



power to
change

business in
community
hands



**NEW
LOCAL**

RESILIENT COMMUNITIES FUND REVIEW FOR POWER TO CHANGE

May 2024

Imran Hashmi, New Local



**COMMUNITY
FUND**

ABOUT **POWER TO CHANGE**



We back community business from the ground up. We turn bold ideas into action so communities have the power to change what matters to them.

We know community business works to build stronger communities and better places to live. We've seen people create resilient and prosperous local economies when power is in community hands. We also know the barriers that stand in the way of their success.

We're using our experience to bring partners together to do, test and learn what works. We're shaping the conditions for community business to thrive.

ABOUT **NEW LOCAL**



New Local is an independent think tank and network of councils, with a mission to transform public services and unlock community power.

Community power is the idea that people should have more say over the places they live and the services they use. It recognises that people and communities have valuable insights into their own circumstances. In local areas, the public sector and other partners need to work with communities to find solutions to the big challenges and improve places and services.

We believe a paradigm shift, underpinned by community power, is needed to create sustainable public services, better places to live, and enhanced wellbeing for all.



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EXECUTIVE SUMMARY



The Resilient Communities Fund (RCF) was a £1.3m grant funding and capacity support programme for community businesses. It was funded by Power to Change and delivered in partnership with the Social Investment Business and the Centre for Sustainable Energy. It provided emergency support as quickly as possible to community businesses, to support them to implement energy resilience projects to become more resilient to both climate change and the cost-of-living crisis. Power to Change viewed these as intrinsically linked - if you can build resilience against fossil fuels, you are simultaneously building resilience against the cost-of-living crisis. The lack of adequate support available for community businesses meant Power to Change were compelled to step in and deliver critical support for the sector. It was a vital lifeline for many community businesses.

Supporting community businesses is an effective route to achieving broader societal changes.

There is evidence from this review of a range of different types of impacts being achieved as a result of RCF support. This ranges from economic and financial focussed impacts, such the survival and safeguarding of businesses, jobs and services, to building financial headroom. But there is evidence of community and environmental impact too, such as the increased use of services by the community, improvements in energy efficiency, implementing more sustainable practices, and an increase in the capacity, capability and confidence to implement energy efficiency projects in the future. This review finds that investing in and partnering with community businesses can be an effective and cost-efficient way of delivering on multiple outcomes and priorities, particularly in marginalised and deprived communities.

The flexibility and simplicity of the Resilient Communities Fund was a critical element of the success of the fund and its impact.

The approach of combining targeted, rapid and flexible funding alongside optional capacity support was very well received by community businesses and worked well in practice. It provided flexible funding

to community businesses to spend on whatever they deemed most useful to their own business – which ranged from both core costs to funding specific projects (often focussed around energy resilience). This empowered community businesses, freeing them up from funding restrictions and day-to-day challenges and allowing them to tackle immediate financial pressures and simultaneously plan for longer term resilience. This approach engendered a mature relationship between funder and community businesses, based on flexibility, understanding and trust, which was a key factor in how the fund has managed to deliver on multiple priorities and impact across a range of themes (financial, economic, community and environment).

Community businesses, particularly those in marginalised areas, are highly susceptible and exposed to climate change.

Many were found to have higher than average energy bills given they own and tend to operate out of older, inefficient buildings, combined with an increased demand for their services which can be energy intensive (eg warm spaces, food banks). Community businesses action on climate change is therefore not separate to resilience – it is a key aspect of building longer term resilience and continuing to provide services to their communities.

The findings of this review result in a series of **recommendations for future support programmes**. These are:

- Support community businesses and recognise that supporting them is climate action, given that they are at the forefront. The most marginalised communities are likely to be the most affected by the climate crisis and given community businesses are a cost-effective way of supporting outcomes in these communities, it makes sense to support them to do so.
- Continue to provide flexible financial support to community businesses, alongside optional relevant capacity support. Retain the ethos of flexible, light touch support, empowering community businesses to make their own choices of how to spend funding.
- Continue to adopt a data led approach to target the most appropriate community businesses, given the priority of the support being provided. Real time data led tracking can help to provide support as quickly as possible to community businesses in the right places.
- Consider providing technical support and advice for future energy saving initiatives, which is specific to community businesses location and the nature of their activity.
- Provide the space and format for networking and learning opportunities between community businesses, particularly where they can harness and focus on a common topic or challenge.

1. INTRODUCTION



Context and rationale

It is challenging at the best of times to run a community business. They need to balance the financial realities of running a business against the need to serve their communities.

The cost-of-living crisis and higher energy prices have added to this challenge in the short term. Community businesses must face the same operational challenges as private sector businesses, such as increased bills, supply delays, and workforce challenges, with the median income of community businesses falling by 32% from 2021 to 2022. But at the same time they need to respond to the growing demand for their services and support. 77% of community businesses had reported an increased demand for support related to the costs of food, and 79% for support related to increase in the costs of energy, according to the Community Business Market Survey (Power to Change, 2022).

Unlike some private sector businesses though, they are not able to pass on rising costs to consumers, as many operate in areas of high deprivation and so their customers' spending is inevitably already restrained meaning it is difficult to sustain enough revenue and be financially sustainable.

Community businesses who are operating out of physical assets are often in large energy intensive and inefficient buildings, which means they face higher than average energy bills both at present and in the future. Add to this the barriers they face to accessing finance, due to being perceived too risky by more risk averse lenders, and their options for external funding, particularly in time of crisis, are limited.

Then there are a series of structural and longer-term issues, revolving principally around climate change, but also including technology change, investment and funding challenges, regulation changes, and demographic and socio-economic changes in communities such as an ageing population, increasing income inequality, and rising health challenges. It is vital therefore, to help community businesses deal with and overcome the short-term system shocks, but at the same time encourage and support them in relation to meeting the challenges and opportunities posed by the climate crisis.

The Resilient Communities Fund

Work was already underway by Power to Change in 2022 as part of their climate action programme to provide financial and capacity strengthening support to help community businesses build resilience to climate change.

But given the cost-of-living crisis and warning signals from the community business sector about insufficient support available, Power to Change pivoted towards providing a flexible cost of living crisis fund. The fund still retains the aims of building resilience to climate change, with the view that if you can build resilience against fossil fuels, you are simultaneously building resilience against the cost-of-living crisis (given the nature of the crisis was predominantly manifested in high energy bills).

The fund consisted of :

- £1.3m of grant funding to community businesses, with a maximum grant available of £10,000 per business.
- Capacity support provided by the Centre for Sustainable Energy to provide support on the development and implementation of energy efficiency and renewable energy projects.
- The delivery of webinars and a suite of online resources to help community businesses build climate change resilience, delivered by the Centre for Sustainable Energy.

The Resilient Communities Fund logic model

The overarching logic of the RCF is that, **through the provision of flexible grant funding, to provide emergency support as quickly as possible to community businesses. This will support them to implement energy resilience projects to become more resilient to both climate change and the cost-of-living crisis.**

The next page sets out a logic model for the RCF, to show how different elements underpin this theory of change.

It is structured around the following aspects:

- The background to the RCF, setting out context, rationale and fund objectives.
- The delivery aspects of the RCF – inputs and activities.
- The expected results of the RCF – the outputs, outcomes and impacts.

Resilient Communities Fund Logic Model

1. RCF Logic Model

- UK currently experiencing the most severe cost of living crisis in a generation – with rising energy & food prices in particular.
- Community businesses reporting increases in costs – in particular energy costs.
- Simultaneous increase in demand on services from communities, alongside difficult to retain staff due to salary costs.
- Difficult to pass on costs to consumers as many community businesses operate in areas of high deprivation.

2. Rationale

- Power to Change's mission is to strengthen community businesses in order to tackle society's biggest challenges at a local level. One of these challenges is climate change.
- UK Government support was delayed and then not guaranteed to run past April 2023.
- Power to Change already developed a Climate Action Programme.

3. Objectives

Provide funding and capacity support to help businesses to:

- Identity opportunities and plans for future energy/climate resilience.
- Implement effective no and low-cost energy saving measures to their buildings.
- Explore deeper retrofit and capital-intensive building energy Improvements.
- Explore the viability to renewable energy in their business.
- Explore wider options for community-level climate actions and associated community business models.
- Address immediate financial pressures eg increasing staff salaries temporarily to retain staff, offering additional services to the community, or meeting excess energy costs.

4. Inputs

- £1.3m of grant funding to community businesses who were invited by Power to Change to apply.
- Power to Change and Social Investment Business staff time to deliver and manage the fund.
- Centre for Sustainable energy time and resource to delivery capacity support.

5. Activities

- Grant funding disbursement to community businesses.
 - Flexible funding (no conditions on use, but must be used for charitable purpose/ public benefit of community).
 - Max of £10k per community businesses.
- Delivery of three levels of intensity of capacity support .
- Webinars held for community businesses on climate change resilience.

6. Outputs

- 138 community businesses in receipt of grant funding.
- 47 community businesses accessing capacity support
 - Level 1: 47 businesses
 - Level 2: 8 businesses
 - Level 3: 1 business.

7. Outcomes

- Community businesses still trading.
- Safeguarded jobs.
- Reduces costs/bills.
- Energy efficiency projects implemented.

8. Impacts

- Increased confidence/ understanding/ ability of sector to do energy efficiency projects.
- Increase in ambition of sector to undertake resilience projects.
- Increased use of business and buildings by the community.

Purpose of Review

Research questions

Power to Change commissioned New Local to be a learning partner and undertake a review of the RCF. The review aims to answer the following questions:

- The extent to which the fund has had an immediate impact on grantees' resilience to cost of living crisis.
- Contribute to the evidence base about how community businesses are impacted by the cost-of-living crisis, and the vital role funders like Power to Change can play in supporting communities through it.
- Whether and how a small injection of funding and capacity support provision can contribute to community businesses' long term planning for the future, beginning to build resilience against the impact of the climate crisis.
- Explore the aspects of the fund that enabled Power to Change to successfully design and launch the fund in a much shorter timeframe than usual.
- Explore how effective has the capacity support been to help community businesses address the challenges they are facing, and how effectively has it complemented the funding support.

Methods

To answer these questions, the study carried out the following activities:

- 10 interviews with staff at Power to Change and partner organisations involved in the design and delivery of the RCF.
- Analysis of the RCF background documents and monitoring data.
- An online survey sent to all 138 supported community businesses to gather their views on the delivery of the fund, the impacts they have experienced, and future energy efficiency plans and support requirements. 69 businesses responded to the survey (50% response rate).
- Interviews with 7 supported community businesses to explore their experience of the RCF in more detail and to inform a set of case studies.

Structure of report

The rest of this review is structure as followed:

- **Section 2** explores the RCF's design, and specifically what aspects ensured a swift design and launch.
- **Section 3** looks at how the RCF was delivered in practice, looking at the characteristics and the experience of supported businesses.
- **Section 4** outlines the impact of the RCF – both from the financial and the capacity support.
- **Section 5** provides an indication of supported businesses future support requirements.
- **Section 6** sets out the conclusion of the review.

2. FUND DESIGN



There are a range of key factors and decisions that supported the swift setup of the Resilient Communities Fund

The way the RCF was designed meant that money was very quickly distributed to community businesses (the Power to Change board approved the programme in September 2022, and then funding was sent out to community businesses all before Christmas 2022). The key factors that allowed this swift design, setup and delivery are as follows.

Existing systems & knowledge already in place

Having delivered emergency response schemes during the Covid-19 pandemic, Power to Change were able to draw on learning and processes already in place. Fund application forms, terms and conditions, and a standardised dataset and IT systems were all already in place and didn't have to be created from scratch.

Further, given the work done on creating a climate action programme, this meant the establishment of a programme of work and the admin/governance that goes with that (eg identifying internal resource, case making for the work) was not needed, as existing resource and teams pivoted to work on the RCF.

The fund adopted a data led approach to understand the amount and type of funding to offer (using their own modelling of scenarios), as well as to understand in real time where funding was going to, eg which geographic and IMD areas. Power to Change already held lots of this data for the sector and community businesses, so time was not needed to do lots of data collection and understand the characteristics of businesses.

Leadership and culture

The internal ways of working and culture at Power to Change, particularly working in an intentional agile way and having a multidisciplinary approach of teams across the organisation working on the fund, meant that it was set up much quicker than previous Power to Change funds. The combination of the right individual expertise plus pooling together resource and expertise across teams meant challenges (particularly the time pressures) were quickly overcome.

The fund was given a strong mandate from the Power to Change Board and Senior Leadership Team, given the threat to the sector, and so it was designated the highest priority across the organisation. RCF work therefore took precedent over other work at time, ensuring decisions were made quickly and fund setup proceeded swiftly.

We also heard that on an individual level, there was a feeling that team members at Power to Change believed that the RCF was critical and the right thing to do to support the sector. Many colleagues were therefore willing to find the time and energy to deliver to challenging timescales, in some cases above and beyond their day-to-day work.

Good working relationships with delivery partners

The good working relations Power to Change has with delivery partners (including funders and the grant management organisations) was critical to ensuring the swift setup of the fund, because it meant they did not have to go through a long procurement exercise to source competent organisations to deliver.

This arguably meant that the programme delivery was more expensive than it could have been (assuming a competitive procurement exercise would result in cheaper quotes). However, this was a decision that was deemed necessary to ensure timescales were met and support was distributed as quickly as possible to the sector.

Invite only targeted approach

Power to Change opted to target specific community businesses to apply for the fund. They decided to invite those community businesses who had already received support previously from Power to Change. The benefit of this approach was that there was no need for any marketing of the fund, which significantly sped up the application process relative to previous funds and also meant very little resource/costs were required for marketing.

Given the invited businesses were all already known to Power to Change, this meant that less due diligence was required by Power to Change (relative to a business they have not worked with before) because they already held lots of data about the businesses, such as locations, the communities they serve, contact details, and financial information.

Whilst there were important advantages to this approach in terms of speed and efficiency, this does exclude a whole cohort of community businesses who are not in Power to Change's network of previously supported businesses, and a lack of representation in this cohort will have been carried forward into the RCF's supported businesses. For example, very young community businesses and potentially some of those in the greatest need, will have been excluded from the RCF as given their age they are unlikely to have been supported previously. From a diversity, equity and inclusion perspective, the proportion of RCF supported community businesses led by people from minoritised ethnicities, those with a disability, and those identifying as LGBTQ+ are all lower than the averages for the community businesses sector.

This means that the reach of the fund was limited as a result of the targeted approach, but that was a decision deemed necessary and appropriate given the high priority and objective of providing financial support as quickly as possible to the sector.

There were trade-offs expected between fund objectives, but there is evidence that these were not as large as envisaged

Given the RCF was borne out of the climate action programme, the objectives of the fund revolve around both building long term resilience to climate change and simultaneously providing support for short term challenges from the cost-of-living crisis.

Some consultees we spoke to expressed concern that these were conflicting objectives and inevitably there would have to be trade-offs made between the two. But they agreed that this was an inevitable consequence of shifting quickly to an emergency support fund.

This poses the question of how do you provide short term relief whilst simultaneously building longer term resilience?

This is a challenge other sectors are dealing with as well, none more so than the health sector and the NHS. As this report sets out later though, there is evidence from the RCF of community businesses increasing their ambition and confidence for longer term solutions to the energy crisis as a result of the support that they have received, whilst at the same time addressing short term challenges.

“

The speed and flexibility of the funds has been very welcome. The expert guidance and support on hand has been a real confidence booster.

Community business

3.

DELIVERY OF THE RESILIENT COMMUNITIES FUND



Open and trusted grant making, with flexibility to use grants for core funding

The flexible nature of the funding, combined with the light touch administrative requirements, was cited as a significant positive experience of the fund by community businesses.

Many supported businesses commented that the fact that they were able to use funding for core costs and working capital (bills and wages) without justification was an important aspect of the fund that allowed them to navigate the cost-of-living crisis and in many cases ensure their survival (see further detail in Section 4 Impact).



The funding was easy to access, very quick. I could focus on keeping the lights on rather than get bogged down in paperwork.

Community business



The flexibility of the grant, and the fact that it was available to support essential, less “glamorous” costs than programming.

Community business on the most useful aspect of the RCF

This flexibility allowed supported community businesses to focus on the challenges that they had of running their businesses during difficult circumstances and providing support to their communities in very challenging times, rather than focussing on lots of paperwork or administrative requirements as many stated they had experienced in previous funding support programmes. 50% of survey

respondents stated that the application process was very easy, rising to 92% when including those that stated it was easy.



Short bidding process and quick access to funding that I could use however I needed to

Community business on the most useful aspect of the RCF

Many supported businesses reflected that these features of the fund caused them to feel empowered. They commented that it felt like a mature relationship between themselves and Power to Change, with Power to Change not enforcing on them how they should be using their money with lots of restrictions, but instead trusting them to use the funding in the best way to run their businesses. This is a key factor in how the fund has managed to deliver on multiple priorities and impact across a range of themes (financial, economic, community and environment). Supported community businesses were free to use the funding in any way they saw fit and they are best placed to understand what type of investment/use of money will deliver the most important impact for their business and community,



It felt like a really mature relationship between business and funder. I know best how to run my business, and I felt empowered that they left me to use the funding in the best way possible for me and my community.”

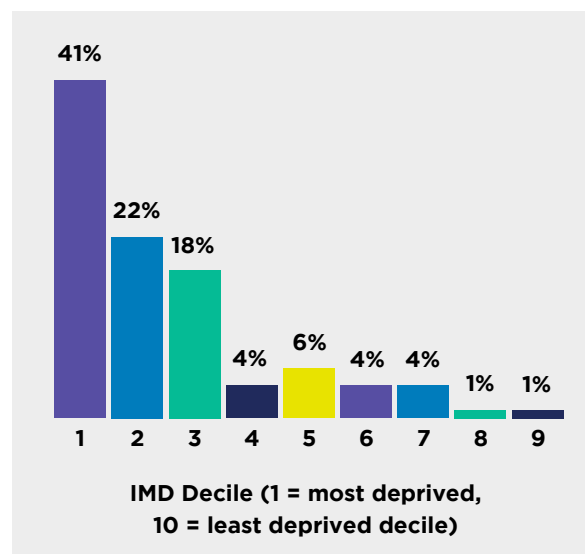
Community business

The Resilient Communities Fund invested across the country in the most deprived communities

Through a data led approach to investing in community businesses, the RCF supported community businesses based across England, with 80% of supported businesses based in the most disadvantaged areas (IMD 1-3). This is a far higher rate than the sector average where 48% of community businesses are located in IMD 1-3 areas.

As Power to Change already had access to the location data of applicant community businesses - and were then able to monitor in real time where RCF funding was being invested into - Power to Change were able to quickly allocate investment into the most deprived areas whilst ensuring funding was being geographically dispersed. This is a critical feature of the RCF and one reason for the impacts we have observed (particularly with regards to social/community and financial impacts - see more below). We heard from some community businesses that in their specific areas of high deprivation, and given the size of their business, a relatively small amount of funding made a significant difference.

% of Supported Businesses in IMD Deciles

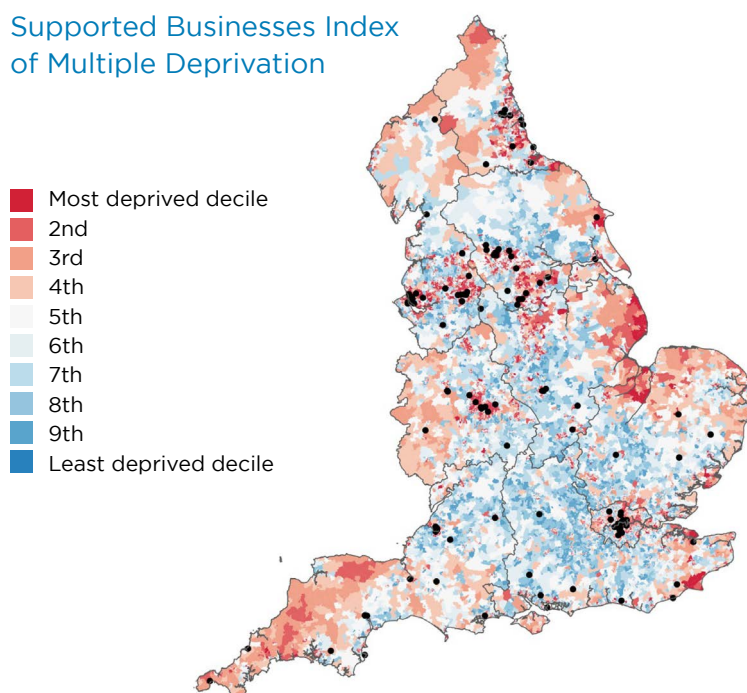


Source: New Local analysis of RCF monitoring data

“
The fund was extremely helpful and timely for my business and other grass root community organisations in deprived and marginalised communities.
Supported business

“
It may be a small amount to some, but to us it was a significant offset against those very high costs we'd incurred.
Supported business

Supported Businesses Index of Multiple Deprivation



Supported businesses had higher than average revenues

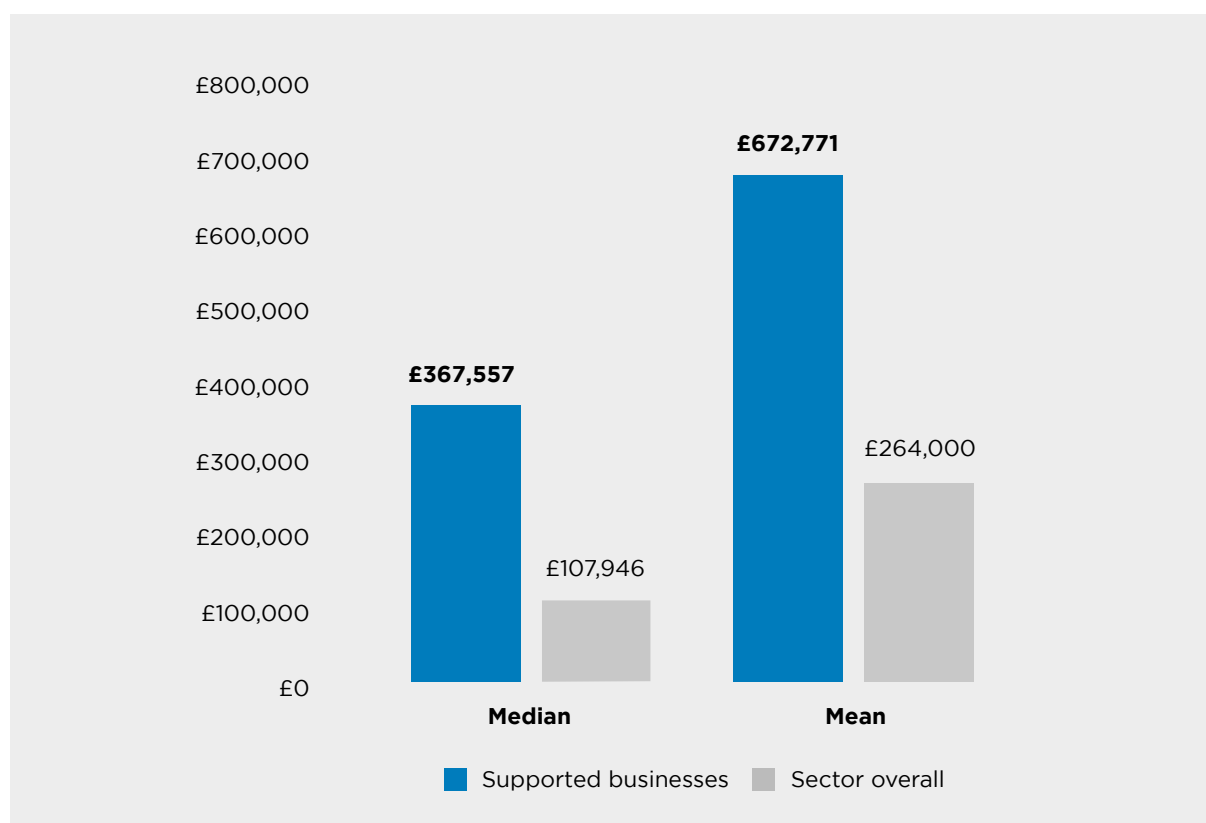
Whilst in more deprived areas, supported businesses had on average much higher revenues than the sector overall, with median income over three times higher than the sector average, with the majority having multiple income streams as well. Over one third of supported businesses had turnover higher than £500k, and 5% had turnover of above £2m.

Revenue does not always provide an accurate picture of the liquidity and cash flow challenges of businesses, particularly when the challenges are rocketing imminent short-term expenses.

In addition, Power to Change specifically targeted community businesses with physical assets (ie buildings, in order to help them become more energy efficient), and those who own their assets are likely to have higher revenue.

That being said, there is a case that the targeted approach to supporting business meant that younger (ie those that have not had chance to be supported by Power to Change) and therefore businesses who are more likely to have lower revenues, were excluded from being supported in favour of more established community businesses.

Average turnover of supported businesses are higher than the community business sector overall



Source: New Local analysis of RCF monitoring data
Sector averages sourced from Community Business Market Report (2022), Power to Change

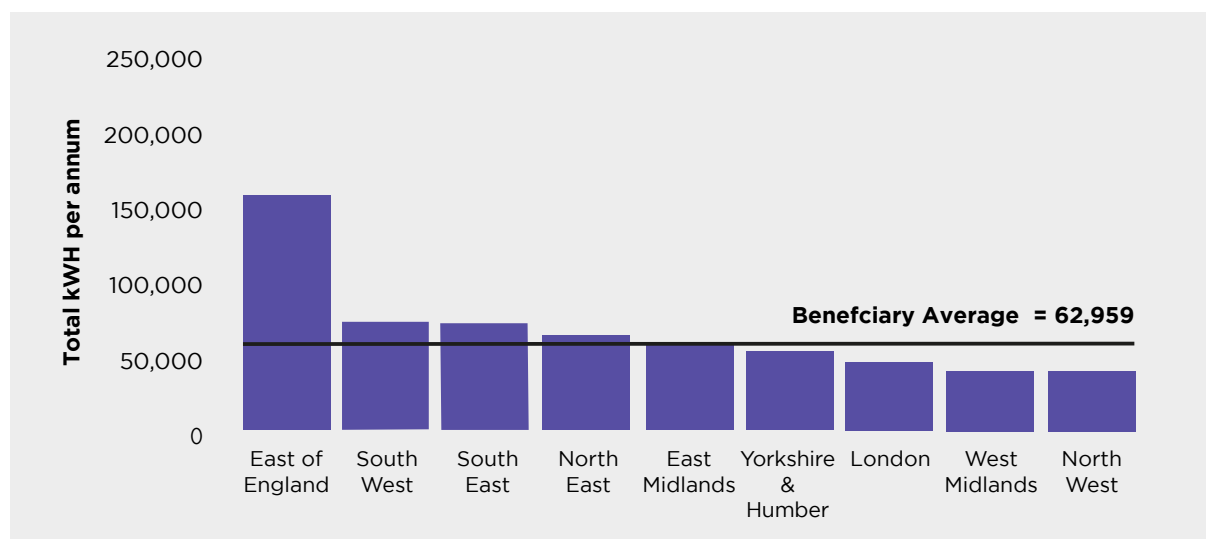
Supported businesses are disproportionately vulnerable to energy shocks

Most of the supported community businesses had higher than average energy usage, because they operated out of assets, and so were disproportionately vulnerable to the cost-of-living crisis.

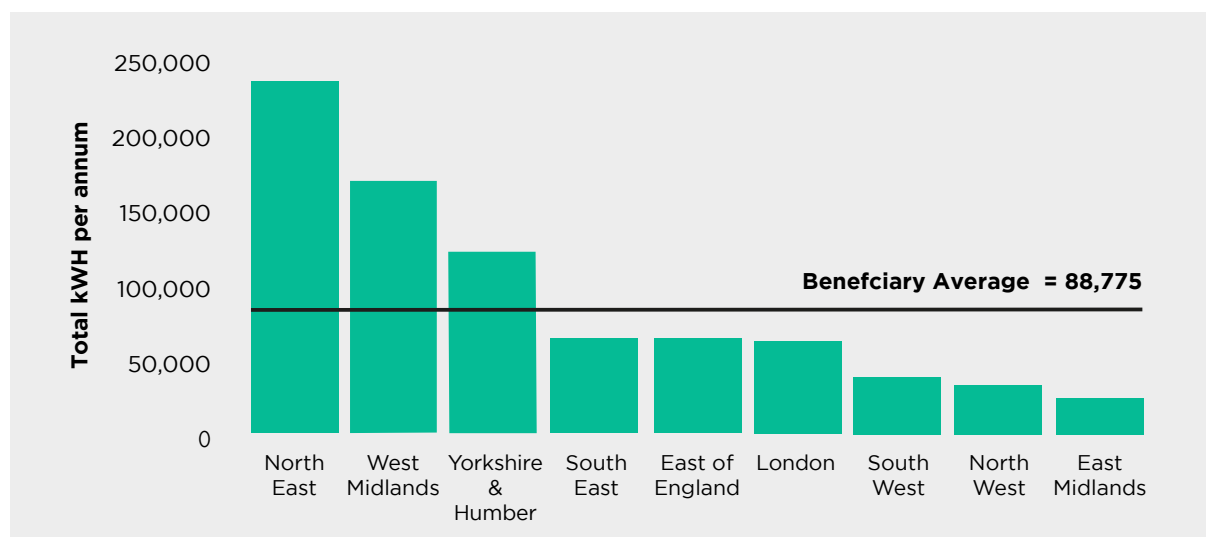
Whilst it is difficult to ascertain the average energy usage across the sector, there is data that shows that the supported community businesses have higher than average energy consumption:

- Data from Bionic estimates that a small community business might use 15,000-30,000 kWh of gas and electricity annually, while a medium-sized one could range from 30,000-65,000 kWh for gas and 25,000-50,000 kWh for electricity.
- Energy price comparison site data suggested that in 2022 community & leisure businesses averaged roughly 46,000 kWh for both gas and electricity.
- All of these are lower than the average for RCF supported businesses of around 63,000 kWh for electricity and 89,000 kWh for gas.

Average electricity usage



Average gas usage



Source: New Local analysis of RCF monitoring data

This is a consequence of the buildings that community businesses operate out of that tend to be older and inefficient (with poor heating and insulation for example). The activities of community businesses will also have an impact too – many community businesses offer services and spaces for their community to enjoy which are energy intensive by their nature (eg warm spaces).

This means that supported community businesses are disproportionately affected by and exposed to climate change and the cost-of-living crisis. Addressing climate change is therefore a critical component of overall resilience for community businesses.

“

My café is in an old building in the middle of a park. A lot of our customers are older people so I've fitted automatic doors all around to make it easier for them, which is really important for me as I want them to have an easy accessible space for them to visit. But it means I'm constantly losing heat throughout the day.

Supported business

Most businesses used the Resilient Communities Fund to cover their core bills but also think about energy resilience

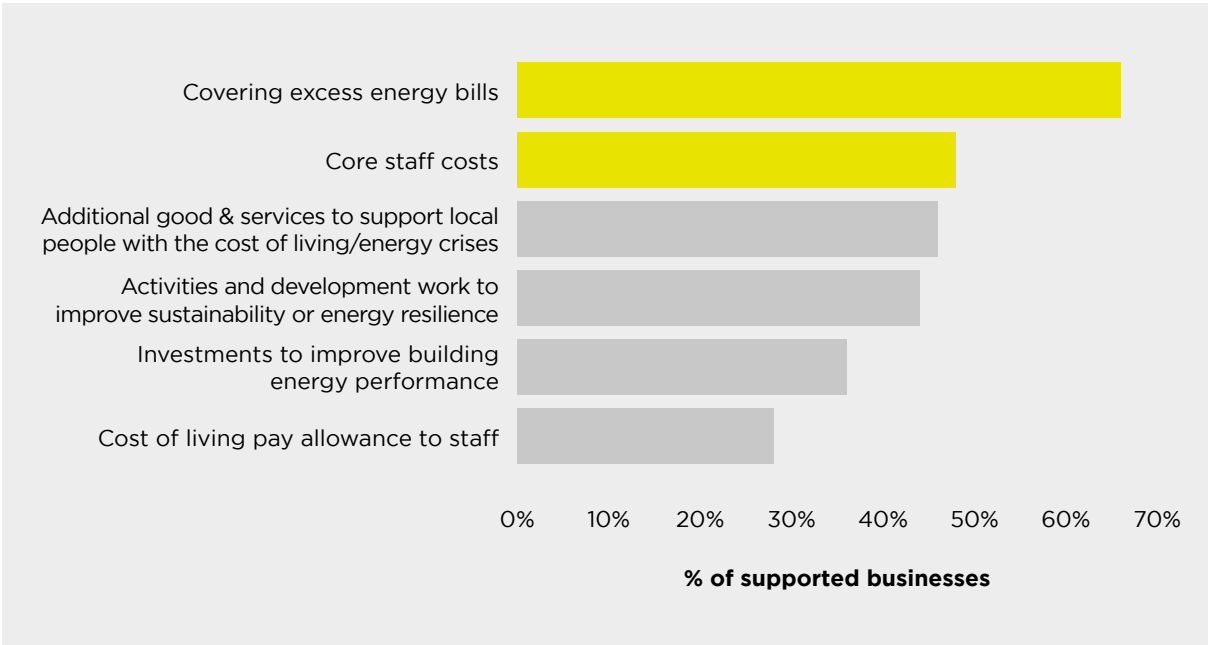
Supported businesses used RCF funding mainly to cover their rising energy bills and wages, with a significant proportion stating that they used RCF to improve their energy sustainability and building performance.

This is reassuring given that businesses had complete freedom to choose how they spent the support – and with that freedom a significant proportion chose to spend it on energy resilience related activity, despite them facing severe short-term core financial challenges (with no doubt the high temptation to use the funding to just address this short term need).

This suggests community businesses are acutely aware of the double pronged approach by Power to Change to focus on building resilience in the long term by focussing on climate change resilience. Examples we heard included businesses using some RCF funding to pay utility bills, but then also undertake an energy audit of their building to build an understanding of where efficiencies can be made and where to focus for future investment and improvements to their building.

“We used some of the funding to help cover our rising bills, and the rest alongside the capacity support has helped us to focus our attention on the measures we need to implement in each of our 5 community managed buildings to drive them towards low/no carbon operation.
Supported business

How community businesses used RCF funding



Source: New Local survey of RCF supported businesses.

Lack of time and internal capacity were the main reasons for not accessing capacity support

Over 80% of businesses stated at the outset that they would be interested in using the capacity support available. In reality after receiving funding, less than 50% of supported organisations used the capacity support available.

There are three levels of intensity of support that were available. The vast majority (84%) accessed level 1 support, with 14% accessing level 2 support and 2% level 3.

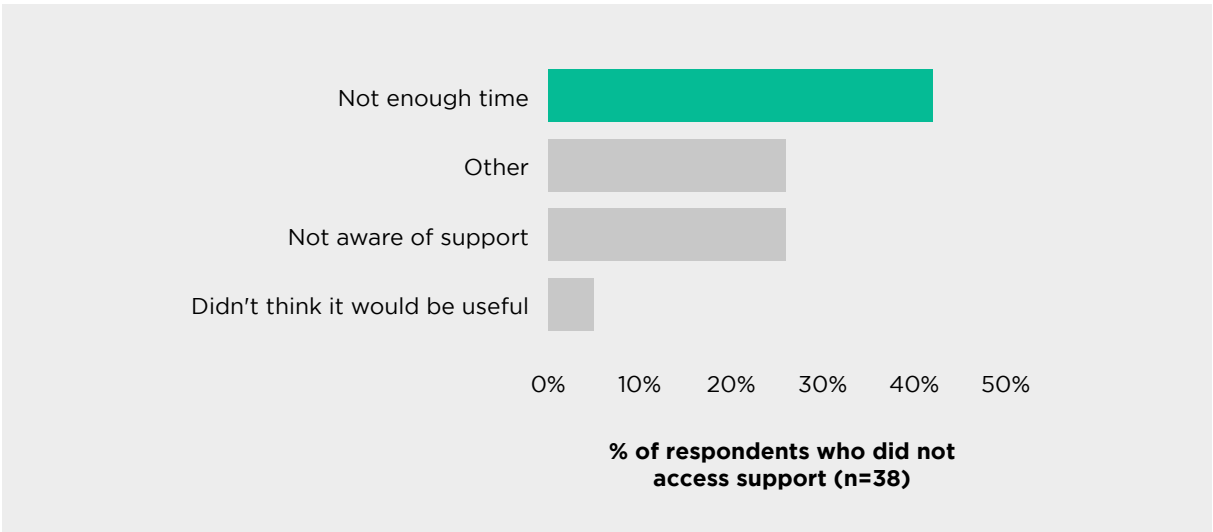
The main reason businesses stated for not accessing support was lack of time. In ordinary times, many people who run community businesses do so alongside other jobs, or do so full time but are just as busy as other private sector business leaders and executives, focussed on day-to-day issues of running their organisation. Add onto that the recent challenges (particularly around financial

pressures, staff retention challenges, and rising demand from communities), many businesses stated they did not have the time or capacity to access the capacity support available.

A large proportion of businesses stated that they didn't need to access any support because they were using RCF funding solely to pay bills and costs.

A key reflection is that businesses were not mandated by Power to Change to take on capacity support. Many businesses felt this continued the open, flexible and mature approach of the fund, in that organisations were left the choice to decide whether the support would be of benefit to them given their circumstances, challenges and how they intended to use the fund. This also meant that those who did access support do so intentionally, with a specific purpose and interest, which led to it being extremely effective for those organisations who did access the support ([see here for more detail](#)).

Why didn't you access capacity support?



Source: New Local survey of RCF supported businesses.

4. IMPACT

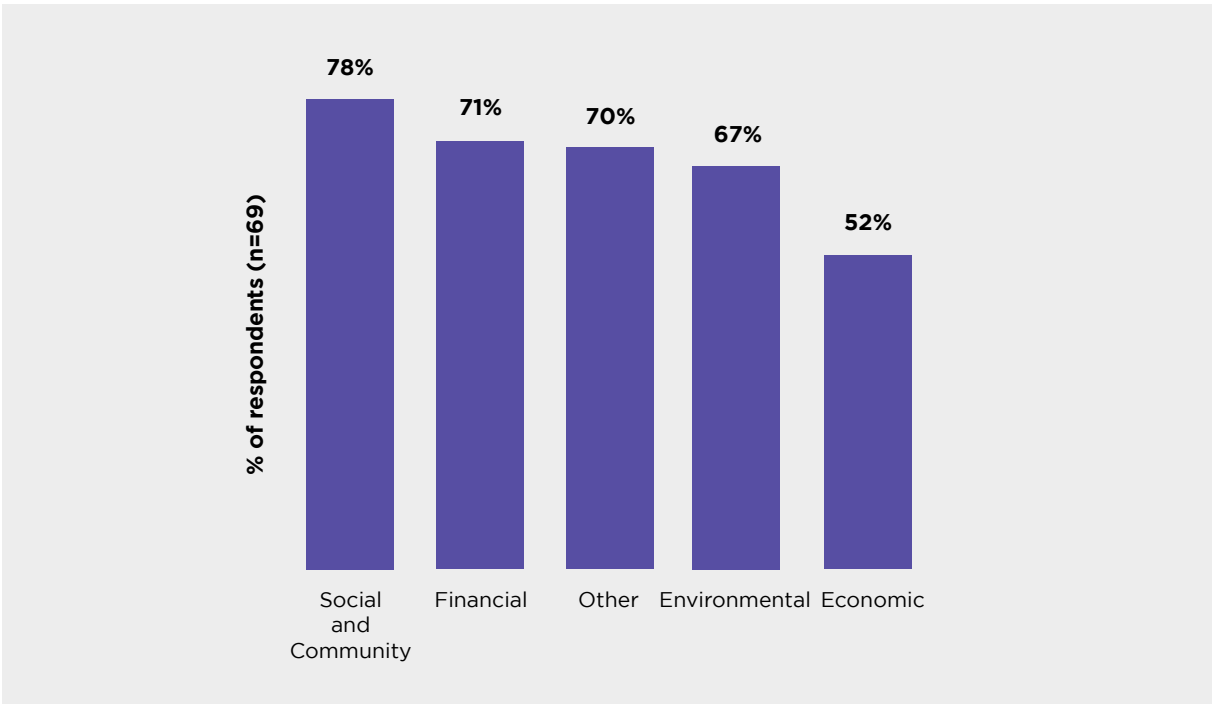


Most businesses experienced impact because of the Resilient Communities Fund

Most supported businesses experienced a range of positive impacts as a result of RCF funding and support. The themes set out below capture these impacts. Whilst the fund was primarily a short-term emergency response fund, there is evidence of impact beyond just the important short-term financial benefits, with the social and community impacts the most common type of impact experienced by the RCF. Further, there is also evidence of community businesses building environmental resilience too. These impacts are explored below.

“The RCF funding provided the financial stability needed to enhance the range of products and services available for the community, increasing the use of the Hub, and enabling some warm space use.
Supported business

Types of impact experienced



Source: New Local survey of RCF supported businesses

Social and community impact

Social and community impact was the most common type of impact experienced by community businesses, with nearly 80% of community businesses stating they had experienced this impact.

This manifested itself mainly through the increased use of buildings by the community, with businesses stating warm space use was a particularly popular use of their buildings. The RCF funding meant that community businesses were able to continue to operate and provide a wide range of community uses. We heard other examples of community pubs becoming busier because the RCF allowed them to retain and hire more staff, and community cafes able to continue to offer subsidised/lower cost warm drinks for residents to enjoy.

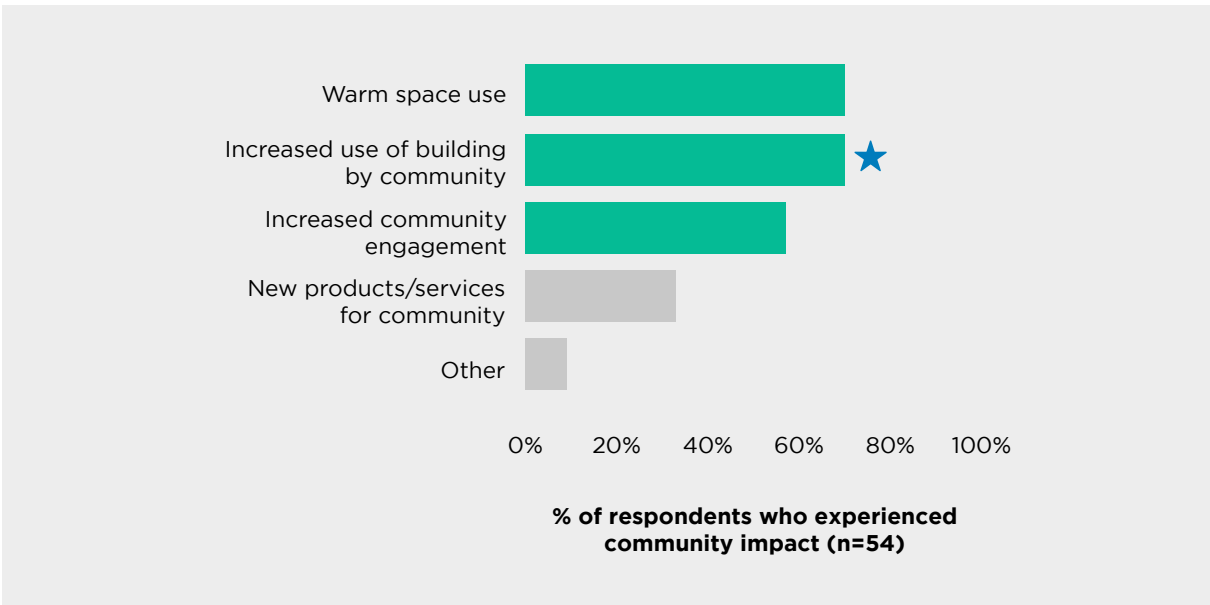
“We were able to open up our ICT cafe for longer periods during the day. Additionally, we were able to provide a “warm” space for locals who needed a space during the cold months, along with a hot drink.

Supported business

“RCF funding allowed us to be a warm space all week, not just on specific days.

Supported business

Type of social and community impact experienced



Source: New Local survey of RCF supported businesses. Star denotes largest impact.

Ensuring the survival of a unique community asset

KensingtonVision CIC

KensingtonVision is Liverpool's only licenced community radio. The station has four core aims – to develop people's communication skills, develop confidence, increase civic engagement and develop the community's voice, through training people to become radio communicators and engaging with the community. This case study set outs how the RCF ensured the survival of this unique, key asset for the community.

Short term volatile funding acts as barrier to building resilience

The station's approach has historically been to apply for funding, and then plan their projects around that. This has meant it has been difficult to do any long-term strategic planning of activity and investment. This volatility and short-term approach means it is difficult to build resilience to crises and sudden cost increases. The station's costs increased rapidly in the last year, mainly due to rising bills, a rent increase, the need to pay sufficient wages and to try keep local people employed.

The Resilient Communities Fund ensured survival of key community asset

RCF funding ensured the survival of KensingtonVision. Without the RCF, it would have been extremely challenging to continue to run the station, even at a less intensive scale due to the high fixed costs.

The ambition for the station is to eventually expand and move into a new building – this dream is still a possibility because of RCF support, as discussions with the council and other social enterprises have gathered pace as the station has continued to be the voice of their community.

“

I was taken aback by how relatively simple it was to get support from the RCF. It basically helped me keep the lights on and keep the staff at KensingtonVision employed.

KensingtonVision CIC



Preserving of services and activity for the community

The Ardagh Community Trust

The Ardagh Community Trust is a community business that runs a community centre in Bristol. At its core is a community café, but it also acts as a community hub, providing volunteering opportunities, a community garden, and a food bank amongst other services for the local community. This case study illustrates how the flexibility of the RCF helped the Trust sustain the services they offered to their community.

Threat of reduced services and activity for local community

The Trust had invested a significant amount in the community centre over the recent years. As an ex-council building, it is fairly old with an expensive footprint. It was therefore particularly worrying and challenging when the cost-of-living crisis arrived, with bills rising and little financial reserves available to absorb such large cost increases.

The trust was fearful that they would be forced to close on certain days during the week in the winter due to these rising costs. This would have a significant impact on the local community – not just for users, but also for partners and other organisations who run activities out of the centre too.

Flexibility allowed Resilient Communities Funds to be pivoted towards other costs

RCF was envisaged to be used to support the Trust with its high energy bills. The Trust was subsequently awarded funding by the West of England Combined Authority, which could only be used for energy bills and energy audits. Whilst this could have been an issue, the flexibility of the RCF meant that they could instead use the RCF for something else – in this case to support staff costs, contributing towards maintaining the current schedule and delivery of activity.

“**Without RCF support, activity at the Trust would cease to occur. We would not have been able to employ our staff and would have likely not been able to survive as a business.**

The Ardagh Community Trust



Financial impact

The RCF was a lifeline for many supported businesses. We heard in stark terms how the RCF essentially allowed many community businesses to continue to survive and operate because it allowed the funding to be used for whatever community businesses decided, and for many that included paying utility bills and wages.

This lifeline was predominantly through helping businesses meet rising core costs, but it also supported them to build their financial reserves and resilience in anticipation of further rises in inflation and bills.

There is also some evidence of businesses increasing sales and profits, with the RCF funding enabling them to fulfil and meet the rising demand for their products/ services from their community.

“
We were able to keep our centre open and warm because of RCF support. The Ecoshop sales went up by 30% and the number of service users coming to the centre went up by 40% as a result of more opening time hours.

Supported business

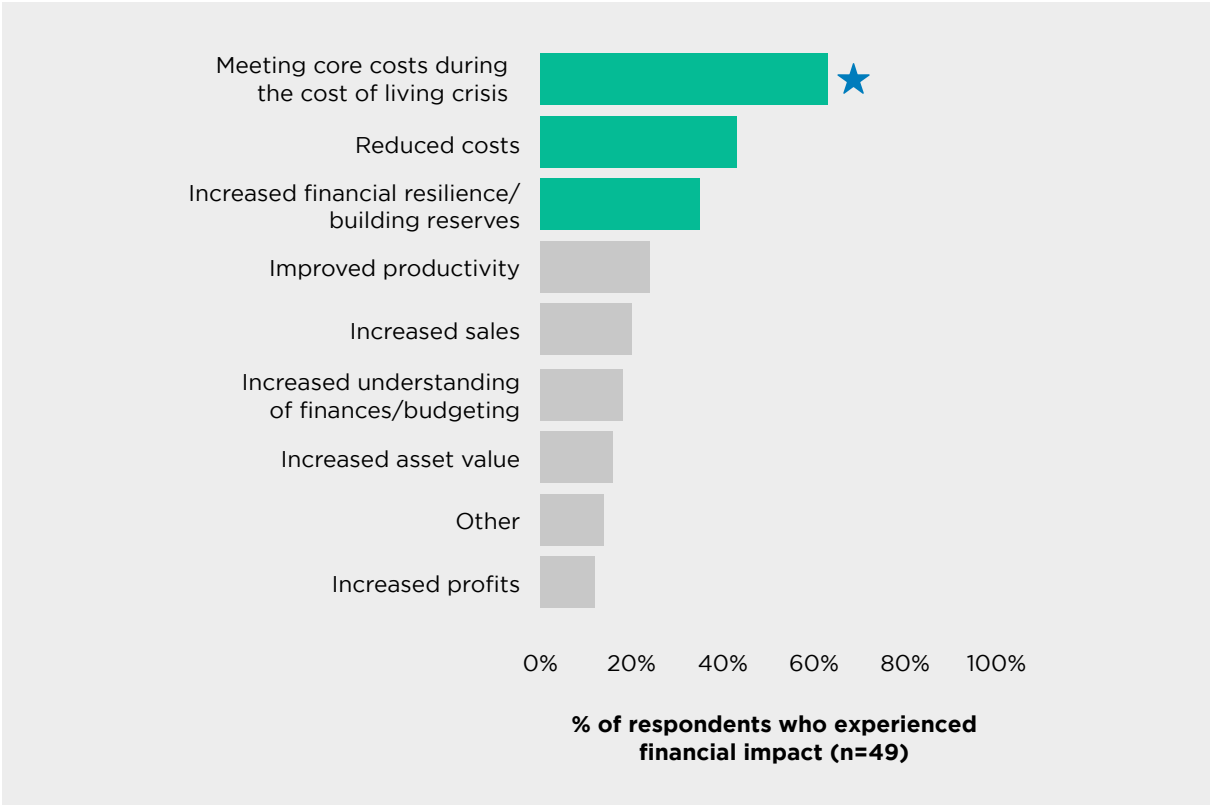
“
This funding enabled us to absorb cost increases which otherwise would have led to the closure of a range of services and activities.

Supported business

“
Without RCF funding, the organisation would not have been able to fund its core costs and would have faced a cash flow crisis.

Supported business

Types of financial impact experienced



Source: New Local survey of RCF supported businesses. Star denotes largest impact.

Providing a lifeline to enable long term financial security

Deeplish Community Centre

Deeplish Community Centre is a community business in the heart of Rochdale, focussing on the big challenges facing their community, including poor health and wellbeing, racial inequality, addressing climate change, skill shortages and prospects for young people. This case study illustrates how RCF support helped sustain the charity's activities and allowed them to strategically plan for the longer term.

A rapidly rising financial hole

Like many community centres and small charities across the country, Deeplish community centre really struggled during the Covid-19 pandemic, given that a lot of the work they do is focussed around in-person activities. The Centre had to essentially be relaunched after Covid, which required a fairly substantial outlay and investment. This was challenging given that they are highly dependent on lots of small, short term funding pots. When the cost-of-living crisis began to build, it became clear that this would not be sufficient to meet rising costs, and those external funding pots were rapidly beginning to diminish.



“

Power to Change and the Resilient Communities Fund have through their support given us a lot of power to make sure we do not depend on lots of small funding. They have opened the door for us to work on larger national issues with a range of partners and organisations we would not have ordinarily worked with.

Deeplish Community Centre

Critical stopgap to save jobs and activity, whilst enabling them to secure long term funding

Without RCF funding, Deeplish Community Centre would have had to significantly reduce the activities they deliver and would have had to let go some of their 12 staff, who are all local people with lived experience of the challenges that the centre is addressing. They were able to use the funding however they saw fit, and the centre used it plug financial gaps (paying excess bills and wages). This provided a lifeline, enabling them to sustain the activities they were delivering, which were becoming even more critical as their community were suffering from the effects of rising costs and plummeting disposable income. RCF provided them with the headroom to then apply for other larger funding packages to help secure longer term financial security. In the end, they successfully secured funding from the National Lottery Community Fund and from their local authority, with the centre's finances now secure for the next three to five years. They can now think strategically and plan for the longer term, and are in the process of reviewing their business strategy. None of this would have been possible with the RCF providing a critical stopgap in funding in the centre's most pressing time of need.

Flexible funding used to meet costs and attract new tenants

Guilden Morden Community Pub

Guilden Morden Community pub is based in a village in Cambridgeshire. It was established as a community benefit society to save the The Three Tuns pub from being turned into a housing development. This case study describes how the RCF provided a financial stopgap when there was no tenant in the pub, and how this financial support was critical to securing a new tenant and income.

Lack of rental income left business exposed

In the summer of 2022, the existing tenant decided not to renew their lease and walked away from the pub, concerned by rocketing energy prices and utility bills. This left the pub with no rental income, which was their main source of income used to cover a range of costs such as business rates, insurance, and now rising energy bills. Plus, there was still debt to be paid from the initial purchase of the pub, which was increasing rapidly as interest rates began to climb.

This was an extremely challenging environment to try and attract a new tenant during this period, made even harder by the fact the pub is an older, inefficient building. The immediate priority was therefore to source a new tenant but somehow ensure costs were being met over the winter.



Without RCF funding, we would not have been able to deliver the pop-up events, which turned out to be critical to securing a new tenant and the future of the pub.

Guilden Morden Community Pub



The Resilient Communities Fund funding supported activity to attract new tenant

RCF funding was used in two key critical ways. One was to pay for the upkeep of the building – secure extensions to licences, recertify fire alarms and safety equipment, and pay council tax. The other was to help fund a series of 13 pop-up pub events, run by volunteers. These events represented an important source of income, but crucially because they were very well attended, they helped attract and secure a new tenant.

The pub is now using different grant money to make energy improvements to the building, but this would not have been possible without RCF funding, and in particular the flexible nature of how the funding could be used.

Environmental impact

67% of supported businesses said that they experienced environmental impact. This is a really positive finding for the fund given that the pivot towards emergency response funding could have easily led to the dilution of energy resilience as a theme and impact of the fund.

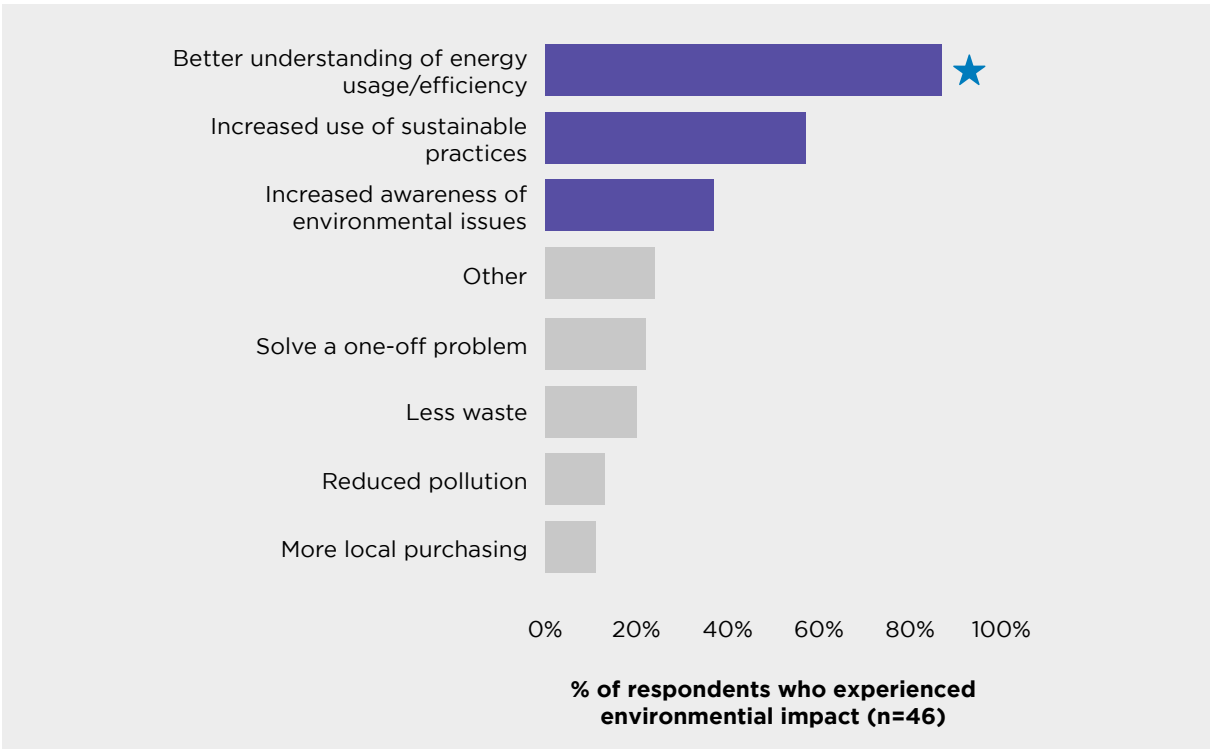
This impact has mainly been through increasing the understanding and awareness of business energy usage/efficiency and energy resilience in general. This is where in particular the capacity support offered has played a key role, providing community businesses with time, space, and the expertise and advice on the practical steps they can take. Over 50% of businesses who have had an environmental impact from the fund said they had increased use of sustainable practices, such as invested in energy efficient lighting and better insulation.

“
We attended webinars which helped us improve our understanding of our energy usage/efficiency. We have had solar panels installed and we will save 5,123 kilograms of Co2 each year (5.12 metric tonnes per year).
Supported business

“
We have reduced our heat loss with the new windows thus saving us money and reducing our CO2 emissions.
Supported business

“
We have been able to replace the draughty front door and add insulation to improve energy use efficiency.
Supported business

Types of environmental impact experienced



Source: New Local survey of RCF supported businesses. Star denotes largest impact.

Bringing energy resilience to the forefront of existing development plans

Community Boot Inn

The Community Boot Inn (Orleton) is a community pub located in a rural village between Herefordshire and Shropshire. They have ambitious plans to accommodate an expanding customer base and reconfigure themselves to be more appropriate and accessible for the large elderly population in their village. This case study explores how the RCF increased and brought forward energy efficiency interventions as part of the redevelopment plans of the pub.

Listed buildings not fit for purpose

The pub is housed in two listed buildings (of which one is not currently being used). Having been neglected and run down by the previous owner, a community benefit society was formed to purchase the pub and restore it to its former glory. But given its neglect, the pub was operating very energy inefficiently and was poorly configured for the local population in terms of accessibility.

The pub has undergone extensive renovation recently, with £160k invested in new kitchen equipment, a bespoke oak bar and the full resurfacing of the car park. They managed to navigate Covid-19 relatively well, shifting to home deliveries and utilising the garden space. But these were temporary measures, and there is an ambition for further phases of development to improve the operational capability of the pub and to expand the facilities and services it can offer to the community as a whole.



The RCF has allowed us to implement all of the phases of our future development plans, when they were in danger of being scaled back. We've also been able to do this much more efficiently than we thought we would, future proofing our building for energy efficiency and resilience.”

Community Boot Inn



The Resilient Communities Fund has amplified the energy efficiency aspect of redevelopment plans

RCF funding has allowed the pub to focus and amplify the energy efficiency aspects of their redevelopment plans, with a strong priority to future proof the building. This has involved investment in a new boiler and insulation, which has had a significant positive impact already in terms of the energy efficiency of the pub given the size and age of the building. Further, whilst the main focus to date has been on the redevelopment of the main building, this investment has unlocked potential investment in the second listed building, with plans to use it as a community space (a separate meeting venue for local societies and interest groups, and hosting special events and private functions). This would not have been possible without the RCF investment in a higher than planned specification boiler and insulation levels unlocking this potential. The RCF investment has enabled this building to become a focus of redevelopment with a future funding application ready to be submitted for extensive renovations.

Economic impact

Just over half of supported businesses stated they achieved economic impact as a result of RCF funding.

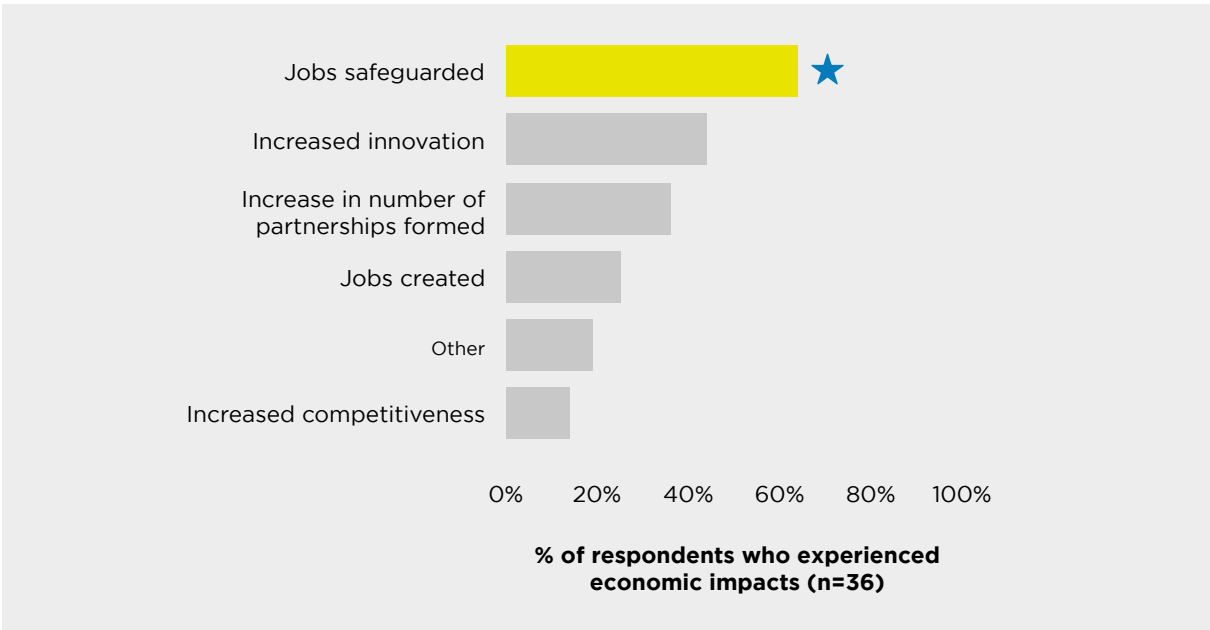
This mainly referred to the safeguarding of jobs – over 60% of businesses stated that the RCF allowed them to retain staff, by using the RCF funding to pay wages. This was also the largest economic impact according to survey respondents.

There are economic impacts that are focussed on growth as well. Over 40% of businesses who experienced economic impact stated RCF funding and support helped them increase innovation. Just under 40% of businesses stated that they had increased the number of partnerships formed, as the funding meant that some community businesses were able to reach out to their network and helps support other community businesses. For example, we heard about a community leisure centre that with RCF funding were able to partner with specialist organisations who run fitness classes for elderly and those with mobility issues.

Community businesses were very complementary about the community business ecosystem that Power to Change has helped support, and many commented on the networking opportunities that funds like this can bring with the opportunity to meet like-minded organisations and individuals, particularly when it is focused around a particular challenge or sector (in this case energy resilience), and that this is something they would like to see more of.

“
The RCF enabled us to retain core staff and to recruit new team members to support our service which is experiencing increased demand from local people. Without this support, we were having to consider reducing opening hours and closing services; this funding enabled us to continue to deliver them & to increase our provision including creating new good quality jobs in our community cafe.
Supported business

Type of economic impact experienced



Source: New Local survey of RCF supported businesses. Star denotes largest impact.

Supporting local workers with a financial boost

Scholemoor Beacon

Scholemoor Beacon is a community centre working across a range of issues for residents in one of the most diverse areas in Bradford. Formed out of the merging of the areas' tenants and residents' group and youth group, the centre offers a range of services for the community including after school clubs, adult wellbeing sessions, exercise classes, English language courses, and a low cost food marketplace. This case study outlines how RCF funding was used to financially support their staff during the cost of living crisis.

Challenging to retain staff

The key challenges Scholemoor faced were rising costs and the impact this had on their ability to pay and keep staff. The centre had historically found it challenging to recruit into new fixed-term posts, so keeping hold of good, experienced and competent employees who are mainly locally based is vital to their sustainability and success.

One-off cost of living payment

RCF funding has allowed the centre to support their staff through paying a one off cost of living payment - a vital financial boost for them given the challenges they were experiencing, with many living in the local area where there is an abundance of energy inefficient housing. The RCF also paid for extra hours for staff, enabling them to meet the rising demand from their community who were suffering from rising bills.

They also used the RCF to install LED lighting and efficient motion sensitive lights in their building. This was on their wish list, but was not deemed a high priority. Given the flexibility of the RCF, they brought forward this investment and were not forced to choose between supporting staff or investing in lighting - they were able to do both.



“

Very few of the staff here at the centre are project funded, and so they have to be funded through core costs or non-project costs. I'm so grateful that the I was able to use RCF for core costs to help the local employees here with a one-off cost-of-living payment.

Scholemoor Beacon

Other impacts

Under the other impacts theme, most businesses reinforced the impacts already covered under the previous themes, with a focus on the following:

- **Increased financial resilience**, by using RCF to pay short term bills, this has provided financial headroom for future short term cost pressures.
- **Relieved cost and time pressures:** many community businesses were staring down the barrel of rising costs and not being able to meet them, and the RCF therefore bought them some time to figure out how they could become more financially sustainable and implement the steps they needed to take.

“

The funding allowed us to open our internet cafe for longer hours during the day, providing free internet/wifi and printing facilities for residents. The space also doubled as a warm space, allowing vulnerable residents to get in from the cold if needed.

Supported business

“

RCF funding enabled us to meet increased building running costs, without needing to use other income / reserves for this. This in turn meant that we were able to meet staffing costs.

Supported business

- This all brought **stability to their businesses** at a time of significant volatility and upheaval in the sector.
- **Increased visibility in the community:** many commented that the RCF meant they didn't need to “shy away” but were able to maintain and in some cases increase the service they were offering and therefore become more visible/prominent as a service in their communities.
- **Survival:** many businesses reinforced the point that the RCF allowed their businesses to continue to operate as without funding they would not have been able to pay their bills.

“

This funding enabled us to absorb cost increases which otherwise would have led to the closure of a range of services and activities.

Supported business

“

Having less stress about the covering energy costs allowed us to focus more on fundraising and investing in the Communities programme this year.

Supported business

Addressing multiple business priorities

Moseley Road Baths

Moseley Road Baths is a swimming pool in Birmingham, run by a local charity after the council decided they were no longer able to run it. It is a vital source of exercise and leisure for a diverse community, offering sessions to reflect community demand such as women only, a chat and splash session for those whose first language is not English, as well as lifeguard training. This case study highlights how RCF funding has been used to address multiple business objectives simultaneously.

A perfect storm of rising bills, wages and low energy efficiency

Swimming pools are notorious for having extremely high fixed costs, and by their nature being energy inefficient. Having managed to battle their way through Covid-19, the baths were suddenly facing a 3-fold increase in their utility bills. This, coupled with a 40 year old boiler, and a national shortage of lifeguards and swim teachers meaning they need to pay uplifted wages to attract the necessary staff, meant that costs were expected to rise dramatically.

“

I feel like with Power to Change, it's not all about the glory of tangible things or outputs with their funding. They recognise that it's the day-to-day challenges that we need help with. And the RCF was brilliant at helping us during a time where we needed that help.

Moseley Road Baths



The Resilient Communities Fund unlocked a range of benefits from short term energy efficiency to longer term resilience

The RCF funding was used to support general running costs of the baths, but this has led to benefits across multiple business areas. They have installed new shower boilers, which has led to immediate energy efficiency gains. In the medium term, they are now able to replace the existing old boiler, which would have been significantly more difficult without RCF funding. And in the longer term, this has helped to build more financial reserves to support future aspirations or to act as a buffer for unexpected issues and costs.

This illustrates the benefit of a fund that doesn't just focus on tangible outputs, but that recognises that addressing day-to-day challenges of businesses can unlock a range of benefits across different themes and timescales.

Nearly all of these impacts would not have occurred without the Resilient Communities Fund

The high levels of additionality for each type of impact, with an overall additionality rate of 76%, indicates that most of this impact would not have occurred without the RCF, reinforcing the point that the RCF was a critical lifeline for many businesses. As set out throughout the impact section, we heard from numerous businesses about just how critical the RCF was to the survival, growth and success of their business in 2023.

“

We spent the majority of the grant (over £6,000) to offset the impacts of higher energy costs on electricity bills and of higher supply costs on reduced product sales margins, but also invested in a more energy efficient chiller which will significantly reduce electricity bills in the future.

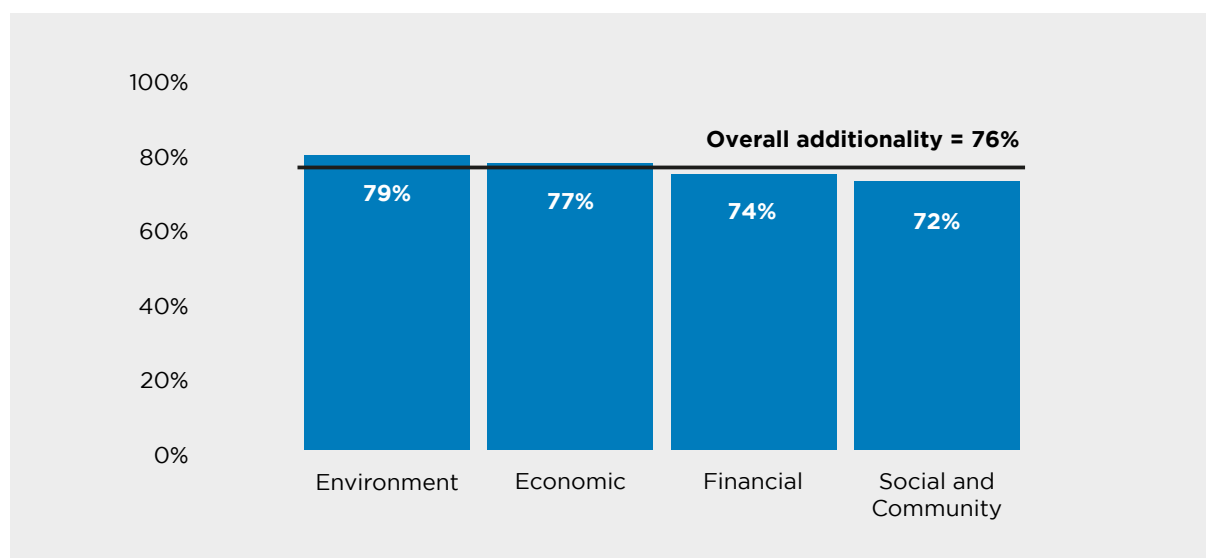
Supported business

“

Helping to pay core costs while we had no tenant enabled us to focus on the tenant search and pay a search agent; the new tenant now pays over £2k per month in rent and meets other costs.

Supported business

Additionality of the RCF



Additionality refers to the amount/proportion of impact that is attributable to the RCF. In the web survey, community businesses were asked for each type of impact and overall, “What would have happened to the impacts your community business experienced without RCF support?”. They were able to select one of the following responses: It would not have happened, it would have happened but at a slower pace, it would have happened at a smaller scale, it probably would have happened anyway, and it would have definitely happened anyway. Each response was allocated a percentage, and then for each impact type a weighted average percentage was calculated which is the additionality factor.

Resilient Communities Fund has provided space for businesses to think about longer term challenges

The RCF has provided short term relief, but critically at the same time this has given community businesses the headroom/capacity to start to think about and plan for longer term challenges focussed around energy resilience.

Alongside the capacity support offered, this has resulted in community businesses becoming much more confident, able and ambitious to take on energy resilience projects.

“

We were awarded £10,000 toward the cost of our electricity bill. This made a big impact at a time when the future was very unclear in terms of how prices and government energy bill support would evolve. It gave us some breathing room to look at ways that we could save on our energy bills and invest in timers for our hot water boilers, motion sensors for lights, and have a smart meter fitted.

Supported business

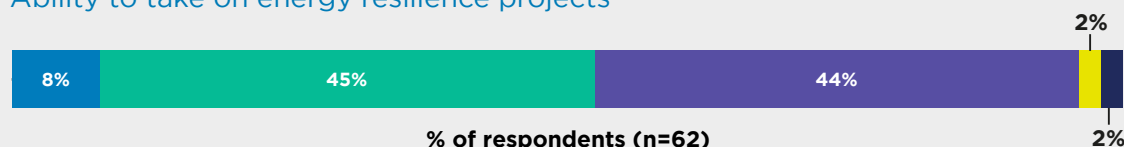
Confidence to take on energy resilience projects



% of respondents (n=62)

■ Extremely confident ■ Very confident ■ Somewhat confident

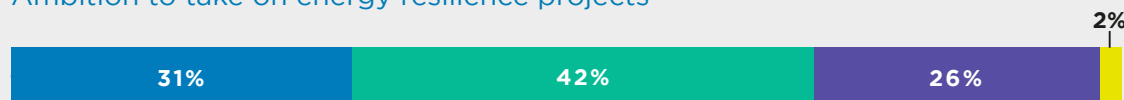
Ability to take on energy resilience projects



% of respondents (n=62)

■ Extremely able ■ Very able ■ Somewhat able
■ Not so able ■ Not at all able

Ambition to take on energy resilience projects



% of respondents (n=62)

■ Extremely ambitious ■ Very ambitious
■ Somewhat ambitious ■ Not so ambitious

Source: New Local survey of RCF supported businesses.
Total may not sum due to rounding.

Capacity support was important to help businesses plan for the long term

The capacity support played a very important role in supporting businesses to feel more confident, able and ambitious about energy resilience plans in the long term. It did this in four key ways:

- **Increasing the knowledge and awareness of energy efficiency:** many community businesses valued the easy to digest format and time efficient way to learn about energy efficiency with regards to their businesses. Many businesses were particularly complimentary on the fact that support was tailored specifically towards community businesses.
- **Provided advice and guidance on different energy efficiency interventions** and options, with many businesses commenting that they were unsure on what options were available and realistic for their businesses, and where to practically start. Many commented that it has increased their confidence to take that first step.

- Community businesses tend to operate out of old and inefficient buildings, and the support **increased their knowledge and awareness of building & community business specific issues.**
- All of the above has meant that the **capacity support has directly informed and helped shape businesses energy efficiency/carbon reduction plans**, with supported businesses commenting that the bespoke nature of support provided, alongside more generic but very easily accessible online content, combined with flexible and easy to access funding, was a compelling support package for the sector.

“

RCF funding allowed us to commit to the next phase of our building works earlier than we could have done. It also provided a buffer in the building cost reducing the risks to the society reserves.
Supported business

Effectiveness of capacity support



Source: New Local survey of RCF supported businesses.

5. FUTURE SUPPORT REQUIREMENTS



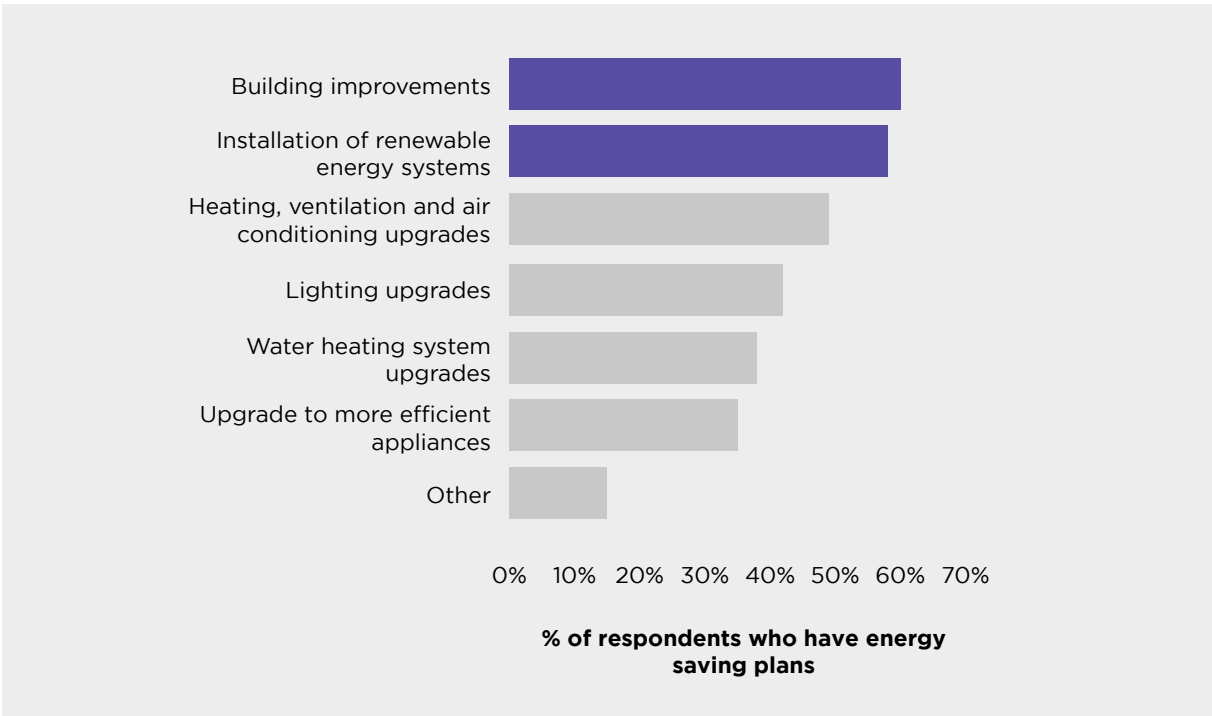
Most energy retrofit plans revolve around building improvements and new systems

87% of surveyed community businesses stated that they have energy saving retrofit plans, with most focused around general building improvements. Over half have planned to install renewable energy systems (eg solar plans).

Over half of these businesses do not yet have an idea on costs of these plans, with significant variation in expectations/levels of investment.

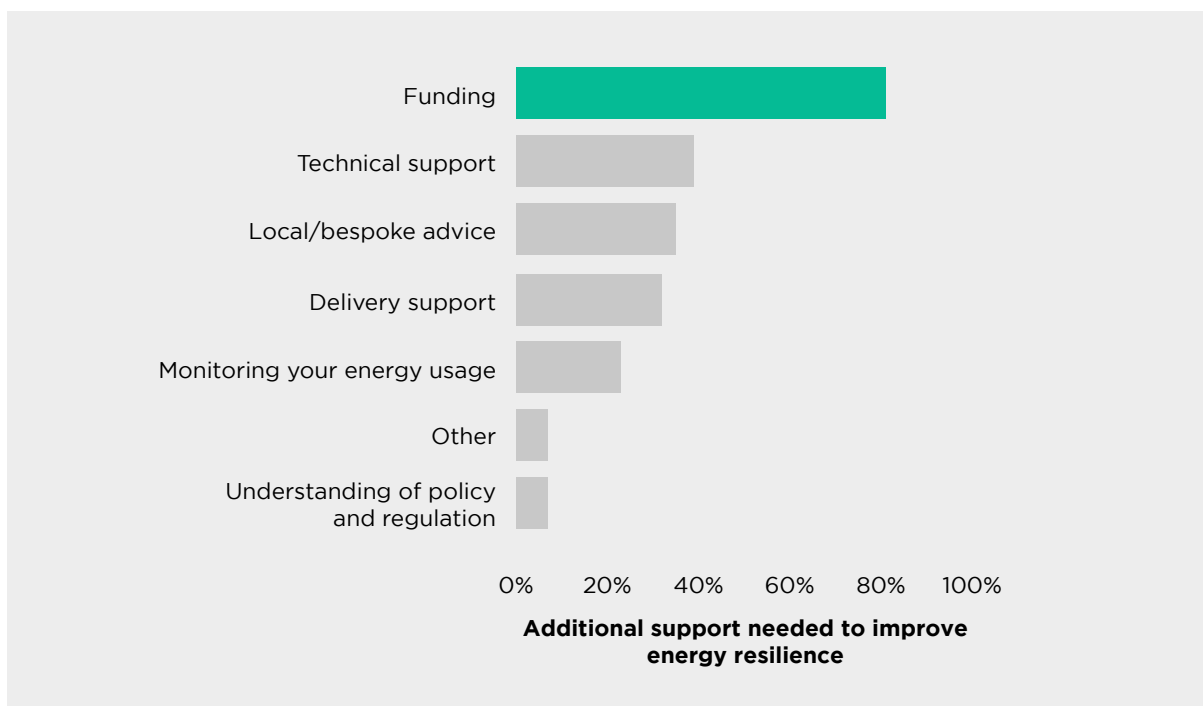
Given this variation in expected costs and complexity, there will continue to be a need for both additional funding but also technical support on how to practically deliver some of these interventions. Building on the capacity support offered, there is particular demand for local and bespoke advice, reflecting things like availability of suppliers in their area, and advice on their often older and unique buildings.

Energy saving retrofit plans of community businesses



Source: New Local survey of RCF supported businesses.

Additional support needed to improve energy resilience



Source: New Local survey of RCF supported businesses.

“

The fund allowed us to carry out an energy audit which has shown us where we could be more energy efficient and we have put measures in place based on the recommendations from the audit.

Supported business

6. CONCLUSIONS



Conclusions: the impact of the Resilient Communities Fund

This review has found that the RCF was a critical piece of support for the community business sector to help them navigate the cost-of-living crisis. This review has found the following key points in terms of impact:

- The RCF led **to important financial and economic impacts around safeguarding and survival** of businesses, services and jobs. But this review has found that there are lots of **other important impacts too, particularly around social and community impacts which most supported businesses said they had experienced**. This focussed on providing more services to their communities and being more visible to help their community navigate the crisis.
- **There is also evidence of environmental impacts**, including increasing energy efficiency, as well as increasing knowledge, awareness, capability and ambition for future energy resilience focussed investments.
- **The RCF therefore successfully addressed a range of short-term challenges for supported businesses**, but at the same time there is also **evidence of longer-term impacts** around financial and environmental resilience building.
- The capacity support was an **effective, bespoke support package for supported businesses**. Whilst it was utilised by fewer than expected businesses, those who did access it found it to be very effective at increasing their confidence, ability and capacity to implement energy resilient initiatives.
- Even when given the flexibility to use the funding how they see fit, **community businesses still undertook and used funding for energy resilience activity and investment**, although this manifested itself in different ways – through direct investment in energy efficiency initiatives, to providing them the headroom for longer term planning, to drawing on the bespoke advice and information.

Conclusions: learning points for future support

This review has identified the following lessons for future support design and delivery:

- **Financial support is critical for the sector, and more should be encouraged.** To support those communities in the most need, support should be provided to those organisations who already offer and have the services, links and relationships with these communities. It is therefore no surprise that the social and community impacts were the highest reported impact for this fund, as communities are the ultimate beneficiaries of community business activity.
- **The flexibility in how the grant funding could be used and the support accessed was critical to meeting the RCFs short- and long-term objectives** simultaneously, as well as building a trusting and open relationship with supported businesses. This approach should be the cornerstone of future financial support programmes for community businesses.
- **The data-led approach used during the design and investment phase ensured that businesses in low IMD areas were supported.** This was important to the realisation of the impacts of the RCF as this review found that during this crisis, a relatively small amount of funding can make a significant difference.
- **Other important data on the characteristics of businesses** including their age and turnover, should also be considered when deciding which businesses to invest in.
- **Targeting community businesses who have previously received Power to Change funding was appropriate in this case,** given a key priority was to get funding to the sector as soon as possible. But this does mean that the reach of the fund was not as large or diverse as it could have been, and this needs considering carefully for future funds when speed of delivery is not as high of a priority.
- It is important that **Power to Change records and embeds the learning from this fund when supporting community businesses, particularly those aspects of the design phase of the fund.** This includes processes, systems and documents, and harnessing the culture of working in an agile flexible way and rallying around a cause to prioritise and deliver the fund at pace.
- **There is demand for future support,** particularly for financial support for future energy saving initiatives, but also technical bespoke advice, specific for businesses' geographic area and specific to the nature and challenges of community businesses.
- There is also **appetite for networking and learning opportunities between community businesses,** particularly when it is focussed around a specific topic or challenge.



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