good Food Box started in October 2020 and is a vegetable box scheme (optional fruit addition available) run on a membership model with a set tiered pricing system.

GCK is situated at the Granville Centre, a historic brick building in South Kilburn, and home to Merle's Diner for 25 years. Merle herself started off at the Granville with £10 to feed the youth club downstairs, and was later hailed as 'the Queen of Caribbean Cuisine', loved by locals and celebrities alike. When she hung up her apron, Granville Community Kitchen stepped in.

Local co-founders Dee Woods and Leslie Barson started GCK with the aim of developing a vibrant community hub to promote the health, wellbeing and employability of the South Kilburn community. Cooking, eating and growing food together was a way of bringing the community together, building resilience and repairing harms done to marginalised people. Dee believes "people have a right to a life of dignity and a right to food and nutrition". She adds, "As long as we continue to conflate the issue of food waste with household insecurity, then not only are we supporting an industrial food system that is killing our planet (and us!), but we are complicit in the violation of human rights of millions of people."

What are their aims and drivers?

The main aims of the food box are to provide vegetables grown organically in a way that improves access for those on low incomes to fresh produce, is inclusive, fair, community-minded and with fewer food miles than alternatives. GCK sees its potential climate and community impacts as significant. This includes paying farmers fairly, offering fresh and organic produce and culturally appropriate vegetables for the local community, transparency and the wider socioeconomic impact – low-price quality produce is available for those who need to pay less achieved through cross-subsidisation from a tiered pricing system.

GCK summarises its values as dignity, care, integrity, equity and justice. This guides the main areas of work, which include building and sustaining community, making good food accessible to all, building and shifting power and influence, creating opportunities for livelihoods in the food system, supporting opportunities for learning and education, and holding and creating alternative stories and narratives.

What are their activities?

GCK's payment model is a tiered pricing system, involving a solidarity model whereby revenue from higher tiers supports making lower tiers more accessible. The model has three different payment tiers: Start, Go and Solidarity (in order of price). People self-select their payment tier when they sign up. For example, at the Start price tier a 'small veg bag' containing six types of veg costs £3.90 each week (approximately £16.90 a month) while a 'family veg box, with 11 types of veg in larger quantities carries a Solidarity price of £104 each month. The latter is comparable to mainstream veg box providers.

The boxes and bags are put together weekly on a Wednesday and customers need to collect their veg from either Granville or one of the other three collection points. The vegetables largely come from Better Food Shed, associated with the Better Food Traders network. This is a community-led organisation that seeks to use collective buying power to shape the market towards a more sustainable agriculture system. There is an online platform associated with open food network which offers sales.

GCK sits at the heart of a diverse neighbourhood and is rooted in a history in this community. Good Food Boxes include a culturally appropriate foods option to meet the needs of the community. The requirement to be fully organic is relaxed in this case to enable a wider range of food to be offered. This reflects the black-led roots of the initiative.

The box scheme is currently staffed by a coordinator (20 hours a week), a promoter (eight hours) and a produce orderer (12 hours) alongside a team of volunteer packers. Looking ahead, GCK hopes to access land in order to expand its educational offer and supply capabilities for Good Food Boxes.

How can climate impact be measured?

- **Local food production:** Granville Community Kitchen offers locally produced veg boxes using vegetables purchased through a network of local, sustainable food producers to minimise the impact of the supply chain.
- **Education and skills:** GCK supports behaviour change because its food boxes are affordable and attractive – and in encouraging people to switch to them, GCK is also shifting vegetable consumption of customers towards more sustainable and local food.

Heart of BS13

Heart of BS13 is a charitable organisation in south Bristol, operating a community flower farm from Hartcliffe City Farm. There are three enterprise streams: Heart of BS13 Flowers supports vocational training and jobs in horticulture; the Climate Action Hub offers a range of climate and environmental opportunities, supporting young people to consider jobs and education in the green economy; the Kitchen produces a range of high-quality meals that are sold in retail outlets across the city of Bristol to financially support the Heart of BS13 Community Freezer, helping to tackle food poverty.

What's the story?

Heart of BS13 was founded in 1990 with a focus on addressing health problems through a connection with the local environment. Heart of BS13 covers Hartcliffe and Withywood — a large peri-urban estate located on the south side of Bristol with high levels of deprivation.

Over the years, the organisation's scope has expanded to include mental health support, nutrition and cooking activities, and now social enterprise. In 2020, it rebranded as Heart of BS13 and launched a refreshed approach to its work. One element of activity is running a no-dig, chemical- and plastic-free flower farm.

Heart of BS13's Community Climate Action Plan was developed in 2021 alongside the Bristol Community Climate Action project, to reduce the community's carbon footprint and support Bristol's goal to be carbon neutral by 2030. Heart of BS13 recognises systemic and transgenerational inequalities faced by the community, like limited work opportunities and low educational attainment. For instance, fewer than 2 per cent of local young people go into higher education. Breaking this unequal cycle for future generations through climate action and improving the local residents' quality of life are emphasised.

While Heart of BS13 have three distinct programme areas, this case study focuses on the flower-growing enterprise. Alongside this, Heart of BS13 are developing a 'closed loop' household food waste project as an additional micro-enterprise and income stream.

What are their aims and drivers?

Heart of BS13's genesis lies in supporting better health for the local community and these co-benefits are as important to the organisation, alongside carbon savings: "Our plan's focus on co-benefits for local people alongside carbon savings impact is essential. As our community recovers from the pandemic... a net carbon Bristol must also have improved quality of life for residents and social justice at its heart."

The aims for the flower farm is to increase revenue and support residents from the community to develop vocational skills in horticulture, and for them to enjoy the health benefits of this. The environmental focus is improving soil health and increasing biodiversity.

Through co-production and community-led climate action, the project seeks to support three societally significant impacts: reduced risk of climate change, a just and inclusive net zero transition, and supporting wider community needs and priorities by improving quality of life – including improved health and wellbeing or economic opportunity.

Heart of BS13, in partnership with another local organisation, Windmill Hill City Farm, successfully secured the asset transfer of a derelict city farm space, Hartcliffe City Farm. Their shared ambition is to develop it into a thriving hub of community activity with sustainable growth for the neighbourhood.

What are their activities?

The flower farm is a community business growing flowers sustainably, and the flower farm makes up a third of the organisation's earned income strategy. Heart BS13 Flowers offers: flowers for sale online from May to October, supply of flowers to florists in Bristol, celebration and sympathy flowers, hosting away days for businesses, and training and education opportunities, including six- to 12-month trainee placements, free short Level 1 courses in horticulture, and weekly sessions with local schools on horticulture for young people.

Heart of BS13 Flowers puts a strong focus on employment and training for people who experience barriers to training and employment. Behind the vocational skills development piece of this work is the five-strong Stepping Up Team, who started as volunteers/referrals through a local social prescribing project.

Heart of BS13 is one of six partners in Bristol's Community Climate Action project, coordinated by Bristol Green Capital Partnership, which recently secured funding from the National Lottery to develop a range of climate and environmental actions. The first stage of this funding was used to undertake a large-scale community engagement study with over 1,000 young people in the area to gain insight into the barriers that face them in understanding what the climate crisis will mean to them both in terms of threats and opportunities.

The micro-enterprise focused on household food waste composting is advancing as a demonstrator project. It has the potential to make annual carbon savings of 26.5 tonnes CO₂e by turning household food waste into rich, organic compost to be used as high-quality soil nutrients to increase yield at the flower farm. The demonstrator project offers a range of volunteering, participation, education and vocational training opportunities to Heart of BS13 residents of all ages.

How can climate impact be measured?

Heart of BS13 has identified scope to collaborate and benchmark impact with other similar flower businesses at varying stages of development and uses Makerble as the ongoing monitoring tool for its demonstrator project. That project was estimated to have an annual carbon saving of up to 26.5 tonnes CO₂e. Heart of BS13 Flowers is a relatively new and expanding operation. As it develops, it can further refine metrics to evidence the specific impact of the flower growing activity and it has also budgeted to commission a three-year evaluation and impact study for its climate action plan activities.

- **Land use and acquisition:** in partnership with Windmill Hill City Farm, Heart of BS13 secured the 30-acre Hartcliffe City Farm site via a lease from Bristol City Council and part of this site hosts Heart of BS13's flower farm.
- **Management of natural environment:** growing a range of products at the site -from food to flowers - supports biodiversity including local insect populations. Heart of BS13's action plan includes agricultural practices that reduce emissions, increase soil carbon and promote biodiversity. Recent funding of £68,000 from West of England Combined Authority to increase biodiverse pollinator habitats across the geography of BS13 (including the meadows around the flower farm) will increase insect and small mammal populations.
- **Local food production:** growing activities undertaken, and business involved in the wider supply of local food produce.² Growing activities take place on the site, with a particular aim of displacing carbon-intensive international imports. Heart of BS13 has the potential to deepen this impact through their growth plans, such as supplying hospitality businesses with flowers. Sales income targets in 2022/23 of £22,000 have been achieved. The sales income target for 2023/24 is £35,000. For context, the flower farm staff salaries are currently subsidised by 50 per cent from grants, but that this will reduce over the next three years.
- **Circular economy:** recycling and reuse by the community business. Heart of BS13 is developing a closed-loop composting system using waste from other areas of the farm and local household food waste with the flower-growing business to create compost to support additional growing.
- **Education and skills:** training into low-carbon jobs, education linked to the environment and climate change, and supporting behaviour change. Heart of BS13 offers different training and education opportunities, including a formal qualification scheme to train people in horticulture - a low-carbon area. There is also extensive work on educating people related to climate change (and sustainable agricultural practice) and promoting behavioural change, such as Heart of BS13's work with local schools. Currently, this involves between six and 10 volunteers attending each Tuesday, and four to six attending via the Stepping Up Team every Wednesday. Around 10 people have been supported to achieve the horticulture qualification, and there are additional placements funded through adult social care for adult learning. Heart of BS13 also creates awareness among customers, who could alter consumption patterns, improving sustainability (when customers learn that flowers are not sustainable all year round) and buying locally.

2 While flowers are not considered 'food', they are grown goods produced and consumed and so are considered broadly sufficient to meet the intention of this impact category.

Heeley Trust

Heeley Trust (HT) is a community business in Sheffield that refurbishes heritage assets into workplaces and owns a range of cycling businesses and projects in Heeley and Gleadless.

What's the story?

HT's journey began in 1996 when it secured a 125-year lease for some derelict land left after land clearances for a bypass that was never constructed, and used it to establish a 3.5 ha community-owned, designed and managed park. This became Heeley People's Park, now a central hub for the community. Other projects stemming from this include Big Boulder & Heeley Festival, and taking on management of Meersbrook Hall.

Recognising a lack of investment in local heritage assets, like the Hall, an old Sunday school on Gleadless Road and another derelict school, Heeley Trust took on the challenge of refurbishing them. It creates vibrant workplaces for local businesses and community services, while also providing a funding stream for the Trust's work through rental incomes.

HT has a diverse range of projects, through independent, not-for-profit and community-led initiatives. One project is the community bike shop and workshop, A Different Gear, acquired in 2020. Alongside the sale of new bikes, A Different Gear also repairs and refurbishes donated bikes and accessories.

What are their aims and drivers?

Local people had had enough of dereliction and created the Trust and the park to chart a new course. This then drove more desire to improve and regenerate local heritage assets that had been left dilapidated. While HT's initial motivations were not explicitly driven

by climate concerns, its commitment to environmental sustainability emerged through efforts to regenerate local heritage assets. The trust's CEO, known as the 'cycling CEO' due to a cycling passion, played a pivotal role in incorporating cycling elements into HT's work, leveraging this passion and promoting its benefits.

A Different Gear did not start from a commitment to climate action; rather, the impetus was to save a neighbouring community bike repair and recycling project from closure. ReCycle Bikes in Attercliffe had a contract with the Pupil Referral Unit to work with young people and provide six placements per year, which paid for one staff member. HT wanted to prevent its closure and sustain the project, so it acquired the business.

What are their activities?

Heeley Trust has a long history of taking on unloved assets and regenerating them into community assets, like Heeley People's Park and other derelict buildings in the area. Income from the managed workspaces contributes to managing the park.

As well as running community bike shop and workshop A Different Gear, the Trust offers a range of cycling-related activities, including selling e-cargo bikes as part of promoting behaviour change, delivering Pedal Ready cycle training which offers opportunities to gain experience to cycle safely and a mobile workshop which delivers events across Rotherham, running a cycle hub at Barnsley station and the Run Adventure elite cycling event, and managing a contract with the university to repair the bike fleet and sell bikes to students. HT also supports local authority bike loan schemes in South Yorkshire, works on a refugees and cycling project

and takes a 'ladders of engagement' approach to promoting women in cycling.

HT has also won a local authority contract to promote behaviour change in relation to cycling. The Trust has continued to grow the cycling business over time, developing expertise and securing investment, redeveloping part of their site to provide a purpose-built bike hub and providing bikes to key workers during lockdown, keeping HT staff in employment and protecting the business. The cycling projects now contribute about 50 per cent of HT's income, generating a surplus. This includes an online retail presence with regional reach.

The Trust's commitment to sustainability is reflected not only in these cycling projects but also in the approach to managing Heeley People's Park, developing a comprehensive 100-year plan to mitigate the effects of climate change, including creating tree canopy cover and diversifying planting to ensure resilience.

When refurbishing heritage assets, the Trust pursues high environmental standards, incorporating energy-efficient design principles and exploring options like rainwater capture and solar water heating. It has won four Royal Institute of British Architects (RIBA) sustainability awards through thoughtful design, reusing what was already there, and energy-efficient design. The Trust sought not to treat heritage as a barrier. However, this meant it was crucial to ensure capital grant funders understood the challenge and allowed sufficient funding for environmental measures in the original refurbishment of the heritage assets – because it would be much more expensive to retrofit these later.

Strategic capital funding played a crucial role in the Trust's early development, enabling the renovation projects and this integration of environmental considerations. However, increasing construction costs and a scarcity of grant funding pose challenges, potentially leading to the demolition and rebuilding of heritage assets, which has a higher environmental impact than restoration.

The Trust has faced other challenges and sought to overcome them, relying on income from rent and other sources to cover maintenance costs and fund activities. Acquiring derelict land or buildings that can generate income is crucial for sustainability. However, success depends on favourable timing, access to capital, and achieving viability across multiple projects simultaneously.

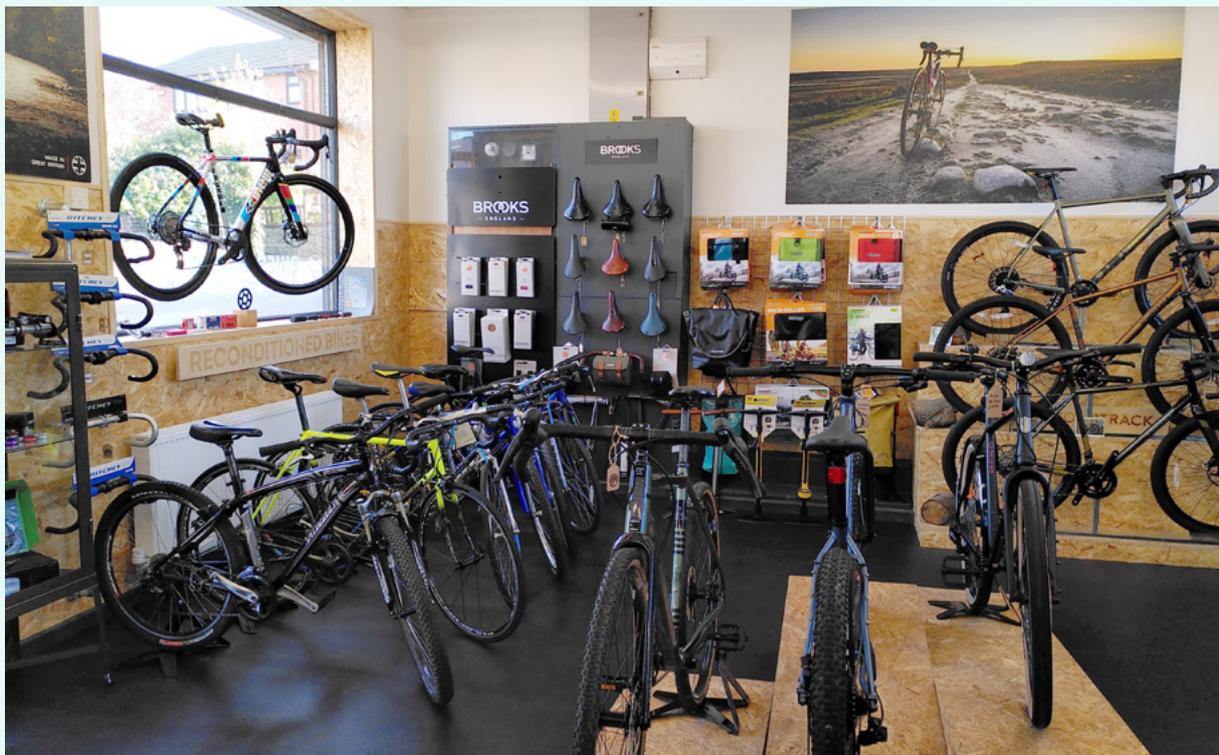
HT faced difficulties accessing strategic capital for the refurbishment of Sum Studios, an old Victorian school. Despite efforts to secure funding through the National Lottery Heritage Enterprise programme, this was unsuccessful, resulting in rising costs for phase two of the project and HT is now exploring a partnership bid with Sheffield City Council to access levelling up funds. However, the challenges in obtaining grant funding and the lack of momentum due to unsuccessful bids have extended the project timeline.

Contracting plays a vital role in HT's business model, and it often collaborates with commissioners to enhance contract effectiveness. However, it has observed that competitors, often non-local entities, can bid for contracts based on the specifications that HT helped design. This disadvantages HT, which prioritises long-term commitment to the community, and may not always be adequately reflected in procurement processes.

How can climate impact be measured?

- **Land use and acquisition:** HT took on 3.5 ha of derelict land to transform it into a public park with rock climbing area, significant planting, children's playground and large open area for public events.
- **Renewable heating and efficiency measures:** undertaking of retrofit activity and building refurbishment.
- **Woodland creation and management of natural environment:** HT manages a 3.5 ha park and is planting trees to increase canopy cover. Planting activity has created homes for different wildlife and bird species.
- **Adaptation to climate impacts (resilience):** HT is planting trees to increase canopy cover within Heeley People's Park to mitigate the effects of climate change.
- **Active travel and community transport:** HT supports a range of active travel activity, including cycle hubs and a cycle shop and workshop. This supports the local community, including employees of the Trust who all live within walking distance of their workplace and 80 per cent of whom use active travel to get to work.
- **Circular economy (waste and reuse):** recycling and reuse by the community business whereby A Different Gear offers bike refurbishing, ensuring bikes are reused.
- **Education and skills:** through A Different Gear and its cycling functions, HT offers training and support for people to cycle while supporting other schemes, like the university bike scheme, helping achieve modal shift towards active travel.

A Different Gear, Heeley Trust



Latch – Leeds Action to Create Homes

Latch – Leeds Action to Create Homes refurbishes derelict housing in areas of high deprivation to provide homes to people in housing need.

What's the story?

Latch is a community business that has been refurbishing derelict and dilapidated homes in Chapeltown, Harehills and Burley in Leeds for over 30 years. Its origins are in working with volunteers, some of them homeless, refurbishing derelict empty properties to provide housing for homeless people. It buys and refurbishes derelict properties and lets them as supported housing to homeless people. This model has resulted in Latch owning 105 properties in Leeds.

When they're fully modernised, the properties provide supported housing for people who are homeless or in housing need. In Leeds, there is a high demand for the type of properties refurbished by Latch and long waiting lists for social housing. Concurrently, there are an estimated 3,000 empty properties in Leeds.

What are their aims and drivers?

Latch's core purpose is providing both high-quality, energy-efficient, affordable homes to people in housing need and the support that tenants need to have successful tenancies. Most of the renovation work is undertaken by Latch staff and volunteers. Some have building trade experience already, while others learn new skills as they work on site.

Latch's aims are not concretely environmental, rather energy efficiency is a goal in supporting the people who will live in the homes, with a beneficial, incidental climate impact.

What are their activities?

Latch buys and renovates six to eight properties per year, which costs around £1.2 million. Latch buys houses in need of considerable repair, so for instance requiring new roofs, rewiring, kitchens, bathrooms or heating systems. Latch seeks to retrofit as many as possible with internal wall insulation, but this is dependent on the availability of funding, the purchase price of the property, and other refurbishment costs.

Typically, Latch buys Victorian back-to-back properties with solid walls. Latch has extensive experience of retrofit and has used numerous systems for internal wall insulation. Latch's minimum target is always to refurbish to Decent Homes standard and to surpass this to meet Latch's own standards. Where possible, Latch aims to undertake extensive insulation and airtightness interventions. One barrier to this is that retrofitting work takes longer which can delay property being rented and generating income.

Currently, Latch uses a system of timber or metal frame with mineral slabs in between, because it considers it most cost effective. More capital-intensive systems which Latch has used previously have achieved greater impacts in relation to saving energy: an average retrofit using the current system costs £5,000 per house, while systems which are more effective in saving energy can start at £8-£9,000 per property.

To maximise effectiveness, Latch aims to make buildings airtight – this includes under the cellar floor and around the windows. In its experience, this is often where commercial retrofit competitors cut corners and it seeks to provide a higher standard of work.

As gas boilers are phased out, Latch recognises the need to adopt alternatives, including ground or air source heat pumps and solar panels, which could be installed on most properties. Latch hopes it will be able to upskill its own staff team in installation of photovoltaic, ground and air source heat pumps as this progresses. However, it sees this as a gradual process. Initially, the expertise would be bought in with the staff team gradually taking on the work. Latch aspires to do more environmental work, but finds that finance is an impediment.

How can climate impact be measured?

Latch has an environmental policy, and try to reuse as much as possible and use sustainable products. Environmental issues are part of procurement processes – including ensuring that highly efficient heating systems are installed in Latch housing.

No environmental impact measures are included in Latch's business plan for monitoring and evaluation. Latch has not done systematic assessment of climate impact for a number of years, though some anecdotal evidence is collected, which reports success of the energy-efficiency measures in reducing usage of heating systems. Because of the shortage of suitable housing in Leeds, retrofitting does not affect demand for properties, however it has the potential to make a huge difference to quality of life for tenants, particularly as energy prices are so high.

Latch aims to set an example around environmental sustainability to everyone it works with – tenants, funders and partners – and is therefore keen to share information about its retrofit activities.

- **Renewable heating and efficiency measures:** Latch's main activity is building refurbishment, and in the past decade 59 buildings have been brought back into use – of these, 19 properties received full retrofit works, including internal wall insulation, loft and cellar insulation (where applicable), air tightness measures, high-performance thermal doors and A-rated boiler installations, while 40 units received all of this bar internal wall insulation. Where possible, energy-efficiency measures are installed and low-carbon energy sources are being investigated for future renovations. Latch reports that tenant feedback is very positive, including in relation to the management of utility bills. Latch's principal mission is to house people who are in significant housing need – so a key social impact will be lower fuel bills, driven by lower consumption. Support from Latch for tenants encourages energy efficiency to keep household bills down.

Witton Lodge Community Association

Witton Lodge is a community anchor and landlord that converted a heritage Parkkeepers cottage in Witton Lakes Park into an eco-hub.

What's the story?

Witton Lodge Community Association (WLCA) is a community anchor and community landlord, established in 1994 by residents in Perry Common, Birmingham, as a response to the announcement that 908 houses would be demolished. WLCA now owns and manages over 200 homes for social, affordable and market rent including a 40-apartment Independent Living Scheme, Sycamore Court.

Birmingham City Council owns Witton Lakes Park. In 2009, the local community established the Friends of Witton Lakes, becoming involved in the park, planting a community orchard and organising activities. Around the same time, the council was looking to dispose of the parkkeepers cottage within the park and WLCA submitted an Expression of Interest to take on the building and surrounding compound as a community asset transfer.

The building was dilapidated, but WLCA recognised the local community's passion and agreed to explore the potential to redevelop the site. Visits were undertaken to similar facilities as part of assessing feasibility. Initially, a portable cabin in the park was brought back into use as a tea room to facilitate community engagement and visits to the site.

Taking on the building also fitted with the strategy of WLCA, as it was collaborating with the community in the Wyrley Birch area of Birmingham, an area that lacked community facilities. Taking on the parkkeepers cottage and compound in Witton Lakes would give WLCA a physical stake in the area, demonstrating long-term commitment.

Construction during the pandemic was not straightforward. The contractor delivering the contract ceased trading before starting on site and the work had to be re-tendered, meaning delays and further cost. WLCA is an experienced developer with technical knowledge, established partnerships and a solid financial base. Without this, the problems encountered could have been potentially even more challenging.

What are their aims and drivers?

As a community association and community-led housing provider, WLCA is more than a landlord. Its work includes supporting local people with jobs and skills, getting involved in environmental projects and encouraging people to live well.

While the parkkeepers cottage was rundown, WLCA recognised the passion of the local community and saw alignment with its own goals, to demonstrate long-term commitment to community facilities in an area that had been deprived of them.

Working alongside the local community, it was agreed that the focus for the building should be environmental. Fuel poverty has been a key issue in the community for many years, so a facility demonstrating options for community action on climate change was necessary and appropriate. A competitive bidding process, based on ideas around fuel poverty and climate change, was undertaken by Birmingham City Council. WLCA was successful and was offered the parkkeepers cottage and grounds on a 25-year lease. WLCA successfully negotiated for this to be a rolling lease, signifying that the lease would be reviewed every five years with the aim being to top back up to 25 years.

The design plans included an extension to the parkkeepers cottage to create a multi-purpose eco-hub. This both retained the heritage of the cottage and reduced the environmental impact of redevelopment by reusing an existing building. The extension provided enough space in the building to meet local needs and aspirations.

The aim is to hold events in the eco-hub and its surrounding landscape. The park incorporates options for horticulture, including a community orchard. It is hoped that the building will become part of the ecology of the park.

The hub was a long time in the making and the design evolved over time. A key role for the building is to get people talking about fuel poverty and energy conservation. The hub was designed to provide three different sizes of space – a 60 sq m hall, a group meeting room for eight to 10 people and a room for one-to-one or smaller group meetings. This was to facilitate different types of conversations and activities.

What are their activities?

The eco-hub's construction aimed to maximise energy efficiency through low-tech solutions rather than high-tech options. WLCA identified that the cost for achieving net zero was too high, instead aiming to show the benefits of using affordable low-tech solutions.

The building was redeveloped to high standards. The extension is a timber frame post and beam structure. Clay blockwork was used to minimise the use of concrete and the building is airtight and triple glazed. The specification minimised the use of oil-based materials for insulation. Wood-based insulation is more environmentally friendly but less efficient, so it needs to be thicker – this affected room sizes, particularly in the cottage.

Adopting a fabric-first policy to renovation enabled a low-cost approach. Originally, the building would have used an existing gas connection and WLCA planned for relatively low consumption due to the construction quality. However, it was ultimately possible to accommodate air source heat pumps to provide heating and hot water more efficiently. This was particularly well suited to the underfloor heating strategy chosen. A small photovoltaic (PV) array was also made possible by commercial sponsorship from a local company, further enhancing the building's sustainability and minimising environmental impact.

The eco-hub opened in April 2022. Initial results show that the design of the building resulted in lower fuel bills than would have been expected. This will continue to be monitored, especially during the winter period. The hub focuses on six themes: environmental sustainability, outdoor activity base, education centre, health and wellbeing, skills, enterprise and volunteering, and connecting communities.

The building hosts a café that can be used for private hires including for local schools and the portable cabin is being repurposed as an outdoor classroom for local schools.

A cycle hub has also been established at the eco-hub, which now belongs to the North Birmingham Cycle Network, and the café facility is well used by cyclists.

In addition to this, there is planting and food production at the Velvet Community Orchard. Produce is available for the local community through volunteers, with pick-your-own type activity, and by donations to the local food bank from the orchard.

How can climate impact be measured?

- **Land use and acquisition:** The parkkeepers cottage itself and surrounding landscape have been converted into an eco-hub, including a community orchard, classrooms and meeting rooms, which are planned to be integrated into the ecology of the park. There is potential therefore to further maximise this impact.
- **Renewable heating and efficiency measures:** The parkkeepers cottage is a refurbished building and extensive retrofit activity has taken place under a fabric-first policy, leading to high standards of energy efficiency. An air source heat pump has been installed to provide hot water and heating. Initial results have shown the building's design has been more effective than planned and has much lower fuel bills than expected. For the nine-month period to December 2022, energy costs at the hub were 45 per cent the level of those at Perry Common Community Hall, which is a similar building and which also has PV panels installed.
- **Renewable energy:** There is installed renewable energy capacity in the small photovoltaic/solar array installed. WLCA is also investigating the potential of a community-owned renewable energy asset in the provision of hydro power from the lakes.
- **Active travel and community transport:** WLCA has supported walking and cycling routes as part of this project.
- **Local food production:** The scheme incorporates a community orchard, planted as part of the scheme.
- **Education and skills:** Learning activities are offered as part of this scheme, including partnering with local schools to experience and learn in the eco-hub via the developed classroom.

5. Climate Opportunity Map

In this chapter, we present a Climate Opportunity Map for community businesses.³ It is designed to help organisations understand the challenges, barriers and opportunities for developing business models that can address local social, economic and environmental goals together.

The map is drawn from our original research with 10 community businesses, as well as wider desk-based research and analysis, and expert stakeholder engagement. It provides an overview of the main models of community climate action, with reference to the typology of community climate action set out in chapter 3.

While covering a broad range of activities, it is not exhaustive, and this is a fast-moving area of work. As such, we envisage this map being something that can be added to and expanded on over time. However, we believe this map will provide community businesses around the country with an invaluable resource to shape their decisions about how best to show local climate leadership through sustainable business models.

Table 5.1: Models included in Climate Opportunity Map with reference to community climate action typology

Typology	Land use	Renewable heating and efficiency measures	Renewable energy	Woodland creation and management	Adaption to climate impacts	Active travel and community transport	Local food production	Circular economy	Education and skills
	Community Farm	Eco Hub	Community wind turbine	Eco Hub		Bike repair and sale	Veg Box Scheme	Re/upcycling business	All
	Flower farm	Retrofit				E-Car Club	Community farm	Paint recycling	

³ The map builds on evaluation of Power to Change’s Next Generation programme by CAG Consultants (2022). This programme is focused on empowering community energy organisations to take ownership of local energy assets and develop new community energy business models. CAG recommended a ‘viability map’ could be developed of different models and approaches, as a guide for community energy groups.

5.1 Community business model ‘viability’

Locality has developed a matrix with corresponding indicators showing the key features and viability considerations for climate-focused business models. The purpose of this is to understand two main things:

1. What are the prerequisites, challenges, barriers and opportunities?
2. To what extent can they be replicated elsewhere?

To create the Climate Opportunity Map, we have grouped these key indicators under four domains: finance, risk, scalability and people.

This approach is inspired by Yale University’s Environmental Performance Index (Wolf et al 2022), which brings together indicators of countries’ environmental performance under several domains or ‘issue categories’. This enables researchers to spot those areas where a country is performing well and where there are problems, see trends and identify best practice.

Similarly, the Climate Opportunity Map enables community businesses to identify where the challenges of a particular business model might be, to understand where attention will need to be focused, and to apply good practice for overcoming barriers. It also signposts to sources of information and advice for further research into each model.

Under each of the four domains sit several indicators.⁴

Table 5.2: Domains and their indicators

Domain	Indicators
Finance	Cost of entry/capital requirements; profitability (without grant); stability of income stream; investment potential; track record.
Risk	Strategic risks/external factors; competition; community buy-in; development time to critical mass or break even.
Scalability	Market; existing networks/routes for growth; potential for diversification; embedded growth potential; dependence on local factors.
People	Technical complexity/skills requirement; partnerships; organisational capacity to develop the project; labour intensity/reliance on volunteers.

For each community climate business model, we have scored each indicator on a scale of one to five. Appendix B includes a matrix with explanations of the scores for each indicator in Table 5.2. For example, “Cost of entry/capital requirements” refers to the capital needed to get the community business started. A score of 1 means the cost of entry is high/capital is unlikely to be easily available; a score of 5 means cost of entry is low or capital is likely to be easily available.

This is not an exact science, and the purpose is not to rate different business models or rank them against one another. These are indicative scores to help community businesses identify potential opportunities and pitfalls of certain business models and think through what might be right for them.

⁴ Definitions of each of the indicators are include in Appendix B.

5.2 Prerequisites

In addition to the four domains and associated indicators, we recognise that a number of prerequisites exist for community businesses considering any of the business models explored in the Climate Opportunity Map. This includes the usual considerations for establishing any new business model – for example, obtaining appropriate liability insurance to mitigate any legal risks.⁵ Three particular prerequisites that emerged from our research were:

1. Passion

As with any community-led activity, for a community business to successfully start and sustain a climate-focused business model, local people need to be passionate about the project and have the energy and motivation to keep going even when met with challenges. There need to be committed community leaders to get an idea going, engaged community members who want to take part in activities and use services, and often wider buy-in around planning or fundraising.

The aim of this Climate Opportunity Map is not to suggest options should be assessed from a totally neutral starting point and decisions made purely on the business viability dynamics. Most people will have an idea of what they want to do and be looking to explore that in more detail, consider the pros and cons, and see other options. Some people may well decide they want to pursue a particular option even if the business model looks challenging, because it's the right thing for their neighbourhood and is what their community is fired up to do. The aim of this map is not to suppress that powerful enthusiasm, but to channel it and set out in a clear way the barriers that might need to be overcome, alongside the opportunities that can be realised.

2. Impact

Any conversation about business model viability here cannot be conducted in isolation. These are business models with a purpose: providing social, economic and environmental benefits to the local area. It is therefore vital to consider impact and viability together. Impact should be seen as integral and weighed up against the indicators of the wider viability of any particular business model. For example, there may be some business models which have a high cost to entry, require risky investment and be very marginal, but an organisation could decide to pursue it if it has the potential to have a big impact in the long run. Equally, there could be some business models which are easily replicable in many different contexts, have comparatively low costs to entry and a ready market, but could have a relatively low potential impact. Both aspects of viability should therefore be considered. Impact might be directly on the climate, or it could be broader. As the evidence review highlights, often community climate action starts from tackling a social problem, like fuel poverty.

5 For more on this see <https://www.powertochange.org.uk/community-business/start-a-community-business/>

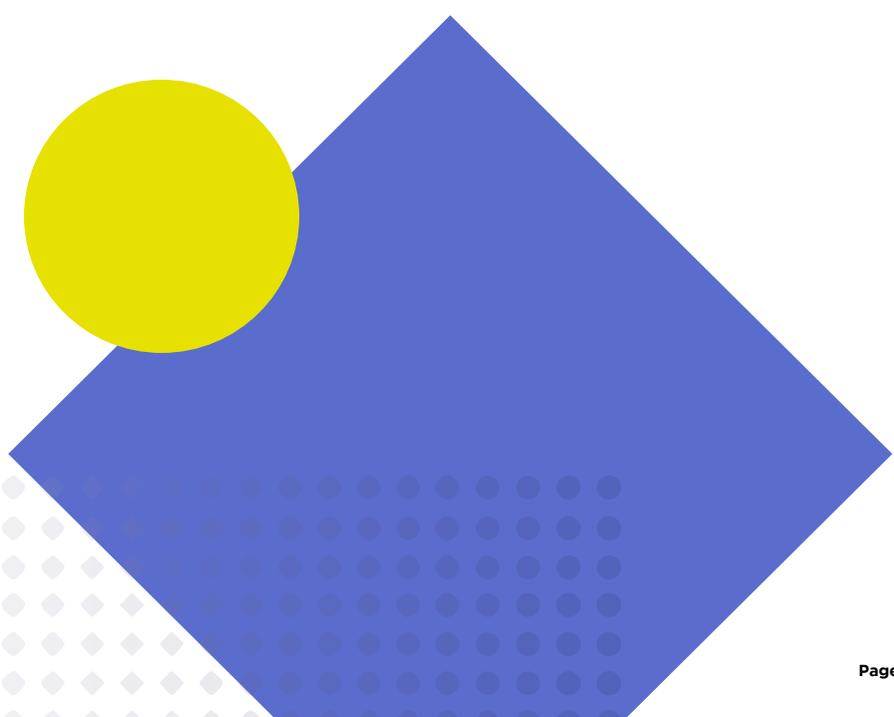
3. Knowledge of community business development

The Climate Opportunity Map assumes an understanding of the basics of community business development. Organisations utilising the map will need to draw on in-house or external expertise on all aspects of business development to develop a viable community business which addresses the climate emergency. Detailed research is required before starting the development stage.

Any social business must fulfil its social mission as well as being financially viable. In any ethical business, it is easy to focus on the environmental or social benefits at the expense of financial viability. It is therefore important to take a dispassionate view of a proposed business model, sense checking each assumption.

There are a number of general resources available that will be helpful in supporting all the climate-focused business models discussed in the Climate Opportunity Map:

- Locality: [Business plan template and guidance](#)
- Co-operatives UK: [Create a feasibility study](#)
- Locality: [A guide to asset development for community organisations](#)
- Locality: [The green asset guide](#)
- Community Shares Unit: [Guidance on community shares](#)
- Good Finance: [Understanding social finance](#)



5.3 How can I use this map?

The Climate Opportunity Map outlines the core community climate business models our research has identified. For each one, it provides:

- A brief summary of the model and the key barriers to business model viability, as well as the opportunities within the business model.
- A scored matrix across our four domains, taking into consideration 18 key indicators (provided at the end of each narrative section).
- A radar chart – including an overall rating of the four domains on the scale shown in Table 5.3.

Table 5.3: Example radar chart

		Domain Rating by Overall Score		
	Total Points Available (5 per indicator)	Barrier-prone 	Mixed results 	Opportunity-rich 
Finance	25	1-8	9-15	16+
Risk	20	1-7	8-13	14+
People	20	1-7	8-13	14+
Scalability	25	1-8	9-15	16+

Note: If two indicators within the same domain scored a 2 or below, that domain was not able to achieve ‘opportunity-rich’ status, even if higher-score indicators put it just above the threshold. In the maps below, symbols take on the colour of the domain which they describe.

Renewable energy: Community-owned wind turbines

In recent years there has been continuous growth of community-owned electricity capacity in the UK (CEE 2022). The government's Net Zero Strategy (2021, p271) recognised the importance of community energy as “an example of how communities can come together to reach local and national net zero targets”. Community energy schemes across the country seek to produce renewable energy, help to reduce energy demand in their communities and tackle important issues such as fuel poverty through local energy supply. Many organisations which produce energy can sell their excess energy back to the grid, which is a ready market for renewable energy but at prices set by an energy supplier or through a power purchase agreement.

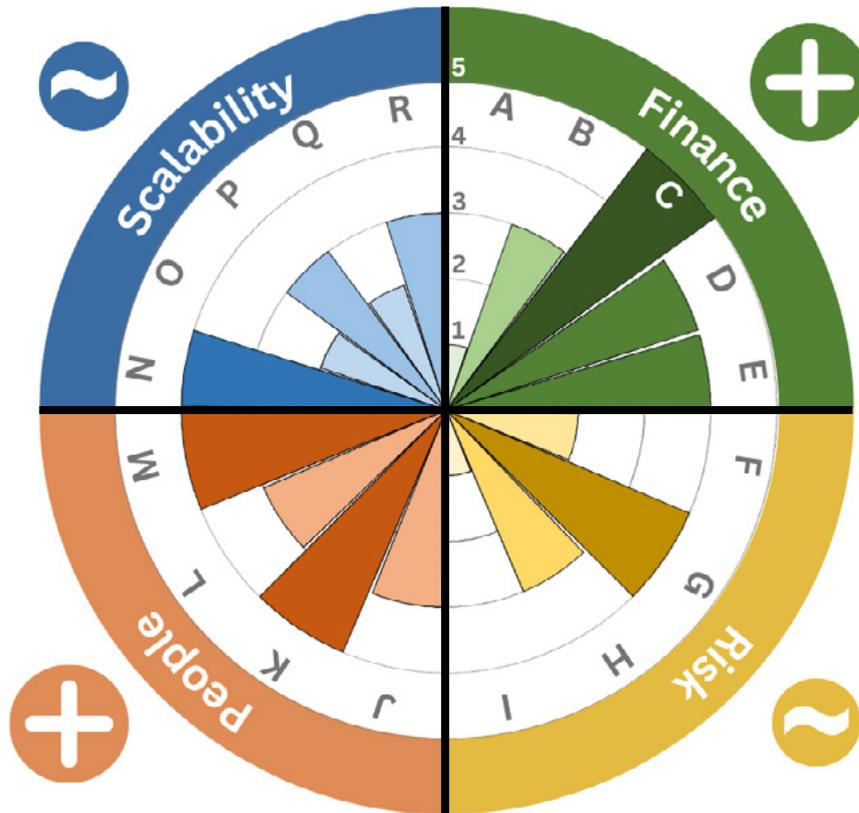
Our research reviewed several different community energy schemes. Some notable examples include:

- The Owen Square Community Energy project, which began in 2014 to convert Easton Community Centre in Bristol to using renewable ground-source heat. The project now deploys solar panels on the roof of the centre and a hybrid air/ground energy centre with seasonal storage to supply renewable heat and power to the community centre and nursery. The aim is to eventually supply low-carbon heat and power to homes and businesses in Easton.⁶
- North Kensington Community Energy (NKCE) in west London installed 289 solar panels on two primary schools (Avondale Park Primary School and Thomas Jones Primary School) and a community centre (Dalgarno Centre) to generate renewable energy, reduce carbon emissions and generate a community fund. Electricity from these solar panels will help power the schools and create a community fund of £28,000 for local groups (NKCE nd).

Here our research has focused on assessing the potential impact and business model viability of developing community-owned wind turbines.

6 For more information, see: <https://www.owensquare.coop/>

Figure 5.1: Opportunity Map for a community-owned wind turbine



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community 'Buy in'	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Profitability (without grant)
- Stability of income stream
- Potential partnerships
- Limited organisational capacity needed (once established)

A community-owned wind turbine is a serious undertaking, with high entry costs, capacity demands and technical requirements. However, there are also significant opportunities to be unlocked.

First, it is important to consider the potential impact. A good example is Ambition Lawrence Weston, whose turbine will generate electricity equivalent to the area's domestic use – around 3,000 homes – and save 120,000 tonnes of CO₂e over its lifetime. Ambition Community Energy estimates that about £100,000 a year could be invested back into the local community. As one of the founders, Mark Pepper, recently told *The Guardian*, this has been the community's concerted response to more than a decade of disinvestment: "In 2012, they closed our college. By that time, all the assets were getting stripped: the swimming pool, the leisure centre ... loads of stuff was haemorrhaging, services especially. So, a group of us got together and said: 'No one's going to help us. We need to get off our backsides and do it ourselves'" (Harris 2022).

This social and environmental impact is underpinned by the possibility of generating a stable income stream in the long term. As with solar energy, connecting to the grid can provide community businesses with an opportunity to sell excess energy produced on the market. While the price which community businesses can sell at will vary depending on which supplier they choose, it can be a good option to generate income. This can both sustain the community business and cross subsidise other services and activities.

Such a project, with its high capital requirements, may necessitate partnerships with other organisations. This, while a potential challenge, can be an opportunity to develop relationships with funders and other supporters in the local area.

Once the initial installation is complete, a wind turbine has relatively low labour intensity to keep it running and generating energy and income.

Key barriers

- Development time
- Cost of entry/capital requirement
- Exposure to strategic risks and external factors

While the opportunities are great, community-owned wind turbines also present significant barriers. They are incredibly resource intensive, requiring significant capacity within an organisation to raise development funding, go through long planning processes, find contractors and manage contracts. This type of business model can often have a high cost of entry with large capital requirements.

For example, Ambition Community Energy needed to secure £4.8m to build their turbine. For other projects, like the installation of solar panels, costs may be lower, and grants may be more available than for larger schemes like wind turbines. However, it is clear that capital is a significant barrier to entry that must be considered from the outset.

There are also strategic risks. For example, a project with such a long time horizon is vulnerable to changes in government policy which could affect the viability of the model if planning legislation was made more stringent or if beneficial subsidies or tax incentives were withdrawn. At a time of high inflation and rising interest rates, costs of capital projects can quickly escalate from initial budgets and loan finance can become unaffordable.

Not every scheme succeeds. There is a significant opportunity cost for staff time spent on a scheme which fails at a late stage. The organisation may also have invested its own reserves or borrowed to cover the development cost. A robust assessment of risk at an early stage is crucial.

Considerations

- What are the potential routes to raising the capital required?
- Who are the potential partners you could work with to help raise finance?
- Is there a suitable site – sufficient wind, ease of grid connection?
- Which energy supplier would you want to choose to sell excess energy back to the national grid?
- What is the current, and forthcoming, legislation around community energy? What grants are available to help with capital costs?
- Do you have the capacity to start the long process of setting up a community energy scheme?
- You may well not have the technical expertise in house – but which expert partners could you worth with to deliver the scheme

Resources

- [Community Energy England: Getting Started With Community Energy](#)
- [Community Energy England: Funding Opportunities](#)
- [Calderdale Community Energy: Setting Up a Community Energy Project](#)
- [Ambition Community Energy CIC: Information and updates](#)
- [Energy4All: Green cooperative energy](#)

Table 5.4: Community-owned wind turbine Opportunity Map scores

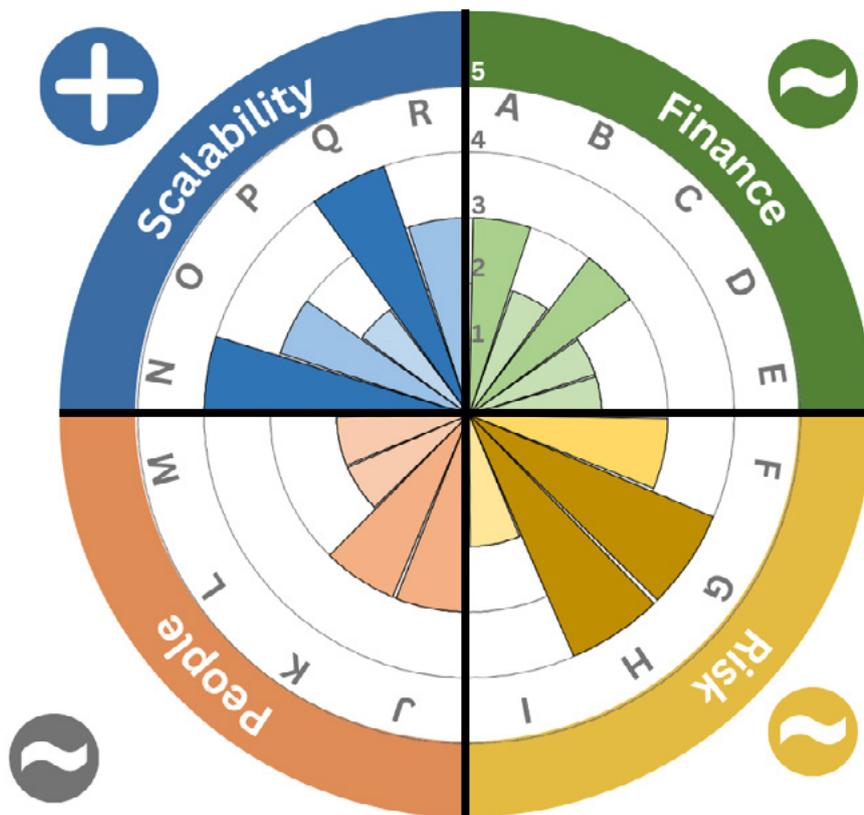
	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	1	Finance: 17 out of 25
B	Profitability (without grant)	3	
C	Stability of income stream	5	
D	Investment potential	4	
E	Track record	4	
F	Strategic risks/external factors	2	Risk: 10 out of 20
G	Competition	4	
H	Community 'Buy in'	3	
I	Development time	1	
J	Technical complexity/skills requirement	3	People: 14 out of 20
K	Partnerships	4	
L	Organisational capacity needed to develop the project	3	
M	Labour intensity/reliance on volunteers	4	
N	Market	4	
O	Existing networks/routes for growth	2	Scalability: 14 out of 25
P	Potential for diversification	3	
Q	Embedded growth potential	2	
R	Dependence on local factors	3	

Active travel and community transport: E-car clubs/car sharing

Transport remains the largest emitting sector in the UK, accounting for 24 per cent of the UK’s total emissions in 2020. The majority of domestic transport emissions come from road vehicles, accounting for roughly a quarter of

the total transport emissions in the UK (Department for Transport 2022). Car clubs and car sharing have become more popular in recent years, and many larger car sharing schemes, such as Zipcar, have introduced electric vehicles.

Figure 5.2: Opportunity Map for a car share scheme



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community ‘Buy in’	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Lack of competition (in rural areas in particular)
- Community 'buy-in'
- Embedded growth potential
- Size of available market

There is a ready and growing market for car sharing and car hiring schemes, with many people looking to reduce personal car use for both climate and financial reasons. For example, the scheme designed by Derwent Valley Car Club (DVCC) was based on clear feedback from the local community that many were keeping a car just for shopping trips and days out. Cars were being kept at significant cost but only used once or twice a week.

Demand is also demonstrated by the number of large businesses operating nationally, such as Zipcar, Liftshare, Uber and Co Wheels. The presence of the private sector means there has been a lot of work done on market analysis, which would likely be accessible to community organisations. As costs have also been rising for petrol and diesel, there is also potential for further growth of this kind of business, particularly in rural areas, where there is a particular reliance on cars and where public transport networks are patchy.

There are strong climate benefits and socioeconomic impacts for electric car sharing clubs. A major focus of the government's net-zero efforts is to get people out of polluting petrol and diesel cars and into clean electric ones. However, the upfront costs of switching to an electrical vehicle are prohibitive for many, especially for people who are only using their cars occasionally. An affordable, convenient electric car share scheme could reduce dependence on petrol and diesel cars, and reduce personal carbon footprints. Sharing vehicles also has a lower embodied carbon cost than everyone in a community owning their own personal electric car.⁷

Key barriers

- Limited potential for diversification
- Organisational capacity needed
- Labour intensity/reliance on volunteers
- Development time
- Risks around profitability
- Cost of entry/capital requirement

The most significant barrier is the capacity and labour needed to develop, set up and run a car club. For a start, you need to purchase one or many vehicles, which is a significant initial cost. Derwent Valley Car Club (DVCC) was able to access grant funding to do this, which makes the enterprise much more viable, but this may not be available in every instance. There are also operational considerations to get right, like insurance, pricing, booking systems and promotion.

7 The embodied carbon cost refers to the carbon emitted in the production of goods. Alongside carbon, there are particular concerns about the environmental costs of the raw materials required to make electric car batteries.

Community businesses must consider the size of their local market and the scale they would need to reach to generate enough revenue to keep going. DVCC conducted extensive local surveys as the basis for the scheme so had clear information about local people's car use and what was likely to work in their community. At present, the income generated by DVCC covers its day-to-day running costs while it is run by volunteers and has cars purchased using grant funding. The model is currently viable if run on that basis, but is clearly some way off being financially sustainable on its own terms.

This is in line with findings from Power to Change's Next Generation project that rural car clubs are unlikely to contribute to a community business' bottom line, with key challenges around "the time it takes to build the market for the service; time to develop a user base; and the high costs of infrastructure and non-variable costs". The research found that while individual car clubs are not financially viable, "they would become so with scaling to around 6 car clubs of 2 cars each" (Montes de Oca nd). DVCC estimates that it will become financially sustainable with 10 cars.

It may well be that the benefits and community buy-in are such that running a scheme with volunteers is viable on an ongoing basis, and this is not a business model that needs to create employment to be worthwhile. However, this is a decision that community businesses need to take with their eyes open. Furthermore, with this kind of business model where very specific infrastructure is needed, such as electric vehicle charging points, there may currently be limited potential for diversification. Any community organisation looking to pursue this model would need to fully understand the scale at which the model is profitable enough to pay for itself.

Considerations

- How much of a ready market is there for car sharing in your local area? Are there factors such as accessibility of reliable public transport which could impact demand?
- At what scale would it be self-sustaining and profitable enough to pay for staff to coordinate the service?
- Is the required infrastructure of charging points in place or part of future local transport plans?
- Does your organisation have the capacity to put in the required development time?
- How will you raise the capital funding for set-up costs including vehicles?

Resources

- [CoMoUK: A number of resources to support community car clubs from a handbook, a marketing toolkit and advice on how to create a business case.](#)
- [Department For Transport: Car Clubs, Local Authority Toolkit](#)
- [Office for Zero Emissions Vehicles: Grant Schemes for Electric Vehicle Charging Infrastructure](#)
- [Next Generation case study: Nadder Community Energy – partnership models for an Electric Vehicle car club](#)

Table 5.5: Car share scheme Opportunity Map scores

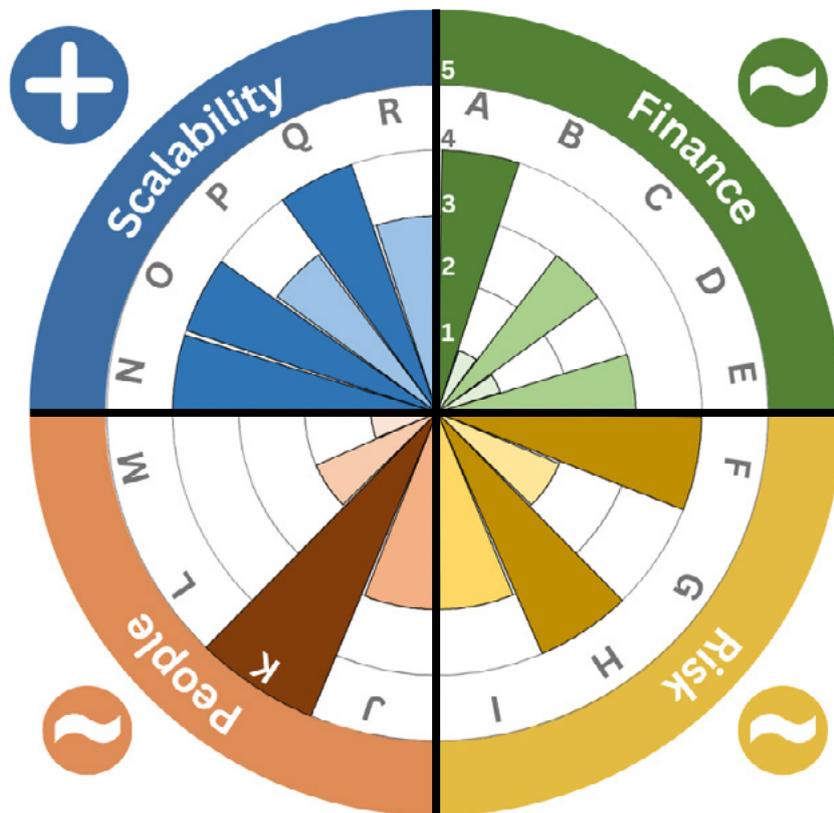
	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	3	Finance: 12 out of 25
B	Profitability (without grant)	2	
C	Stability of income stream	3	
D	Investment potential	2	
E	Track record	2	
F	Strategic risks/external factors	3	Risk: 13 out of 20
G	Competition	4	
H	Community 'Buy in'	4	
I	Development time	2	
J	Technical complexity/skills requirement	3	People: 10 out of 20
K	Partnerships	3	
L	Organisational capacity needed to develop the project	2	
M	Labour intensity/reliance on volunteers	2	
N	Market	4	Scalability: 16 out of 25
O	Existing networks/routes for growth	3	
P	Potential for diversification	2	
Q	Embedded growth potential	4	
R	Dependence on local factors	3	

Local food production: Vegetable boxes

The Department for Environment Food & Rural Affairs (Defra)’s Food Security Report (2021a) showed that just over 50 per cent of fresh vegetables were produced domestically along with only 16 per cent of fruit. Reducing food miles, eating seasonal vegetables and growing produce locally is therefore critical to reducing the impact of our diets on the environment. Fruit and vegetable boxes

are often marketed as a low waste, low food mile, seasonal and reliable way to get fresh produce to consumers’ doors quickly. Particularly in large urban areas, where land is at a premium, they can be a good way of getting fresh vegetables onto people’s plates without going to supermarkets for imported fruit and vegetables.

Figure 5.3: Opportunity Map for a veg box scheme



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community ‘Buy in’	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Size of available market
- Embedded growth potential
- Presence of existing networks
- Potential partnerships
- Lack of strategic risks
- Community buy-in

Vegetable box schemes have numerous potential opportunities. Firstly, with the large number of fruit and vegetable box schemes around, there is a ready market for community businesses to step into. With this being established private sector territory, there is a large amount of market research that community businesses can access. Community businesses can use their existing local networks to find customers. Indeed, crisis response work over the last three years – first Covid-19 and then the cost-of-living crisis – has meant more and more community businesses have been developing social food offers, through food pantries, community fridges and hot meal provision. This gives community businesses in-depth knowledge of food insecurity in their area and established relationships with people most in need of support.

This model provides a clear mix of social and environmental benefits. There are opportunities to reduce food miles and food waste, at the same time as providing affordable healthy eating options for local people. For example, Granville Community Kitchen (GCK) buys vegetables from local farms and use a tiered pricing system, reducing cost barriers to organic food. Those who can afford it pay a little more, so those who need to pay less can still access fresh produce. GCK also offers culturally appropriate vegetables, so that “you can eat food which is good for your body, the planet and your soul”.

There is potential to partner with the large number of food networks across the country. As well as using its own grown produce, GCK has partnered with small scale farmers through the Better Food Shed, to enable it to provide high-quality, low-carbon food at a fair price and support a healthy food system.

Vegetable box schemes are likely to have strong local buy-in. They can bring together more affluent people who want to have local access to organic produce and support their community, and people on lower incomes for whom cost, availability and access to culturally appropriate food can be huge barriers to healthy eating. It would rank relatively low on a risk register and can engage communities and link up with other areas of work around poverty and health.

Key barriers

- Profitability (without grant)
- Investment potential
- Competition
- Organisational capacity needed

Fruit and vegetable box schemes, where they are not set up by food-growing organisations, must source the produce for their boxes. This means organisational capacity is needed initially to source produce, then to sort it into boxes, arrange deliveries and generally manage the scheme.

Organisations will also have to consider where the produce comes from. There may be elevated costs – if the suppliers grow organic and seasonal produce and to ensure that farmers receive a fair price. Community businesses are operating locally within a wider, industrialised food system, where intense competition to provide cheap food for consumers incentivises low pay, poor-quality ingredients and more intensive farming techniques (Fabian Society 2015).

As the price of produce may be relatively high compared with supermarkets, these schemes can be hard to generate significant income from. Fruit and vegetable boxes are often ineligible for most grant funding. This can be a significant barrier, as community businesses may have to commit their own funds to the scheme until it becomes profitable, and may need to subsidise the cost of boxes depending on the demand they have in their community.

There are creative and socially just ways of doing this, as GCK's tiered pricing model demonstrates. GCK's produce is sourced from Better Food Sheds, which ensures farmers are paid fairly and that it is seasonal, organic and part of a food system that is as localised as possible. The model is designed to break even at 250 customers and is organised in a "solidarity model" where customers pay what they can – with higher pricing tiers subsidising lower ones.

With so many box schemes available, community businesses could face significant competition. Larger private organisations can benefit from scale and are often able to offer produce at lower prices, so community businesses will need to think carefully about their pricing structure. Supermarkets' purchasing power can also drive down prices and offer more consumer choice which may favour prepared food as it is seen as quicker and easier. A viable business model may not fully align with a social mission if the offer is more attractive to the better off – but the Granville Community Kitchen's Good Food Box shows how this can be mitigated.

Considerations

- How will your organisation resource the development time? How will you manage the labour intensity required to source and sort produce?
- Where will you source produce from? Does this align with organisational values and aims around climate impact?
- How will you price your product to ensure that you are able to make this a profitable business that can compete with commercial models? How will this align with the social motivations of any scheme?

Resources

- [Community Food Growers Network: A London-based support network](#)
- [Community Supported Agriculture: A network of community supported agriculture farms](#)
- [Social Farms and Gardens: Network and resources](#)
- [Sam Smith: Behind the Scenes, Creating an Efficient Veg Box Scheme](#)
- [Farmers Weekly: Maximise Margins With Your Own Veg Box Scheme](#)
- [Soil Association: How To Set Up a Veg Box Scheme](#)



Table 5.6: Veg box scheme Opportunity Map scores

	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	4	Finance: 12 out of 25
B	Profitability (without grant)	1	
C	Stability of income stream	3	
D	Investment potential	1	
E	Track record	3	
F	Strategic risks/external factors	4	Risk: 13 out of 20
G	Competition	2	
H	Community 'Buy in'	4	
I	Development time	3	
J	Technical complexity/skills requirement	3	People: 11 out of 20
K	Partnerships	5	
L	Organisational capacity needed to develop the project	2	
M	Labour intensity/reliance on volunteers	1	
N	Market	4	
O	Existing networks/routes for growth	4	Scalability: 18 out of 25
P	Potential for diversification	3	
Q	Embedded growth potential	4	
R	Dependence on local factors	3	

Land use: flower farms

IPPR's research report *The Climate Commons* highlighted that many community climate activities revolve around land use (Webb et al 2021). Our case study research has also found this to be the case, investigating business models focused on community farming and the use of green spaces such as parks, gardens and allotments. We know that the appropriate use of land to support communities has a positive climate impact as well as a host of co-benefits for the community.

Flower farms are one innovative land use business model. There is a large and ready market for fresh flowers in the United Kingdom, worth over £1.4bn in 2020 (Defra 2021b). It is a market that relies heavily on imports, with over 80 per cent of cut flowers coming into the UK via the Netherlands. It is therefore a market which has been tested by our departure from the European Union, with new tariffs to contend with, as well as being a sector with a large carbon footprint. Not only does the UK have a good climate for flower growing, but in terms of land use, it can support improvements in soil health and increasing biodiversity.

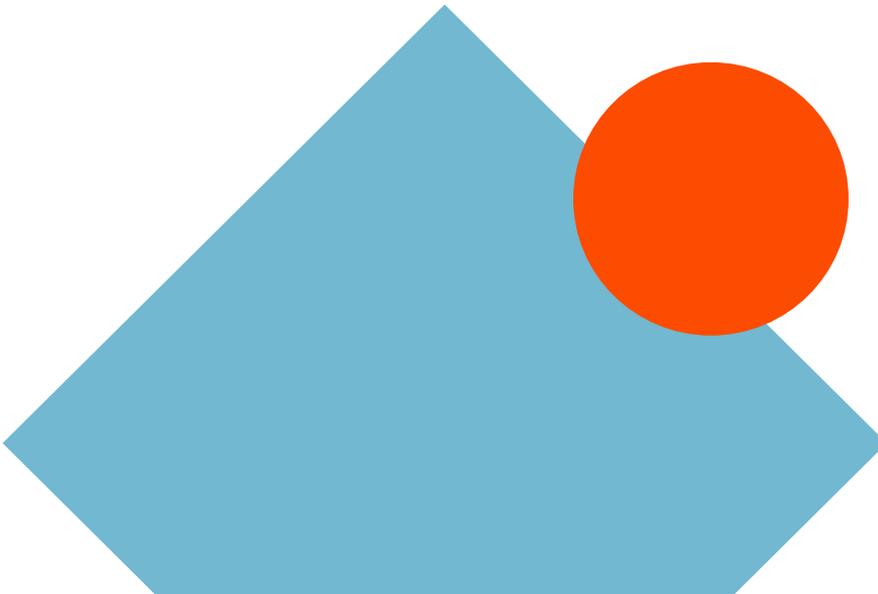
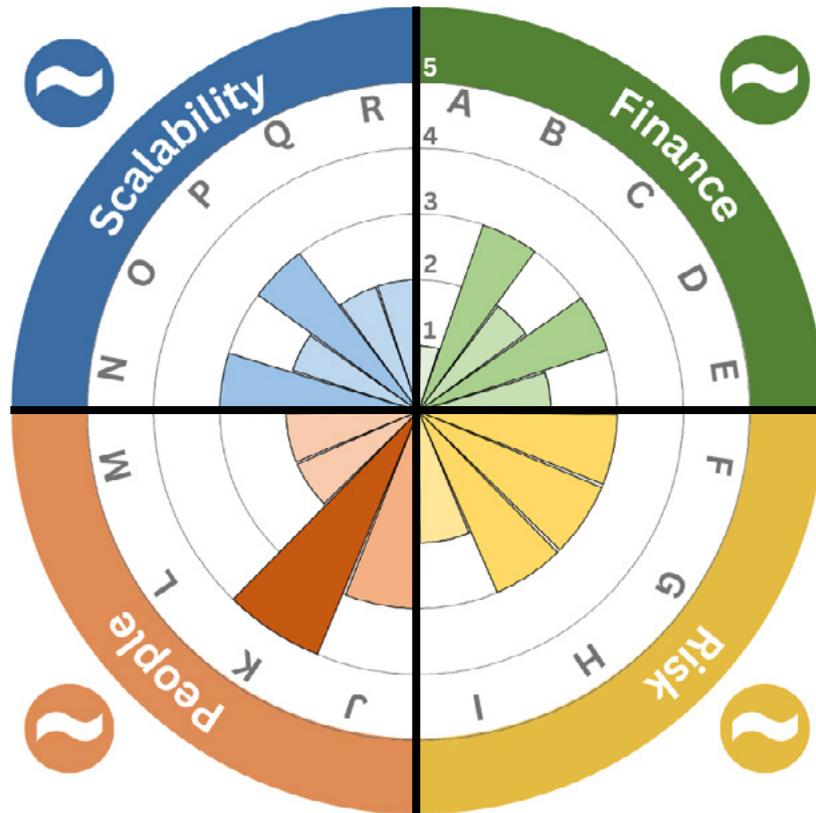


Figure 5.4: Opportunity Map for flower farms



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community 'Buy in'	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Size of available market
- Profitability (without grant)
- Investment potential
- Potential partnerships
- Potential for diversification

Operating a business model around the selling of cut flowers has a direct benefit to the environment in terms of biodiversity and cutting 'flower miles' for the UK market. It also has a host of potential co-benefits for communities. This includes involving local people in the growing process, helping health and wellbeing, building community cohesion through group activities, and upskilling residents via growing projects.

Heart of BS13, which operates a flower-growing business model, put employment for neurodiverse adults front and centre of the community business. A Stepping Up Team of five neurodiverse adults from the community all joined Heart of BS13 as volunteers or through social prescribing activities in 2020 and have stepped up to become key members of the horticulture enterprises.

Heart of BS13 is also developing circular economy opportunities, with a community composting project that is a by-product of the flower-growing business. This involves creating a closed loop compost food waste system, which will engage 60 households and develop evidence of carbon reduction.

There are opportunities within the model for partnerships across the sector. The market for cut flowers among local florists can be an opportunity to build connections with other local businesses, providing a potential ready market for business-to-business selling. Additionally, there is great potential for diversification. Once a community business has the land to grow flowers, there are several options for developing the model and increasing income. For example, there are 'everlasting flowers', which can be grown all year round to overcome the challenge of seasonality. There is further potential for bespoke flower delivery across the local area and further afield, as well as subscription services to supply local events venues, hotels, pubs and restaurants. Additionally, the community can be further involved in the business through workshops in sustainable floristry or flower arranging.

As flower-growing is a well-established business area, there are large numbers of resources and training opportunities available for staff development and to help upskill the community business workforce.

Key barriers

- Cost of entry
- Labour intensity
- Technical complexity/skills requirement
- Development time
- Stability of income stream (impacted by weather)

The biggest barrier to pursuing this type of model is the high cost of entry. Flower-growing requires a suitable amount of land to grow enough flowers to produce a sustainable revenue. Where community businesses already own land which is not utilised or is underutilised, this barrier will be considerably lower compared with those organisations which do not have any growing space and would need to invest in land.

Being relatively labour intensive, this type of land management and use requires staff to have some basic skills and knowledge in flower-growing. Although there are many resources and market research available to upskill staff, it still requires a time commitment to start the process and then time for the upkeep and management of the produce. Furthermore, it may take several growing seasons to identify which flowers grow well on a specific piece of land, adding to development time. From the time spent finding the land, to the growing of crops and development of partnerships or relationships to sell the produce, this could represent a significant time commitment over an extended period.

Local environmental and economic factors can impact the costs and logistics of running a flower-growing farm. For example, in an inner-city area it will be considerably more expensive to purchase or rent land, and there will be a general scarcity of land which organisations can use. Contrastingly, in a more rural area, there is more likely to be cheaper land available, although there may be less readily available partnerships given the lower density of local businesses.

Seasonality is also an issue. The Heart of BS13 flower farm mitigates this using a large-scale commercial polytunnel that allows flowers to grow until early November if there is no frost. Everlasting flowers, dried flowers or paper flowers in the winter months are all options that could be considered. Ironically, climate is also an issue. Growing flowers outside means that crops are not consistent from year to year, so income projections need to take account of this. This can be mitigated by provision of shelter (windbreaks, greenhouses), but this adds to the capital set-up costs.

Considerations

- Does your organisation already have land on which it can develop a flower-growing project? If not, does your organisation have the means of raising capital to purchase or rent land for this purpose?
- Do you have a readily available workforce, or volunteers within the community to fully staff such a project?
- Who is the main customer base for your produce? Do you have local vendors or businesses you can partner with in the local area?
- Do you have a plan for developing or diversifying the business model to meet local needs? Will you need to consider business-to-business selling over a local subscription service for households? Are there enough potential customers in your local area or do you need to consider a courier service to sell produce further afield?

Resources

- [Flowers From the Farm: Membership association for artisan cut flower growers](#)
- [Locality: Preparing Your Community Organisation For the Future, A Guide To Diversification](#)
- [The Guardian: “Get Growing”, Two city farmers explain how to cultivate your own flowers](#)

Table 5.7: Flower farm Opportunity Map scores

	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	1	Finance: 11 out of 25
B	Profitability (without grant)	3	
C	Stability of income stream	2	
D	Investment potential	3	
E	Track record	2	
F	Strategic risks/external factors	3	Risk: 11 out of 20
G	Competition	3	
H	Community 'Buy in'	3	
I	Development time	2	
J	Technical complexity/skills requirement	3	People: 11 out of 20
K	Partnerships	4	
L	Organisational capacity needed to develop the project	2	
M	Labour intensity/reliance on volunteers	2	
N	Market	3	Scalability: 12 out of 25
O	Existing networks/routes for growth	2	
P	Potential for diversification	3	
Q	Embedded growth potential	2	
R	Dependence on local factors	2	

Land use: community farming

Another land use community business model is community farming. As with flower-growing, livestock farming enables community businesses to take a more sustainable and regenerative approach to an industry which produces around 11 per cent of our national greenhouse gas emissions each year (Defra 2022b). However, both in terms of connecting people to land and cultivating produce, farming can operate in a way which has an environmental benefit. Some community-supported agriculture projects focus on growing crops such as fruit and vegetables. These are often part of the supply chain for veg box schemes.

Fordhall Farm is a shining example of a community-powered approach to farming. When their farm was threatened with development, the family farm owners created a community ownership scheme which attracted 8,000 members and successfully raised the £800,000 required to save the farm. It made Fordhall England's first community-owned farm, with the aim of making the 140-acre site accessible to the wider community for enjoyment and education, and to use the livestock farm to promote interest in small-scale organic farming.

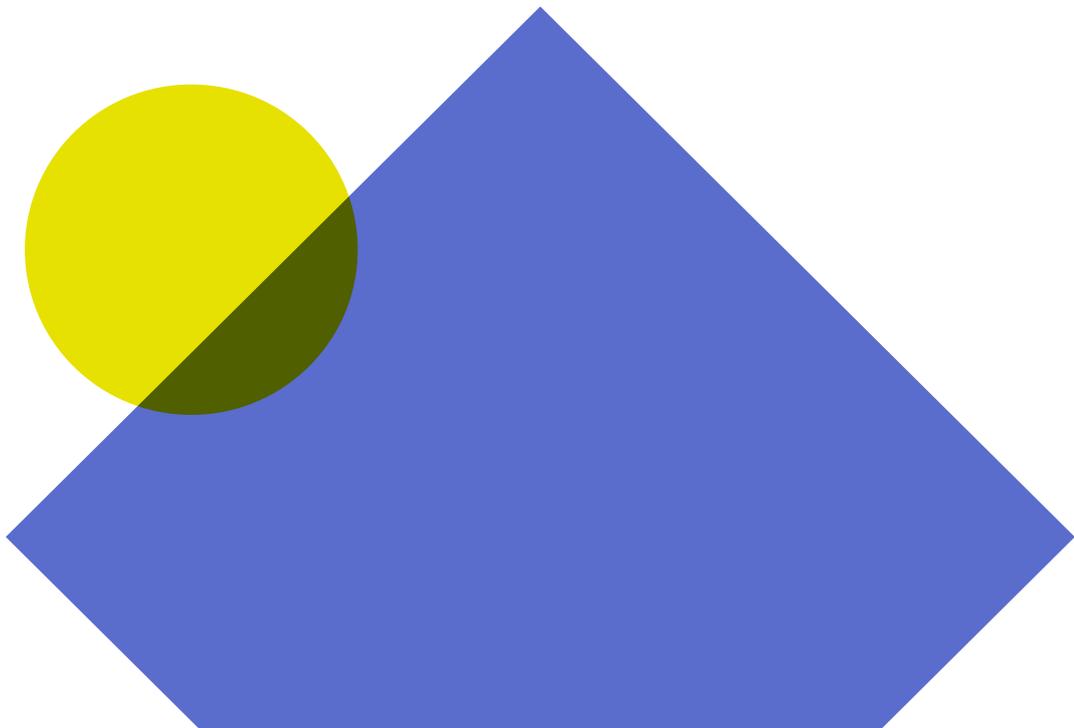
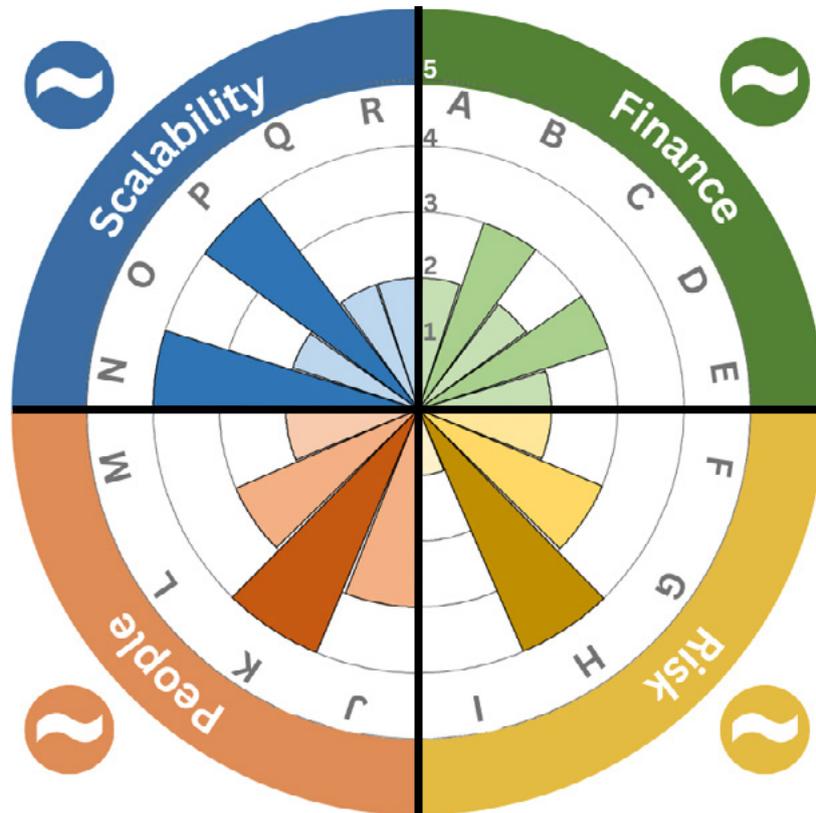


Figure 5.5: Opportunity Map for community farming



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community 'Buy in'	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Community buy-in
- Size of available market
- Potential for diversification
- Potential partnerships

While Fordhall Farm is a rare example of a rural working farm in community ownership, elements of community farm business models can be replicated in other areas, such as city farms.

There are significant opportunities for community farms to support community engagement. A survey of Fordhall Farm's supporters found 76 per cent believed their involvement with Fordhall had made them feel part of a wider community of interest and 86 per cent felt empowered by their involvement.

There are considerable co-benefits from community farms, supporting health and wellbeing and inspiring local behaviour change. Farms can help to change local attitudes to food systems and where food comes from, and this in turn can have a positive impact on getting local populations to reduce food miles. Fordhall Farm is spearheading this through a restaurant serving locally produced organic food, a community garden working with adults with disabilities, creating volunteering opportunities and sharing information via community newsletters. At the same time they ensure the farm remains open for anyone in the community to visit.

The environmental benefit of this model is tied to the land use and the types of products being farmed. Livestock farming is currently the largest contributor to greenhouse gases. However, small-scale, organic farming methods can be a lot less harmful than more intensive methods used on larger commercial livestock farms, where the diversity in the sward and wildlife can have big implications for the land's ability to sequester and hold carbon.

There can be alternative uses to farmland, such as growing crops or flowers, as demonstrated by Heart of BS13. Growing crops and plants has significantly lower carbon impact and potentially lucrative financial returns. Community-supported agriculture may also seek to diversify income by running events and classes for local people, and selling products made with the produce, such as jam or fruit juice. The potential for diversification and alternative uses of the land, from livestock to cash crops, is something to be explored by community businesses. Scale and the mix of low- and high-value crops will be key in creating a viable business model.

Fordhall Farm demonstrates the partnership potential of the model. Its community ownership approach has created a powerful long-term partnership structure with the local community.

Key barriers

- Cost of entry
- Stability of income stream
- Lack of extensive track record of similar projects
- Development time
- Labour intensity
- Technical complexity/skills required
- Dependence on local factors

Geographic location is often an important factor in the viability of community farms. Cost of entry is largely dependent on the availability and cost of land. Location will determine what crops can be grown or animals reared. A further issue may be the capital cost of machinery required.

Development time would be another significant barrier to entry. There are issues around land acquisition, organisational capacity and capability-building, and generating partnerships and community buy-in, all of which require a long-term time horizon.

Farming clearly requires specialist skills. Fordhall Farm comes from a farming family taking their farm into the community. A community business looking to develop a community farming model would need to work with people with the right experience and skills to successfully run and manage a farm. Community farming is a highly labour-intensive model, requiring ongoing and continuous staffing. Volunteers are essential for the viability of many land- and farming-based community enterprises. This creates extra complexity in recruiting and retaining volunteers to work alongside paid staff.

Seasonality affects the produce that can be grown, meaning that it may be impossible to provide year-round supply.

This could make retaining customers difficult. Extending the growing season will require significant capital investment.

Considerations

- Does your organisation already have land on which it can develop a community farm? If not, is there land available locally, which your organisation can raise sufficient capital to purchase or generate revenue to rent?
- Can you access the expertise necessary to successfully manage such a project? As well as the specific farming expertise, this involves designing the right organisational model as well as potentially marketing and campaigning skills to generate community buy-in.
- What scale of operation is required for the community business to be viable?
- How would you produce a clear net-zero plan, especially if livestock were involved?
- If your produce is seasonal, how will you retain your customer base when you have little or nothing to sell?

Resources

- [Plunkett Foundation: A guide to setting up and running community-owned farms](#)
- [Community Supported Agriculture: A network of community supported agriculture farms](#)
- [Social Farms and Gardens: Network and resources](#)
- [MyCommunity: Choosing the right legal structure for your group](#)
- [MyCommunity: How legal structure affects your funding options](#)

Table 5.8: Community farming Opportunity Map scores

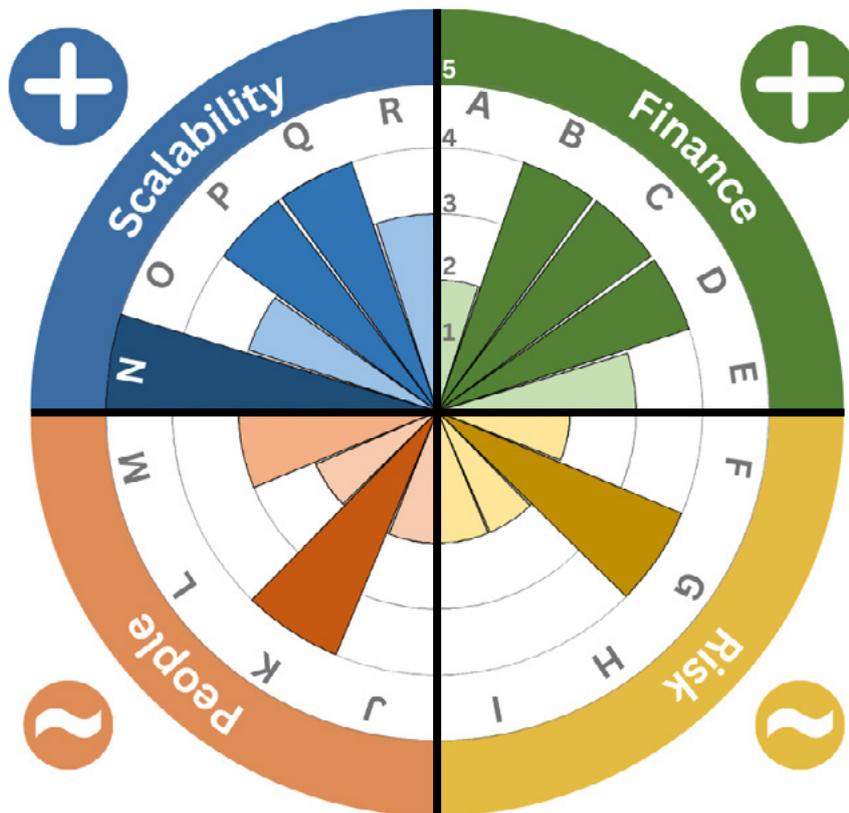
	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	2	Finance: 12 out of 25
B	Profitability (without grant)	3	
C	Stability of income stream	2	
D	Investment potential	3	
E	Track record	2	
F	Strategic risks/external factors	2	Risk: 10 out of 20
G	Competition	3	
H	Community 'Buy in'	4	
I	Development time	1	
J	Technical complexity/skills requirement	3	People: 12 out of 20
K	Partnerships	4	
L	Organisational capacity needed to develop the project	3	
M	Labour intensity/reliance on volunteers	2	
N	Market	4	
O	Existing networks/routes for growth	2	Scalability: 14 out of 25
P	Potential for diversification	4	
Q	Embedded growth potential	2	
R	Dependence on local factors	2	

Circular economy: recycling and upcycling

In 2018, the UK generated 222.2 million tonnes of waste (Defra 2022a). In 2020, the total waste from households was 22.6 million tonnes, an increase on previous years, while commercial waste totals have also increased in the last decade (ibid). When it comes to waste from households,

less than 50 per cent (the government’s target) is recycled each year. However, this is a sector which has continued to grow over the last two decades with the recycling sector a multi-billion-pound market.

Figure 5.6: Opportunity Map for large-scale recycling



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community ‘Buy in’	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Profitability (without grant)
- Investment potential
- Size of available market
- Potential partnerships
- Potential for diversification
- Embedded growth potential

With such a large and ready market, particularly in the commercial sector, there is a considerable opportunity for a community business to develop services in recycling and upcycling. Circular economy business models can be financed through social investment, community share offers, grants and loan finance. EMERGE in Manchester has secured all these types of finance, having borrowed money for growth from the outset. EMERGE recently converted to a Community Benefit Society to access community shares, which it sees as an opportunity to secure patient capital from the community on less onerous, commercial pay-back terms. There is also potential to secure waste collection and management contracts from public authorities, such as the NHS, education sector or local councils.

While there may be some competition from larger waste collection and management firms, there are also niche specialisms that community businesses can pursue, such as confidential shredding or collection of construction materials, including wood or metal. Waste management and recycling service models have significant potential to scale, if the right investment can be secured.

Partnerships with the private sector, particularly contracts with big businesses looking to work with a community business, are a further opportunity area. Relationships that start as purely contractual can build into longer-term partnerships, and help the community business to develop, providing opportunities to upskill staff, provide further investment or create employment schemes.

Alongside business benefits, there are also clear and measurable climate benefits. Recycling businesses can help to prevent hundreds of tonnes of waste from being sent to landfill or incineration. This could save hundreds of tonnes of carbon emissions, put recycled and reclaimed materials back into the economy, and create jobs in a growing green sector. It could also create behaviour change in waste reduction, material reuse and recycling. The knowledge and skills gained through this type of enterprise can be used to educate communities and businesses in the local area.

Key barriers

- Cost of entry
- Technical complexity/skills required
- Development time
- Organisational capacity needed

While there are considerable benefits and opportunities to a recycling or upcycling business model, there are also some potentially high barriers. Firstly, the cost to entry into this market is likely to be high, costing tens or hundreds of thousands of pounds to secure the infrastructure needed to process recycled materials. In addition, there are potentially high costs to securing and operating vehicles with which to collect waste materials and distribute recycled products. For example, in 2021-22, EMERGE raised £350,000 to develop the business. These were not start-up costs, rather further investment to increase capacity and growth comprising: upgrading shredding and baling plant – £140,000; infrastructure, compliance and organisation improvements (including Solar array and LED lighting technology) – £85,000; new vehicle (Euro 6 – clean air act compliant) – £75,000, and working capital – £50,000.

Large amounts of staff capacity are required to understand how best to raise the necessary finance and also to understand the processes and logistics. The technical complexity and skills needed represents a further potential barrier. While there are other community businesses that operate a business model of this type, they are often specialised around a certain type of waste collection. Organisations will need to set aside budget and capacity to ensure that their staff and any volunteers they have can be fully trained in the required skills and that any regulatory framework is fully understood. There is, however, the potential to gain the required knowledge

and support through organisations like EMERGE and others who have operated in the community recycling network over the last 30 years.

Considerations

- Do you have an existing or potential customer base to sell recycling (or associated) services to? What type of waste collection or recycling would you want to pursue (food waste, commercial waste, wood/timber, construction materials)?
- Can you put together a business case to help source the investment needed to meet the potentially high barriers to entry? What sources of funding are available? Are there appropriate premises in your local area?
- What are the specific skills requirements of your staff to operate this business model? Are you aware of training or sources of information to make sure you have the desired level of capability within your workforce?
- What potential partners operate in your local area – what skills (such as logistics, vehicles, contracts, staff development) can they offer your community business?

Resources

- [Wrap: How to guides on developing re-use partnerships](#)
- [Community Wood Recycling: National network of wood recyclers](#)
- [Community Shares: The Community Shares Handbook](#)
- [Good Finance: Understanding social finance](#)

Table 5.9: Large-scale recycling scheme Opportunity Map scores

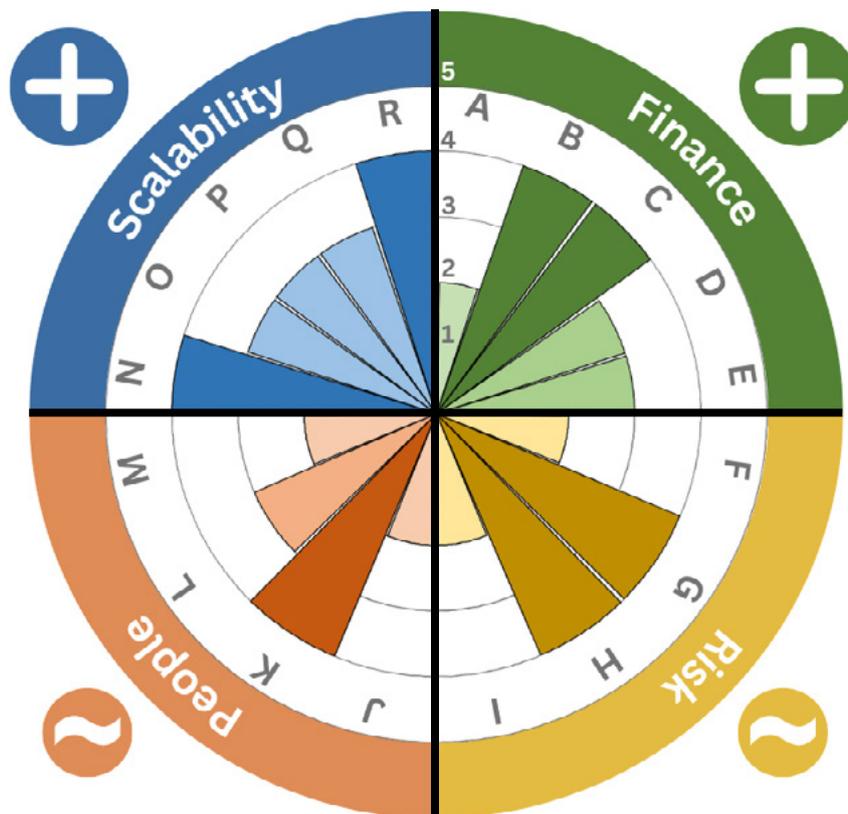
	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	2	Finance: 17 out of 25
B	Profitability (without grant)	4	
C	Stability of income stream	4	
D	Investment potential	4	
E	Track record	3	
F	Strategic risks/external factors	2	Risk: 10 out of 20
G	Competition	4	
H	Community 'Buy in'	2	
I	Development time	2	
J	Technical complexity/skills requirement	2	People: 11 out of 20
K	Partnerships	4	
L	Organisational capacity needed to develop the project	2	
M	Labour intensity/reliance on volunteers	3	
N	Market	5	
O	Existing networks/routes for growth	3	Scalability: 19 out of 25
P	Potential for diversification	4	
Q	Embedded growth potential	4	
R	Dependence on local factors	3	

Circular economy: paint recycling scheme

It has been estimated that across the UK, only one in three Household Waste Recycling Centres (WHRC) accept liquid paint, with less than 2 per cent of all leftover paint being reused or remanufactured (Paintcare nd). Dulux estimates that 50 million litres of the 320

million litres of paint sold each year in the UK goes to waste (Community RePaint nd). In the UK, we are seeing a continuing shift towards reducing the amount of waste produced and towards more reuse and recycling of goods, including paint.

Figure 5.7: Opportunity Map for paint recycling



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community 'Buy in'	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Profitability (without grant)
- Stability of income stream
- Size of available market
- Potential partnerships

There is clearly a considerable market for paint in the UK, with hundreds of millions of litres being sold each year. With a ready supply of paint coming from local recycling centres as well as directly from traders, manufacturers, individuals and other businesses, paint recycling schemes have the potential to be applied over many different geographies. What's more, it is not wholly dependent on local factors such as the availability of recycling facilities – although if these facilities are the sole source of paint recycling, a partnership would be needed with the local authority to make the model viable.

An example of a successful paint recycling community business is Bradford RePaint, which collects paint from recycling centres across Bradford and takes it back to their warehouse where matt and emulsion paint tins are opened, and the paint checked for quality. Paint is then mixed and put into tins ready for sale. Income is generated by selling the paint and from government payments for diverting from landfill.

Community businesses could potentially benefit from existing national partnerships. For example, the national Community RePaint network, sponsored by Dulux, has supported communities to run paint collection and reuse schemes for the past three decades. The schemes they support charge as little as £1-2 per litre of paint when resold and collect paint from a variety of resources. The steady flow of paint, for the most part, means that there is a stable income for a community business. With a relatively small amount of unused paint reused each year, there is a fairly low risk of losing out to potential competitors. Many of the schemes in the network, including Bradford RePaint, engage with the wider community by distributing low-cost paint, and providing volunteering and trainee opportunities. This type of engagement can be a way of helping to educate communities on the benefits of reuse and the circular economy.

There are further social benefits from the employment opportunities a paint recycling and reuse model like this offers. Bradford RePaint has two full-time members of staff. They use the scheme to train up young people and offer it as an opportunity for those doing community service or on probation. The major environmental benefit of paint recycling is the prevention of waste from landfill and the associated carbon savings.

Key barriers

- Cost of entry
- Risks around external factors
- Development time
- Technical complexity/skills required
- Labour intensity/reliance on volunteers

Community businesses need to consider how to fund start-up costs, including vehicles for paint collection, storage space, and manufacturing and selling paint. However, this is not at the same scale as a full-service recycling business like EMERGE, and may also not be at the same level as purchasing land or require the same large amounts of capital.

There are also potential risks attached to paint-recycling services. With paint being classed as hazardous waste by the UK government, there are regulations in place, changes to which could potentially have an impact on the viability of the community business.

Paint-recycling services usually need significant development time, including negotiating with local authorities and building partnerships to ensure that there is a good supply of paint for reuse. Community businesses will have to develop specialist skills in paint management as well as preparing it for reuse and remanufacture. Bradford RePaint stresses the importance of excellent health and safety policies. It has two full-time members of staff and a host of volunteers and trainees who make the model work, highlighting the capacity implications and labour requirements of the model.

Considerations

- Does your organisation have a recycling centre in your local area, or nearby, which collects paint? Are you able to use this as a source of paint for a reuse scheme? What other potential sources of paint are there in your community?
- Do you need to join a national paint reuse network to benefit from the expertise and experience they may offer?
- Do you have the space and resources required for this business model? Do you have the physical space, including access to outdoor space, and the required transport for paint?
- How will you access training for staff or bring in the required expertise to start a business dealing in paint reuse?
- Can you commit existing staff to this project while it is being developed, and how will you staff it in the long term? Do you have a ready supply of volunteers, or is there potential for your organisation to bring in trainees?

Resources

- [Community Repaint: Connect to the network](#)
- [Wrap: How to guides on developing re-use partnerships](#)

Table 5.10: Paint recycling scheme Opportunity Map scores

	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	2	Finance: 16 out of 25
B	Profitability (without grant)	4	
C	Stability of income stream	4	
D	Investment potential	3	
E	Track record	3	
F	Strategic risks/external factors	2	Risk: 12 out of 20
G	Competition	4	
H	Community 'Buy in'	4	
I	Development time	2	
J	Technical complexity/skills requirement	2	People: 11 out of 20
K	Partnerships	4	
L	Organisational capacity needed to develop the project	3	
M	Labour intensity/reliance on volunteers	2	
N	Market	4	Scalability: 17 out of 25
O	Existing networks/routes for growth	3	
P	Potential for diversification	3	
Q	Embedded growth potential	3	
R	Dependence on local factors	4	

Renewable heating and energy efficiency measures – building retrofit

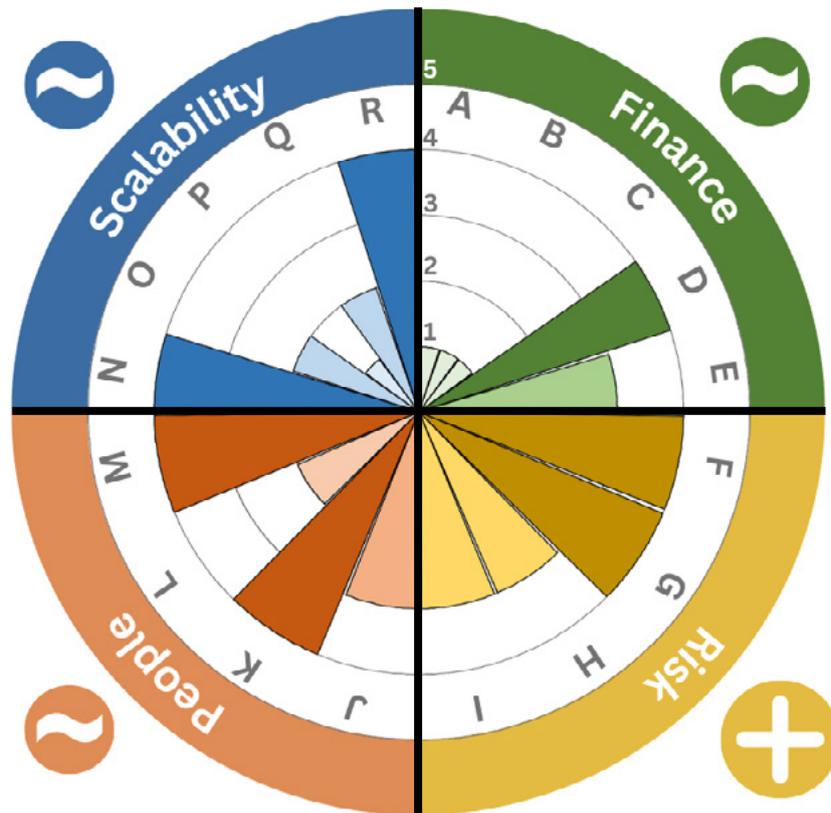
The Committee on Climate Change stated that to meet net zero, the UK's building stock needs to be nearly completely decarbonised by 2050 (Committee on Climate Change 2019). Over the last decade, several central government schemes have sought to help UK homeowners retrofit their homes, to varying degrees of success. With the rises in energy prices we have seen in recent years, there is also an expanding market in retrofitting non-domestic buildings.

This provides a potentially large and growing market, where community businesses can play a significant role in the net zero transition. However, retrofitting is not necessarily a term which is fully understood. The process of retrofitting buildings to reduce carbon emissions includes loft insulation, double glazing, internal insulation, and may include fitting heat pumps and other low-carbon technologies to reduce reliance on gas boilers.

In privately owned homes, retrofitting is often done incrementally alongside other repair or improvement work. Insulation may be seen by homeowners as a DIY project. There is considerable competition from the private sector in relation to many elements of retrofit.

In the social-rented sector, there is no market for retrofit as it does not, in itself, earn income. This means that motivations for running a retrofitting service are likely to be social and environmental, rather than financial. Retrofitting may make properties more attractive due to low running costs, especially during a time of high energy prices, but this depends on how potential benefits weigh energy costs against factors such as location and rent.

Figure 5.8: Opportunity Map for building retrofitting



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community 'Buy in'	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Investment potential
- Limited strategic risks/external factors
- Potential partnerships
- Size of available market
- Dependence on local factors is limited

Demand for high-quality housing is expected to grow, with buyers and renters increasingly interested in housing with low carbon emissions and low running costs. It is likely that there will be continuing government pressure on social landlords and housebuilders to improve environmental sustainability, and this may be backed up by changes in building regulations and incentives to increase take-up of low-carbon options.

Renewable energy can be a volatile market with spikes of high demand, historically around installation of solar panels and other options to generate renewable energy related to the withdrawal of feed-in tariffs. More recently, we have seen individuals and organisations seek to mitigate the impact of rising utility costs.

Retrofit can include the installation of solar panels and heat pumps, which are likely to become more mainstream as gas boilers are phased out. This likely means demand will increase and prices will fall.

Green technology can be an attractive investment for lenders, enhancing the value of a domestic property or improving the profitability of a business by reducing running costs. For example, Latch, or Leeds Action to Create Homes, renovates derelict homes in Leeds and finds there is high demand for the type of properties they refurbish. They buy and renovate six to eight properties a year – at the same time there are long waiting lists for housing and 3,000 empty properties in Leeds. This costs Latch around £1.2m per year, around 40 per cent of which comes from Leeds City Council's Right to Buy grant, which recycles capital receipts from the Right to Buy. The rest comes from a range of sources, including borrowing against their existing housing stock, a community share issue and other grants, especially those related to environmental sustainability.

There is a clear income stream for building retrofit, although margins are tight. There are clear and measurable environmental benefits from energy efficiency and avoiding sunk carbon cost of new build by bringing derelict buildings back to life. The social benefits are also tangible, improving the quality of life of people by providing warm, good-quality accommodation at affordable prices, as well as reducing energy bills during a cost-of-living crisis.

Key barriers

- Cost of entry
- Profitability (without grant)
- Stability of income stream
- Organisational capacity needed
- Technical complexity/skills requirement
- Potential for diversification is limited

Retrofit of housing for rent requires an initial investment to acquire stock, equipment and technical expertise to refurbish to a high standard, requiring potentially significant upfront investment of finance and time.

There are particular cost barriers to consider in social-rented housing. Providers of social-rented housing, such as Latch, retrofit where they can while keeping rents at a level which their potential tenants can afford. Ethical landlords and registered providers of social housing operate a similar model to finance the purchase and refurbishment of housing for rent, involving a mix of grant, loan funding and, in some cases, community shares. It is usually challenging to produce a business model which keeps rents affordable and generates sufficient income to keep properties in good repair and services the debt. The funding mix can therefore affect the extent of retrofitting of properties. Ethical landlords cannot always do as much retrofitting as they would wish.

The current financial climate increases the risks of this model. Loan finance has become more expensive since the Bank of England started raising interest rates in late 2021.⁸ Supply chain disruption and the increasing cost of materials have added significant costs to capital projects.

Community businesses focused on delivering elements of retrofit to the market, such as installation of solar panels or heat pumps, must address other challenges. Equipment and staff training will be key upfront costs. Like many developing markets, demand may be erratic, and the technology may change over time. Ongoing investment in skills training and equipment will thus be required, adding to the cashflow challenges.

Considerations

- Are you doing retrofitting as an income-generating business in its own right or as an element of your main business, for example developing, refurbishing and letting housing?
- Do you have a clear plan to acquire technical skills and upgrade them as required on an ongoing basis?
- Can you see a range of financing opportunities, including grants, loans and social investment?
- Do you have a business model and access to investment which can flex as the market changes?

Resources

- [Centre for Sustainable Energy: Range of resources on retrofit, eco-buildings, etc](#)
- [People Powered Retrofit: Manchester based partnership – resources on starting out, making a plan, designing and contracting, on site and evaluation & handover](#)

8 <https://www.bankofengland.co.uk/explainers/why-are-interest-rates-in-the-uk-going-up>

Table 5.11: Retrofitting eco-buildings Opportunity Map scores

	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	1	Finance: 10 out of 25
B	Profitability (without grant)	1	
C	Stability of income stream	1	
D	Investment potential	4	
E	Track record	3	
F	Strategic risks/external factors	4	Risk: 14 out of 20
G	Competition	4	
H	Community 'Buy in'	3	
I	Development time	3	
J	Technical complexity/skills requirement	3	People: 13 out of 20
K	Partnerships	4	
L	Organisational capacity needed to develop the project	2	
M	Labour intensity/reliance on volunteers	4	
N	Market	4	Scalability: 13 out of 25
O	Existing networks/routes for growth	2	
P	Potential for diversification	1	
Q	Embedded growth potential	2	
R	Dependence on local factors	4	

Renewable heating and energy-efficiency measures – eco-hub

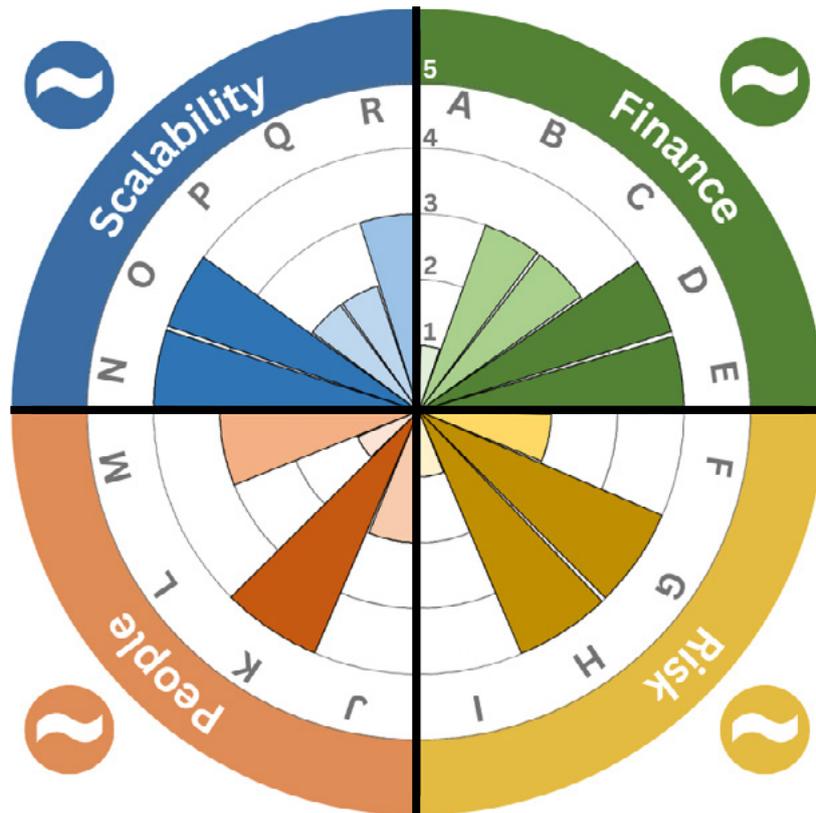
Community buildings have a reputation for being “hard to heat and hard to treat”. They are often old and poorly insulated, meaning there are both high carbon footprints and high energy costs. However, there is a growing trend towards making environmental sustainability a fundamental element of community building design.

Making buildings more environmentally sustainable does not, in itself, generate income, but it can reduce running costs. It can also catalyse discussion of environmental issues in the local community. As we have seen during Covid-19 and the cost-of-living crisis, community businesses will step up to the plate to meet urgent need in communities. By demonstrating a commitment to climate action, they support and encourage broader community action to address climate change.

Every building has a different business model, earning income through room hire, managed workspaces and other community enterprises. Factors affecting the sustainability of the business model include the mix of income streams and the location and size of the building. Witton Lodge Community Association in Birmingham is operating their eco building as a community hub.

There is some crossover here with renewable energy-generation business models. Many organisations will install, for example, solar panels to improve the environmental sustainability of their building and improve their carbon footprint, but may sell any surplus energy to the national grid.

Figure 5.9: Opportunity Map for eco-hub development



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community 'Buy in'	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Profitability (without grant)
- Investment potential
- Competition is limited
- Potential partnerships
- Size of available market
- Potential for diversification
- Embedded growth potential

Buildings in community hands include community centres, sports centres, libraries, heritage buildings, shops and pubs. There are many routes to acquisition, including community asset transfer and purchase using grants, community share offers and/or loan finance. Acquisition is often accompanied by strong support from local people, meaning measures to make buildings more environmentally and financially sustainable can gain publicity and influence thinking on addressing climate change.

There is a great deal of evidence for the benefits of community ownership. Power to Change research has estimated there to be over 6,000 assets in community hands in England, contributing £220m to the economy every year (Power to Change 2019). Locality research has shown how asset-owning community organisations act as local economic multipliers, and, by hosting tenants, make a significant 'enabled contribution' to local economies in disadvantaged neighbourhoods (Locality 2018). Further research has shown a range of social benefits, including building community capacity, creating stronger local partnerships and developing pride of place (Locality 2016).

Witton Lodge's eco-hub brings the potential environmental benefits of community buildings into sharp relief alongside the economic and social benefits. By maximising energy efficiency, it showcases how community buildings can be made fit for the future. But it also shows how community organisations can put the climate crisis at the heart of their mission, harnessing their role as community leaders in a disadvantaged urban environment to build environmental citizenship and democratic participation.

When considering acquiring a building, it is essential to fully research the revenue business model, including pricing and market size. The pressure to save a much-loved building can produce a focus on acquisition at the expense of long-term financial sustainability. Reliance on grant income to cover running costs is a high-risk strategy due to the level of competition.

Making buildings more environmentally sustainable can also reduce running costs. Many social lenders are prioritising proposals related to using renewable energy to reduce utility costs. Before the recent massive increase in energy costs, many community businesses decided that the payback time on, for example, solar panels was too long to be worthwhile. Higher energy costs have changed that equation.

Key barriers

- Cost of entry
- Strategic risks/external environment
- Community buy-in
- Development time
- Technical complexity/skills requirement
- Organisational capacity needed

The cost of purchasing and refurbishing a building is likely to be a significant barrier. Some community businesses will have the opportunity to acquire a building at less than market value through community asset transfer, but such buildings are likely to require refurbishment. Costs of acquisition and refurbishment are typically met through a mix of grant, loan and community shares. Limits on each source of funding – such as maximum size of grant set by each funder and the maximum amount of loan which can be repaid – mean that significant development time and skills are needed to pull together a package of capital funding. Raising capital may be more difficult for smaller and new community businesses which do not have a track record.

The costs of building materials and skilled trades have risen steeply over the last few years, increasing the risk in undertaking a building project. Although incorporating environmental sustainability into the design from the start makes sense, it may not be possible. Compromises often need to be made to make the work affordable, even if this makes the building more expensive to operate in the long run.

A scheme such as Witton Lodge Community Association's eco-hub may be more straightforward to develop than piecemeal upgrades. A new build or major refurbishment will involve specialists and the development programme should

allow space to fully consider the different options. Incremental improvements are often done when grant funding or advantageous loan terms are available and may be limited in scale by the size or purpose of the investment.

Any building or refurbishment project will require significant development time and in-house skills. In-house expertise will be necessary even if there is a team of building professionals working on the project. It is crucial that the community business actively manages the project to ensure that the completed building meets their needs and expectations.

Considerations

- Does your organisation have the human resources – time, skills and expertise – to embark on a building project?
- Do you own a building that could benefit from improving its environmental sustainability?
- Is there a suitable asset which you could acquire? Is there support for community acquisition?
- Can you see options to develop a viable revenue business model for the building?
- Is it feasible to raise the level of capital required?

Resources

- [Locality: The Green Asset Guide](#)
- [Centre For Sustainable Energy: How to save energy in your community building](#)
- [Next Generation case study: Gloucester Community Energy Co-op: installing solar on community buildings etc.](#)

Table 5.12: Eco-hub development Opportunity Map scores

	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	1	Finance: 15 out of 25
B	Profitability (without grant)	3	
C	Stability of income stream	3	
D	Investment potential	4	
E	Track record	4	
F	Strategic risks/external factors	2	Risk: 11 out of 20
G	Competition	4	
H	Community 'Buy in'	4	
I	Development time	1	
J	Technical complexity/skills requirement	2	People: 10 out of 20
K	Partnerships	4	
L	Organisational capacity needed to develop the project	1	
M	Labour intensity/reliance on volunteers	3	
N	Market	4	
O	Existing networks/routes for growth	4	Scalability: 15 out of 25
P	Potential for diversification	2	
Q	Embedded growth potential	2	
R	Dependence on local factors	3	

Active travel and community transport: bike repair and sale project

Bike repair and sale presents a significant opportunity for community businesses to help communities reduce car use and increase physical activity. Green Alliance research (2021) has shown we need to reduce car travel by 20-27 per cent by 2030 to meet our climate commitments. More than 35 per cent of adults in the UK are not active enough for good health (OHID 2022). The UK Chief Medical Officers' Guidelines recommend each week adults do at least 150 minutes moderate intensity activity, 75 minutes' vigorous activity, or a mixture of both. Cycling reduces car use and increases physical activity.

Bike repair and sale businesses can build upon initiatives to improve fitness, travel to school and cycling for pleasure. They can encourage and support behaviour change by allowing people to try out, for example, cycling to work without incurring significant expense.

There are many community businesses involved in cycle repair and refurbishment, such as Heeley Trust. A community business focused on cycling can diversify to meet both its social mission and its viability targets. Diversification options could include selling new bikes, including e-bikes, or partnering with local authorities to encourage active travel. While an active travel strategy does not in itself generate income, it is an action which every community business can take to address the climate emergency. Elements can include measures to encourage and enable staff to consider alternatives to car travel and providing information on public transport options to travel to community buildings.

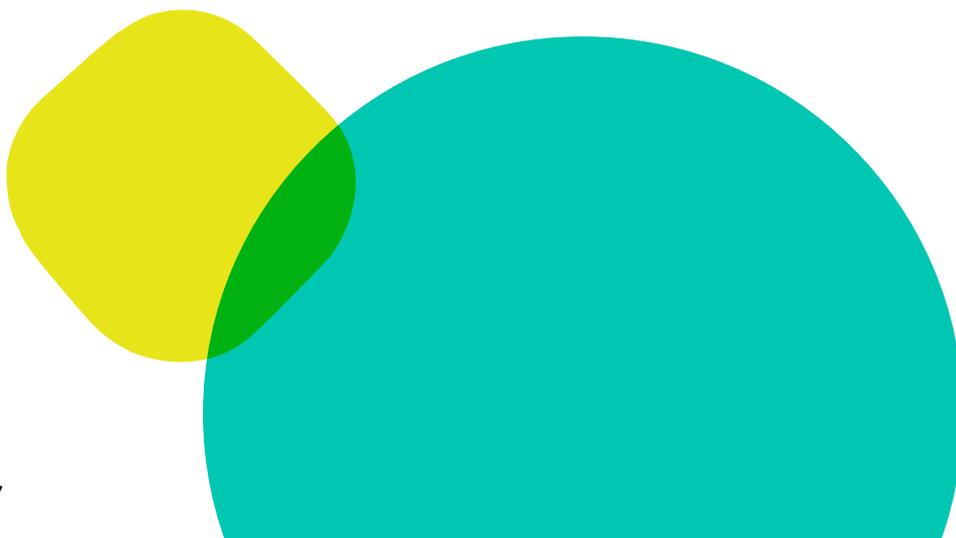
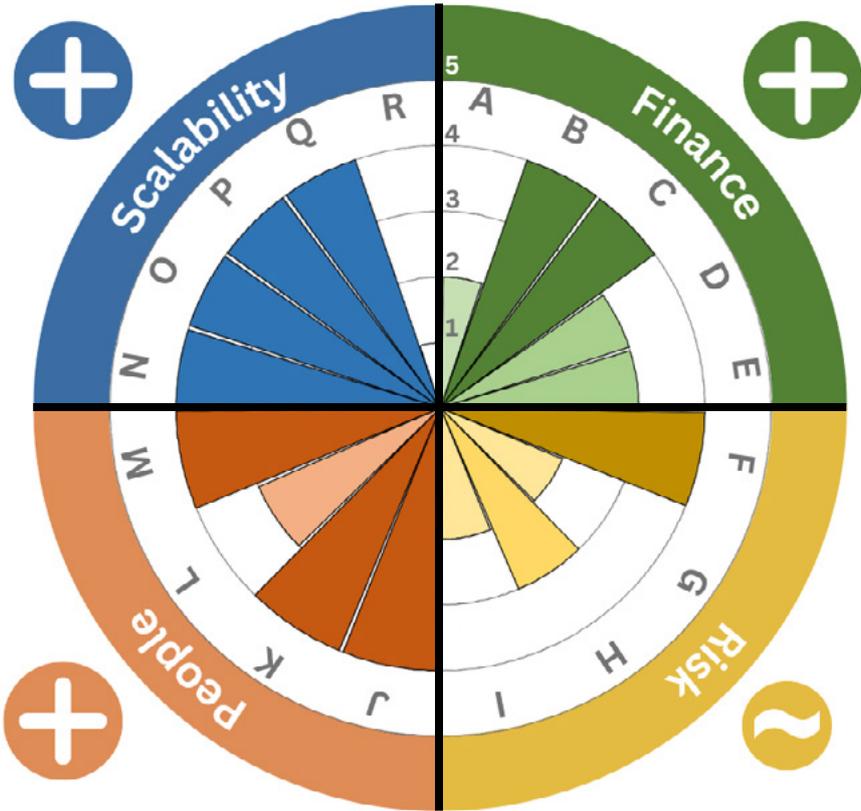


Figure 5.10: Opportunity Map for bike repair and sale



A	Cost of Entry/capital requirement	J	Technical complexity/skills requirement
B	Profitability (without grant)	K	Partnerships
C	Stability of income stream	L	Organisational capacity needed
D	Investment potential	M	Labour intensity/reliance on volunteers
E	Track record	N	Market
F	Strategic risks/external factors	O	Existing networks/routes for growth
G	Competition	P	Potential for diversification
H	Community 'Buy in'	Q	Embedded growth potential
I	Development time	R	Dependence on local factors

Key opportunities

- Profitability without grant
- Investment potential
- Potential partnerships
- Size of available market
- Potential for diversification
- Embedded growth potential

There is a broad market for cycle sales and refurbishment, so clarity about which section of the market is being targeted will be important. This may also be impacted by social mission. A community business may focus on making affordable bikes available to people on low incomes or it may focus on encouraging people who are relatively affluent to use e-bikes rather than cars for some journeys. In some cases, social mission may be at odds with profitability. The social mission may be around getting local people to be more active, but the market may be mainly people who already enjoy cycling.

Business models around bike repair, refurbishment and sales are well understood which can make it easier to secure social investment and/or undertake a community share offer. However, different business models will have different levels of profitability, so it is important to thoroughly explore pricing, customer base and competition as part of the development of the business.

The Heeley Trust has made an important partnership with the local authority. However, such partnerships can be a risk as well as an opportunity, particularly if the relationship is based on contracting. Co-design can result in great ideas from ethical businesses being incorporated into contracts, but the ethical business may not win the contract. Bidding for contracts is time-consuming with no guarantee of success. Ethical businesses can lose out to private sector competition if the main assessment criterion is price, and some community businesses will not meet the baseline requirements to bid.

Key barriers

- Cost of entry
- Competition
- Dependence on local factors

There can be relatively low barriers to entry to this market. Community businesses may start by providing a repair business using mainly volunteer labour. This may diversify into refurbishment and sale of donated bikes. Limited capital investment is required in equipment and premises. However, moving into sales of new bikes will often require significant investment in stock financed through borrowing. The business must therefore meet sales targets to cover its repayments and continue to trade.

There is significant competition for many aspects of cycle sales, refurbishment and repair, including national chains, local charities and local private sector businesses. Potential community businesses will need to research competition in their local area and be satisfied that there are genuine opportunities.

A key element of viability is clarity around requirements and availability of paid staff and volunteers. Many of the skills required for bike repair and refurbishment can be readily learned, allowing smaller community businesses in bike hire and refurbishment to use volunteers. Volunteers come forward because they enjoy the work and being part of a team in a social situation. As a business develops, additional skills, such as effective marketing of new cycles, may be required.

Considerations

- Is there interest in cycling within your staff team, board, volunteers or users?
- Which segment of the market are you interested in working in?
- What does a map of local competition look like – is there demand which is not being met?
- Are there opportunities to work with the local authority or other partners?

Resources

- [Cycle Tech UK: Network of independent bike mechanics](#)
- [The Bristol Bike Project: member-led co-operative repairing and rehoming bicycles](#)
- [Bikeworks: Social enterprise running training and courses](#)

Table 5.13: Bike repair and sale project Opportunity Map scores

	Indicator	Indicator Score	Domain Score
A	Cost of Entry/capital requirements	2	Finance: 16 out of 25
B	Profitability (without grant)	4	
C	Stability of income stream	4	
D	Investment potential	3	
E	Track record	3	
F	Strategic risks/external factors	4	Risk: 11 out of 20
G	Competition	2	
H	Community 'Buy in'	3	
I	Development time	2	
J	Technical complexity/skills requirement	4	People: 15 out of 20
K	Partnerships	4	
L	Organisational capacity needed to develop the project	3	
M	Labour intensity/reliance on volunteers	4	
N	Market	4	Scalability: 17 out of 25
O	Existing networks/routes for growth	4	
P	Potential for diversification	4	
Q	Embedded growth potential	4	
R	Dependence on local factors	1	

6. Conclusions and recommendations

Community businesses can support the deep societal and economic transitions needed to achieve net zero, help avoid climate breakdown and build more resilient communities. Many community businesses are already leading the way.

This research sought to:

- outline what community businesses' climate action looks like, including the majority of community businesses for whom it is not their primary aim
- consider what makes such climate action or business models viable and/or replicable, and provide examples that can be readily taken forward by community businesses and other actors within the community business ecosystem
- help assess the climate impact such action has, and set out a framework that can be adopted for easily measuring the impact of community businesses' climate action consistently.

Community businesses are taking climate action and regenerating nature in a wide range of forms, including through community energy, community-supported agriculture, community land trusts, low-carbon transport and circular economy initiatives.

Whether explicitly climate-focused or looking to deepen their incidental climate impact, community businesses face a range of barriers in taking climate action, such as:

- lack of funding and viability issues
- constraining policy context
- overly bureaucratic and inflexible processes which do not sufficiently comprehend community businesses, particularly at local level
- organisational capacity required and marginal profitability
- a range of practical challenges such as development time and upfront costs of entry and capital requirements

However, there are also clear opportunities:

- community work is climate work, with local action having strong climate benefits
- local authorities can leverage their powers to support community businesses
- levelling up and the just transition agenda are combined
- a range of community climate models are being developed locally, with practical learning about their potential benefits and how to overcome barriers
- passionate and committed local people and community leaders can drive forward ideas and work to overcome viability barriers
- viability and impact can become mutually reinforcing for some business models, like the lower costs more efficient heating can bring alongside reducing emissions

This research has developed and refined a framework – presented in Chapter 3 – to measure community businesses’ climate impact across a broad range of action areas and different levels of measurability. Altogether, it is a robust yet manageable way to capture impact, which has been tested during this research. A clear lesson from refining and testing this framework is that many community businesses often directly or explicitly target wider social or local economic goals to which climate impact is often complementary but secondary. There are community businesses which explicitly target climate outcomes, though we conclude where there are also strong social and local economic benefits within the work.

The research also supported the development of the Climate Opportunity Map – shown in Chapter 5 – which seeks to help organisations wanting to take climate action understand the challenges, barriers and opportunities this poses alongside setting out routes to financial sustainability over the long term. The map provides an overview of the main models of climate action identified in this research.

In setting out an overall approach and testing this against these models, the Climate Opportunity Map provides learning and a method for community businesses and other parties to understand:

- the prerequisites, challenges, barriers and opportunities for the various types of climate-focused business models
- to what extent these business models can be replicated elsewhere.

Taken together, the different sections of this research provide useful, evidence-based and tested tools which can support the development of viable community business models in pursuing impactful climate action, which can in turn be measured and enhanced.

For this report to be impactful in providing those tools, we recommend a number of next steps.

6.1. Recommendations

1. The Climate Opportunity Map and impact framework should be made available to community businesses to ensure that they can access the tools offered to support climate action. The lessons using these tools provide would improve the development of viable plans towards impactful climate action.
2. The impact framework has been refined and tested against the evidence review and our case study research, but could be further refined by action research. This could involve working with organisations to implement the impact framework into their business plans, measure their impact within the typology and assess the usefulness of impact measurement. This iterative process would help to deepen the framework, driving forward improvement of monitoring and evaluation, and evidencing impact.

3. The impact framework could be further tested by applying it to a wider range of community businesses – including those which do not explicitly undertake climate action – to test its applicability among a broader sample of community businesses. This could help to identify its usefulness in elevating the salience and likelihood of achieving climate impact, and identify how high-quality impact measurement can be delivered in a low-cost and capacity-light way.
4. The impact framework and the Climate Opportunity Map point towards common activities, paths to viability and impact, and impact measurement for community businesses. We recommend the engagement of organisations in the wider community business ecosystem (including funders) to promote the tools offered in this research. Such engagement could lead to further refinement of these tools to ensure they can be used in influencing funding decisions. This would include ensuring funders consistently consider climate impact in a way that is pertinent to community businesses and their work, as well as improving the assessment of climate impact among organisations. Their use would help to improve the availability of capital funding, particularly for community businesses looking to undertake climate action.
5. In addition to the above, the impact framework and Climate Opportunity Map could be used as a launchpad to seek agreement around a common typology of activities and impacts in assessing climate impacts in both funding applications and evaluations among key funders – with a long-term goal of improving the ease of access to funding for community businesses undertaking climate action.
6. This research sets out clear evidence that community businesses offer significant potential to simultaneously address economic, social and environmental goals together. We recommend that both government and funders in the sector seek to consider these simultaneous benefits delivered by community businesses in designing and making decisions about funding. This would mean assessment and evaluation frameworks fully scoped to community businesses' activities, aims of funding streams that seek to meet these multiple aims, and prioritisation of proposals or projects that seek to or can demonstrate impact across economic, social and environmental domains simultaneously. If considered sufficiently, this is likely to involve increasing the scale of funding allocations and specific aims of aligning these goals in funding streams.

Glossary

Action research: a research approach involving active engagement of actors or stakeholders in real-world settings to address and capture learning on specific problems, challenges or opportunities. It combines research and action to develop practical solutions.

Capital: financial resources invested in creating or purchasing assets which generally serve productive purposes over a period, like the finance involved in purchasing a house.

Circular economy: an economic model that seeks to describe the circular 'life' of goods with an intention to use this concept to minimise waste and maximise resource efficiency through keeping goods and materials in continuous cycles of use and regeneration. It emphasises activities like repair, recycle and reuse – as well as designing goods for longevity, efficiency, and low-resource repair and regeneration.

Community business: a locally rooted organisation that operates with the primary purpose of benefitting the community it belongs to and serving social, economic or environmental objectives. As a business, surpluses can be created, but they must be invested for the benefit of the local community.

Deprivation: lacking or being deprived of essential resources needed for decent living standards and participation in modern life. It principally relates to socioeconomic disadvantages, in areas like income, education, health, housing and quality of local services.

Impact: the change created by a particular action or project and the effect of this on individuals, communities, the environment or the economy. It is often measured in terms of social, economic or environmental changes. It can be positive or negative. It is distinct from outputs. For instance, the output of a wind turbine is the energy it creates, but the impact of a community-owned wind turbine could be a reduction in local carbon emissions, lower energy bills and more wealth being retained within a local community.

Levelling up: a political concept particularly prominent since 2019, largely driven forward by the government but also contested and redefined by other political parties and wider stakeholders. In summary, it is a concept aiming for reduced regional inequalities in the UK and better economic and social outcomes in disadvantaged communities.

Net zero: the goal of a balance between the amount of greenhouse gases – mainly focused on carbon emissions – emitted into the atmosphere and the amount that is removed or offset by other means such as carbon capture and storage. In general terms, the phrase is used to indicate the journey to reduce emissions as much as possible.

Resilience: resilience refers to the capacity of individuals, communities and systems to anticipate, adapt and recover from events, stresses or shocks. In terms of climate, this means from the impacts of climate change.

Retrofit: improving or modifying existing buildings or things to enhance energy efficiency, sustainability or functionality. In housing, it typically refers to upgrading the fabric of or installing new features in homes to reduce energy consumption or improve energy efficiency.

Revenue: the income generated by community businesses through their regular operations, like selling goods or services.



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Appendix A

Impact measurement framework methodology

The development of the impact measurement framework was iteratively advanced through several steps. This appendix details that process.

The starting platform for measuring climate impact was Power to Change's report *The Community Business Market in 2021* (Higton et al 2021). This suggests community businesses can demonstrate the impact of their environmental actions in 10 categories:

1. Raising awareness/learning
2. Creating green spaces
3. Energy efficiency
4. Waste reduction
5. Reclamation and upcycling
6. Carbon storage/economy
7. Recycling
8. Reducing environmental impact
9. Improving local infrastructure
10. Wellbeing.

To evolve understanding of climate action, researchers used both the *Community Business Climate Action Scoping Study* (Power to Change 2022) and previous IPPR research (Webb et al 2021). These studies highlight that while community businesses achieve climate action, they are often motivated to achieve it by other factors, for instance, social justice or achieving systems change within local economic functions (ibid; CAG Consultants 2022). Consequently, many are undertaking action in a way where climate impact may not be the primary factor they seek to measure when evaluating outcomes.

At this juncture, IPPR North and Locality developed an initial framework for climate action, building heavily on the research. Researchers focused on the following domains of climate action and proposed indicators to measure climate action:

- **Land use:** the amount of land used (surface area) for sustainable activity; the pipeline of planned land acquisition(s) for climate action use.
- **Renewable heating and energy efficiency measures:** the number of installed low-carbon heating solutions; the undertaking of retrofit activity.
- **Renewable energy:** the number of community-owned renewable assets; the amount of installed renewable energy initiatives.

- **Woodland creation and management of natural environment:** the number of woodland spaces managed by community businesses; the number of new woodland spaces established by community businesses; measured increases in biodiversity on managed land. This definition is intended to be expansive and would also include such activities as urban greening or seagrass restoration.
- **Adaptation to climate impacts:** support for community adaptation of initiatives, such as flood defences.
- **Active travel and community transport:** the number of active travel schemes supported by businesses; the number of community travel schemes supported; investment in active travel and community transport infrastructure.
- **Local food production:** growing activities undertaken; the involvement of businesses in wider supply of local food produce.
- **Circular economy:** the repair and re-use activities supported; the rate of recycling and re-use by businesses.

These initial measurement areas were refined using the evidence review outlined and through stakeholder engagement, action research and case study research. This iterative exercise of refinement resulted in the development of a proposed framework for measuring community businesses' climate impact.

This framework was developed in partnership with community businesses. Consequently of engaging with them, researchers not only refined this framework but also tested its key indicators to judge if these represent the best domains of climate action undertaken by community businesses. The framework presented is the conclusion of that exercise.

Prior to testing the framework, businesses which aligned with the indicative measurement framework and provided diversity in activity were identified from Power to Change's climate action dataset. That dataset identifies community businesses which are engaged in climate action within Power to Change's grantee database. From this a longlist of organisations was selected, focusing on geographical variation, range and scope of climate activities, organisation size, available information, and indicative impact based upon reviewing available information.

A subsequent shortlist of community businesses was drawn up by identifying those organisations willing and able to participate in our research. Researchers then prioritised 10 which were likely to offer applicable and transferable lessons for the wider community business sector.

The 10 case studies presented are designed to allow the assessment of both what is the mix of different activities that community business are doing to take climate action (used to improve the framework as discussed), and what that mix might look like.

These have been supplemented with information obtained from action research and consultation interviews with additional desk-based research, and returned to the organisations for verification.

The final version of the typology has then been used to consider the impacts of these case study community businesses and how these could be measured in future where they are not already actively measured.

Appendix B

Scoring matrix for Climate Opportunity Map

Domain	Indicator	Definition	1	2	3	4	5
Finance	Cost of entry/capital requirements	Capital needed to get the community business started	Cost of entry is high (7 figures or more) or unlikely to be easily available				Cost of entry is low (4 figures or less) or high but likely to be easily available
	Profitability (without grant)	Ability for the community business to generate its own stable stream of income, independent of grant funding	Entirely dependent on short-term grant income with no profit				Makes at least 10% profit with over 75% turnover from earned income with good pipeline of grants to top up
	Stability of income stream	Extent to which revenue income is regular, reliable and predictable	Revenue is occasional/unpredictable and from one source				There are several sources of revenue with no interruptions or seasonality
	Investment potential	Likelihood that investor, including lenders, grant funders and community investors through share or bond issues will invest	The project is currently ineligible for most grants and not investable				The project will make a safe investment, e.g. it is in bricks and mortar or there is equity
	Track record	The track record and/or the degree to which the project is tried and tested	The project is an entirely new concept with no known precedent				There is financial track record information available from more than one existing similar project

Domain	Indicator	Definition	1	2	3	4	5
Risk	Strategic risks/ external factors	Strategic risks are those such as changes in legislation that would affect the viability of the community business. Normally analysed in a risk register or PESTLE analysis	High score on risk register or external factors makes it unviable				Low score on risk register
	Competition	A competitor analysis is important – the extent to which the presence of competitors would negatively impact on viability	There is significant competition, including from the private sector, which is likely to seriously affect the success of the community business				There are currently no direct competitors, or size of market makes competition irrelevant (e.g. selling electricity to the grid)
	Community 'buy-in'	The degree to which those in the community support the business	The project has had a negative reception from several sources in the community				The project has demonstrable support from the community
	Development time	Time required to start and reach critical mass or break even	The time taken from gestation to project start is over a year and then another year for critical mass or break even				The project can be up and running within months and the projected time to critical mass or break even is within a year

Domain	Indicator	Definition	1	2	3	4	5
People	Technical complexity/skills requirement	Community businesses don't necessarily have the skills to deal with specialist technical requirements that climate-focused project may require	Skills/technical complexity high and not easily available				A simple project, or complex but where all the skills are available to the organisation
	Partnerships	This is a question about the positive or negative impacts of partnerships	Partnerships are necessary and they are either not in place or a significant draw on the organisation's capacity				Partnerships are already in place and make progressing the business easier/more impactful
	Organisational capacity needed to develop the project	This is a question about the amount of time and resource it takes to bring the business idea forward to a stage where it can start earning income	It is likely to take significant time (meaning that smaller organisations will struggle)				The project is quite fully formed so won't need too much organisational capacity
	Labour intensity/reliance on volunteers	Reliance on volunteers is a risk in that they could easily decide at short notice not to participate	The community business' workforce is entirely volunteers and if they don't turn up, the community business can't operate				There is no reliance on volunteers

Domain	Indicator	Definition	1	2	3	4	5
Scalability	Market	There must be people willing to buy the product or service – the market – and the community business should have good information about them	No information is currently available about the likely market for the product and service				Market research and test trading has been done showing demand and a growing market
	Existing networks/routes for growth	e.g. the community business is part of a network, could be ‘franchised’ etc	There are no known networks or routes to growth				A growth route is built into the business plan
	Potential for diversification	The business idea can be a diversification from existing activity (ready market and infrastructure) or there is potential for the business to diversify into other things	There is no diversification avenue either into or out of the business				There are multiple diversification avenues which help the community business to be strong and sustainable
	Embedded growth potential	The extent to which the community business’ concept has growth built in	There is no obvious way to grow the business beyond a certain level e.g., a fixed amount of land				The community business’ concept has growth built in
	Dependence on local factors	The extent to which the success of the model relies on factors particular to a locality or larger area	The business is unique to local conditions with no likelihood of replication elsewhere				The community business’ concept is self-contained, will benefit the local area but not dependent on local conditions

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