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hands



Bright Ideas, Trade Up, and Community Business Fund Year 2 Evaluation Report

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Executive summary

This report summarises the findings from Renaisi's evaluation of Bright Ideas (BI), Trade Up (TU) and the Community Business Fund (CBF). Key findings include:

Programme design

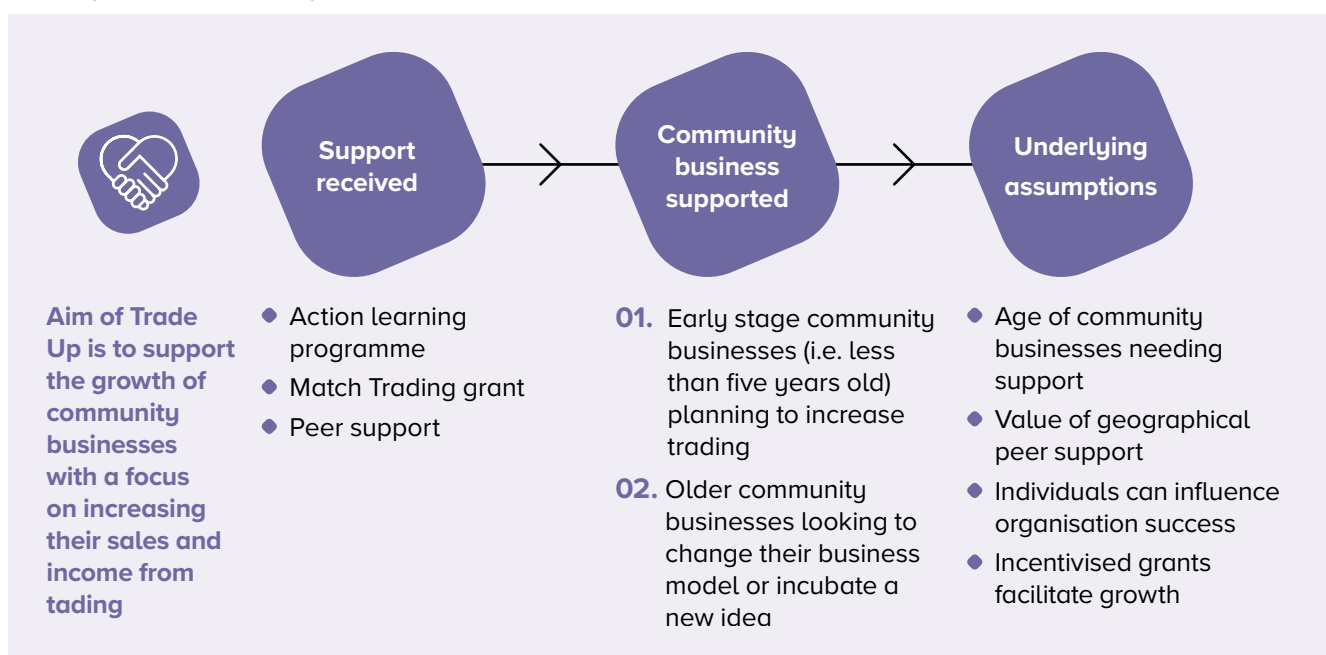
- ◆ When Bright Ideas, Trade Up and the Community Business Fund were created, there was no explicit theoretical model underpinning their design or linking the three programmes. Initially, the programmes tended to be seen as a linear journey of support for community businesses as they matured, with Bright Ideas providing early-stage support, Trade Up providing support to grow trading income, and the Community Business Fund providing significant capital investment to support longer-term sustainability.
- ◆ However, this linear model does not reflect the experiences of community businesses in practice. The community business life cycle is cyclical, rather than linear, and multifarious, with community businesses taking different development paths depending on their particular circumstances.
- ◆ Bright Ideas aims to help early-stage organisations make progress which allows them to start up a community business or implement a project idea. Implicit to its design are five key underlying assumptions:
 01. there is an absence of other sources of support for early-stage community businesses
 02. community businesses emerge from an idea typically developed by community groups
 03. three days of quality business development support is sufficient to support groups to take their next step
 04. post programme, further funding opportunities and support to develop the business are available and accessible
 05. early-stage community businesses can be sufficiently upskilled within the timeframes of the programme to be able to continue their development.

Figure 1: Summary of aim, support, type of community businesses and underlying assumptions of Bright Ideas



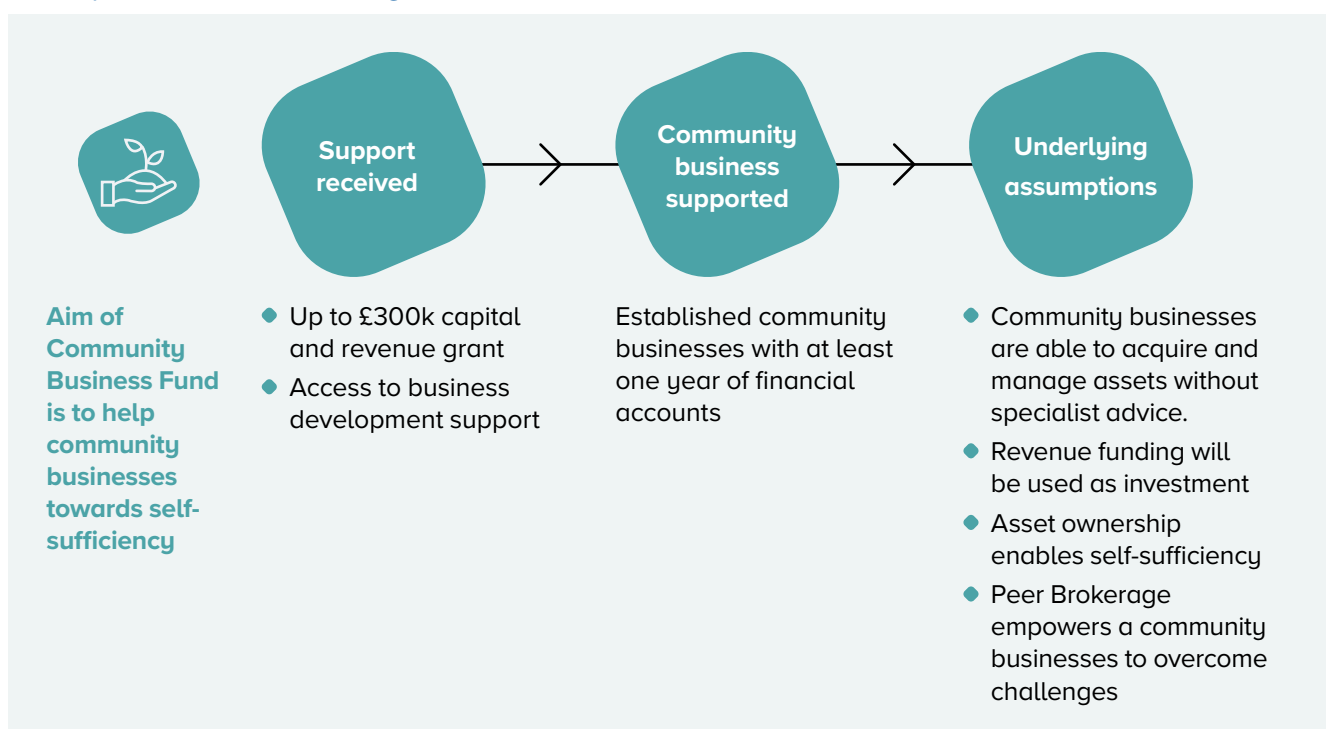
- ◆ Trade Up aims to support the growth of community businesses with a focus on increasing their sales and income from trading. Implicit to its design are four underlying assumptions:
 01. community businesses needing this type of support are in the main less than five years old
 02. there is value in the support provided by geographical peers even if organisations have quite different business models from each other
 03. a learning programme focused on individual participants can influence their organisation's success
 04. incentivised grants facilitate growth in trading income.

Figure 2: Summary of aim, support, type of community businesses and underlying assumptions of Trade Up



- ◆ The aim of the Community Business Fund is to help community businesses progress towards self-sufficiency. There are four assumptions implicit in the design of the fund:
 01. community businesses are able to acquire and manage assets without specialist advice provided 'centrally' by this programme
 02. revenue funding will be used as an investment in longer-term financial sustainability
 03. asset ownership enables self-sufficiency in the longer-term
 04. peer brokerage empowers community businesses to overcome their challenges.

Figure 3: Summary of aim, support, type of community businesses and underlying assumptions of the Community Business Fund



Impact of the programmes

- Some evidence suggests that all three programmes have had an impact on community business finances: grantees all saw a growth in total revenue turnover and fixed asset values across part or all of the course of the programme.¹
- Different programme elements have different impacts on community businesses: each programme was designed with distinctive elements to support community businesses in different ways.
 - For Bright Ideas, the business development support helps early-stage community businesses develop an idea, including assessing its viability, support with asset acquisition and business planning; while the grant provides community businesses with the resources to implement different aspects of their community business development plan such as marketing or community consultation.
 - For Trade Up, the incentivised grant supports organisations to invest in the business, including their financial systems, diversify their income streams and foster an entrepreneurial mindset. The learning programme helped

¹ For BI, this was from year 0 (year of support) to year +1 (year after receipt of support), whereas for TU this was from year -1 (year before support) to year +1 (year after support).

community businesses focus and reprioritise the future direction of the organisation, think about their mission and values, share knowledge and learn from diverse cohorts, and develop their networks.

- The revenue and capital grants awarded through the fund had an impact on community businesses who were able to acquire or increase the value of their fixed assets and/or their accessibility and attractiveness to customers. The revenue grants in particular helped to cover costs associated with developing and managing new trading activity as well as, alongside capital funding, creating the ability to develop the business through investment in new roles to help manage the asset. Peer broker support helped community businesses to gain a greater understanding of their communities' needs, identify the strengths and gaps of their business and improve their processes and understanding in terms of impact and evaluation.

Factors contributing to community businesses' success on Bright Ideas, Trade Up and the Community Business Fund

- There are some common factors to success across all three programmes such as a clear business model and plan, a supportive and engaged community and stakeholders, an effective governance structure, and perseverance and strong leadership.



- ◆ In most cases, however, factors of success are programme-specific. Factors contributing to success on Bright Ideas included a strong communication and marketing strategy, support of the wider organisation for established organisations that had applied to the programme to help incubate a new community business idea, having a positive relationship with their advisor and the ability to fundraise to support with the further development of their idea.
- ◆ In contrast, community businesses on Trade Up which either started the programme already having well-established organisational processes and structures, or were able to develop these through the programme, were more likely to succeed. Organisations with more capacity were also better able to use the programme to implement changes in the business.
- ◆ The key factors of success for Community Business Fund grantees were knowledge and expertise of the organisation such as having the right mix of skills across areas such as community engagement, communication, business development and financial management, and bringing in business development support at an appropriate time which suits the organisation and its project.

Some community businesses fail to achieve their aims

- ◆ Across the three programmes, some community businesses did not achieve their aims due to factors either within, or outside of, their control.
- ◆ Many of the factors within the control of the community business related to staffing: grantees in Bright Ideas were more likely to fail if their team did not have the right mix of skills, a strong lead or the capacity to deliver the project; while due to the Trade Up learning programme being attended by a community business leader, turnover of staff or capacity issues meant it could be difficult to integrate learnings into the organisation. Capacity of staff was also an issue for Community Business Fund grantees, particularly those planning and delivering multiple projects at one time.
- ◆ Factors outside of the control of the community business were related to challenges in acquiring assets (BI and TU), ability to access funding to move an idea forward (BI) or deliver a capital project (CBF), and financial difficulties such as lack of working capital.
- ◆ COVID-19 created additional factors which led to community businesses being unable to achieve their aims on the programmes, most of which were out of the control of the community business. These included changes in legislation and variations in restrictions by location and ringfencing of funding by funders to support COVID-related projects.

Post programme and sustainability

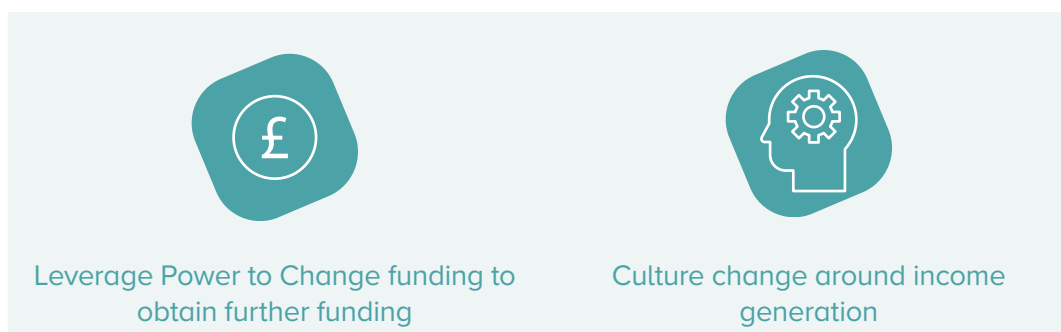
- ◆ After receiving support on the Bright Ideas programme, grantees tend to take different routes depending on the type of organisation they are: new organisations tended to move forward with their plans to incorporate, whereas established organisations incubating new ideas progressed their plans, generated more community action and focussed on evaluation and measuring social impact. Some previous grantees found that after finishing the programme, they still needed additional support to get to start up stage.



- ◆ After taking part in the learning programme and receiving a grant through Trade Up, some grantees have been able to exploit the support they received to catalyse further growth through additional grant funding. Grantees also increased collaboration with other organisations both through the programme and with similar local groups.

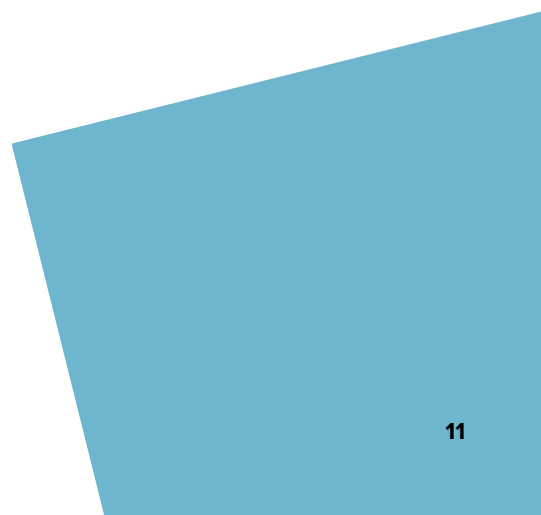
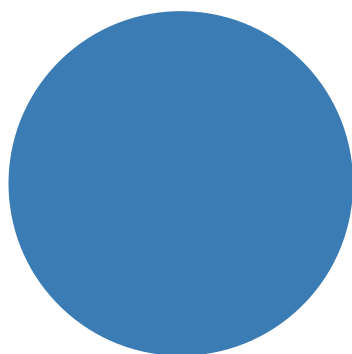


- ◆ Similarly to Trade Up grantees, Community Business Fund grantees were also able to leverage the grant to obtain further funding post programme. In addition, some were able to implement more strategic changes within their organisation.



- ◆ Some grantees have received funding from more than one Power to Change programme: eight per cent of grantees have successfully received grants from two of the three programmes, while others also receive funding from other philanthropic funders, with The National Lottery Community Fund being the biggest funder by value.
- ◆ Bright Ideas has helped some community businesses begin their journey towards financial sustainability by providing funding that was crucial to start up; the matched grant and learning programme has led to improvements in both financial and organisational sustainability for Trade Up grantees; while the Community Business Fund has enabled moves towards self-sufficiency through capital and/or revenue funding.

- ◆ The longer-term sustainability of grantees is yet to be realised. While Bright Ideas has helped grantees to start to plan what a sustainable future could look like, given the start-up nature of the organisations involved, we are very far away from understanding their longer-term sustainability. Many community businesses on Trade Up have only recently completed their time with the programme, whereas many Community Business Fund projects are complex and can take a significant length of time to complete, and therefore the impact of these two programmes on grantees' longer-term sustainability is still to be realised.
- ◆ COVID-19 has had a profound impact on the sustainability of many grantees: it has led to a loss of momentum which has halted some organisations' ability to make progress, it has slowed down their business plans by having a direct impact on their ability to generate trading income and/or to take the steps necessary to set up a new business idea. It has also had a negative impact on their ability to connect and engage with their community.
- ◆ While in some cases the COVID-19 pandemic has highlighted the importance of a diversity of income streams, it has also highlighted how being over-reliant on trading income can be a detriment to survival in the context of a widespread economic crisis. Projects that were more grant-dependent or funded through public sector contracts were better able to continue delivering services during this time.



1. Introduction

Power to Change's overall vision is to support 'better places through community business', where community businesses revive local assets, protect the services people rely on, and address local needs.

Power to Change's funding and support includes both open programmes and targeted funding programmes that support particular sectors or businesses at a certain stage in their life cycle.

This evaluation emerged from the need to better understand the impact generated by the community businesses that Power to Change supports, and Power to Change's role in facilitating this impact. It focuses on Power to Change's business support programmes: Bright Ideas, Trade Up and the Community Business Fund.

Each of these programmes specifically targets different stages and support needs in the community business life cycle. Each programme is different from the others, though they are all designed to support community businesses that have a particular set of development needs to move to the next step. This was the original rationale for evaluating the programmes together.

Each of the three programmes was created independently of the others and there is therefore no single theoretical model underpinning the programmes as a set. However, the programmes do share some common design elements, principles and assumptions which can be evaluated in a consistent way through our work.

1.1 The three programmes being evaluated

This evaluation covers three of Power to Change's programmes: the Community Business Bright Ideas Fund (Bright Ideas, or BI); Community Business Trade Up (Trade Up, or TU); and the Community Business Fund (CBF).

Bright Ideas aims to give community groups in England the support necessary to start setting up their community business. Groups accepted on to the programme receive tailored business development support, mentoring and study visits and can apply for a small grant of up to £15,000 to fund development and start up costs. It is delivered by a consortium including Co-operatives UK, Plunkett Foundation and Groundwork UK, led by Locality.

Trade Up is a programme designed for community business leaders who are looking to increase their income from trading. Leaders accepted on to the programme receive a learning programme of 12 days spread over nine months and a matched trading grant of up to £10,000. It is delivered by the School for Social Entrepreneurs (SSE).

1. Introduction

The Community Business Fund is designed to support existing community businesses with grants to help them progress towards greater self-sufficiency. The projects funded are designed to help increase trading income, secure an asset and/or significantly reduce revenue costs. Grants of £50,000–300,000 are available to cover capital costs including building, vehicles, equipment of significant value and refurbishment costs; and/or project-specific revenue costs like staff costs, professional fees and volunteer costs. The grant administration is delivered by Social Investment Business (SIB).

1.2 Aims of this report

This report is the second annual report of the evaluation of the three programmes and covers activity up to March 2021. The overall aim is to assess whether the programmes have met their aims and to help Power to Change draw lessons about the impact of the funding, to:

- ◆ understand the impact of Power to Change on grantees and the wider marketplace
- ◆ understand the impact of community businesses on people and places
- ◆ test and revise Power to Change’s hypotheses about the role of community businesses in creating better places.

This report is published at an interim stage in the evaluation and will focus on the following:

- 01.** Understanding the three programmes and how the way they are designed and delivered has supported community businesses
- 02.** Understanding the intended impact of the programmes on the individuals or organisations involved
- 03.** Understanding the journey of community businesses after the programme of support has finished and how the programmes supported their sustainability
- 04.** Drawing out learning across the three programmes.

This report is also supplemented by an additional learning paper exploring the impact of grantees on people and place, and a data visualisation analysing the key characteristics of community businesses funded through the programmes.

1. Introduction

1.3 Hypotheses about community businesses

In August 2019, Power to Change published a set of hypotheses that underlie its understanding of the role of community businesses in supporting their local communities, and its approach to supporting the community business sector.

Table 1: Power to Change's hypotheses about community businesses

Community business-level hypotheses	H1: Knowledge	Community businesses have high levels of customer/service user satisfaction because they understand what people want. This is because the majority of their staff, volunteers and/or customers/service users are from the local area. As a result, they offer better products and services than alternative providers.
	H2: Employability	Community businesses improve skills development amongst local people by creating jobs and providing development opportunities for those who would otherwise not actively participate in the local labour market.
	H3: Volunteers	Community businesses use local volunteers to deliver their products and services. They do this by providing formal and informal volunteering opportunities. This also helps them keep their costs down. Volunteers will also report personal development and social benefits.
	H4: Social capital (members/shareholders)	Community businesses increase bridging social capital by engaging members and/or shareholders in local decision-making through the development of skills and access to information.
	H5: Sustainability	Community businesses are less likely to close if they understand what local people want (H1), use local volunteers to deliver their products and services (H3) and engage local people as members and/or shareholders (H4).
Sector-level hypotheses	H6: Infrastructure	The provision of third-party business development support increases the productivity and resilience of community businesses.
	H7: Assets	The transfer of local physical assets from public and other bodies stimulates community business growth. This is because they contribute to financial resilience, provide a physical base for operations and generate goodwill.
Place-level hypotheses	H8: Collaboration	Community businesses collaborate with others, accessing more resources (e.g. skills and money). This enables them to offer more services, products and activities, benefiting their community.

1. Introduction

The findings in this report contribute to our understanding of the five hypotheses at the community business level. Further work, including learning from other Power to Change funds, will be required to assess these hypotheses more comprehensively. We highlight where findings are relevant to each hypothesis throughout the report.

1.4 Methodology

The evaluation is a mixed methods study drawing on a variety of quantitative and qualitative data.

Qualitative research methods

In the first year of the evaluation, we used a combination of telephone interviews and fieldwork visits to understand the experience of community businesses. We undertook 13 fieldwork visits with community businesses, with a focus on three different areas of interest:

- ◆ **Impact:** to explore the types of impact that community businesses have on people and places (7 visits)
- ◆ **Completed projects:** to explore the longer-term impact of funded activities and investments (3 visits)
- ◆ **Notable projects:** to explore businesses that have experienced particular challenges or successes with their funded project or development aim, and/or to visit projects of particular strategic interest (3 visits)

To complement the detailed research involved in fieldwork visits, we also undertook telephone interviews with 12 community businesses, with the aim of providing a breadth of understanding and enable us to explore the range of experiences of different types of businesses.

In the second year of the evaluation, we adapted our methodology in response to the COVID-19 pandemic. We adjusted the focus of the evaluation to COVID-19-specific learning between April 2020 and August 2020, and were unable to undertake fieldwork visits for the remainder of the evaluation period. Therefore, in the second year we undertook 36 telephone interviews with community businesses across the three programmes. As previously, these interviews focused on understanding the impact of community businesses, the longer-term impact of completed projects and the challenges and success factors involved in notable projects.



Quantitative research methods

Throughout the evaluation we used the data sources to analyse variables related to community businesses' characteristics and progression:

- For Bright Ideas, we were provided with application data² from rounds one to seven and advisor end of programme reports from rounds one to four, which include ratings and comments from advisors on grantee progress throughout the programme.
- For Trade Up, we were provided with application data from rounds one to four and participant surveys from rounds two to three. The latter were filled out and submitted by participants in the beginning (baseline), at the end (endline), and 12 months after completion of the learning programme (follow-up). Surveys include questions around progress made by community businesses, and individual progress of community business leaders.
- For the Community Business Fund, we were provided with application data from rounds one to eight and peer broker resilience reviews. The latter are assessments carried out by peer brokers at the beginning and the end of business development support. They identify which aspects the support focuses on and what progress was made by the end of the support period.

The main quantitative analyses undertaken for this evaluation were:

- A descriptive statistical analysis to identify the main characteristics of grantees across the three programmes, and how they are different from unsuccessful applications in terms of region, index of multiple deprivation (IMD), legal structure, sector and age. Full details and visualisations of this descriptive analysis can be found in our *Characteristics of Community Businesses Grantees and Applicants* data visualisation.³
- Distance travelled analyses of monitoring data to measure non-financial progress achieved by grantees. In this report, these analyses are represented by star diagram visualisations to represent multi-dimensional progress in a number of selected indicators.
- An overall analysis looking at all measured indicators in our Impact data visualisation.⁴

2 Application data includes information such as: sector, postcode, size and age of organisations.

3 Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants (to be published).

4 Renaisi (2021) Power to Change Fifth Data Visualisation: Impact. (to be published)

1. Introduction

Additional sources of evidence

Our qualitative and quantitative analyses were also supplemented by evidence from programme documents authored by Power to Change and the programme delivery partners. This included programme proposals and application guidance.

Throughout the two years of the evaluation, Renaisi worked closely with programme managers and delivery teams to share learning and insights from the evaluation. This includes workshops delivered from June 2020 through to December 2020 and ongoing engagement with programmes teams via attending meetings and events.

Table 2 summarises the sources of data used for each analysis.

Table 2: Data sources for analyses presented in this report

		Bright Ideas	Trade Up	Community Business Fund
		Source (rounds)	Source (rounds)	Source (rounds)
Quantitative analysis	Descriptive statistics about grantees	Application (1–7)	Application (1–4)	Application (1–8)
	Impact on organisations/ individuals	Monitoring report, group final report (1–4)	Baseline, end of programme, follow-up surveys (2–3)	Resilience review (3–7)
Qualitative analysis	Programme design	Background documents on the programmes Qualitative interviews with community businesses End of programme reports		
	Impact of the programmes	Final advisor report, final group report (1–4)	Baseline, end of programme, follow-up surveys (1–3)	End of programme reports (1–8)
	Post programme and sustainability	Final advisor report, final group report, qualitative interviews with community businesses, advisors and programme manager (1–4)	Baseline, end of programme, follow-up surveys, qualitative interviews with community businesses, learning managers and programme manager (1–4)	End of programme reports, qualitative interviews with community businesses and programme manager (1–8)

MyCake and Close-Up Research

This evaluation is delivered in partnership with MyCake and Close-Up Research. MyCake's role is to compile financial data on grantees from publicly available datasets and provide detailed financial analysis relevant to each programme. Close-Up Research is undertaking video ethnography to produce videos on key findings in the research, which will be published separately. Further details of their methodology can be found in the Appendix.

Star diagrams⁵

To develop a visual way of showing some of the findings emerging from the evaluation, we worked closely with Power to Change and the programme delivery partners to co-produce a star diagram format which combines data on organisational capacity and financial development.

The primary aim of the star diagrams is to showcase the impact of the programmes on the organisational capacity and financial development of grantees. Each programme measured organisational capacity in a different way; more detail on how is included in the Appendix.

It is important to note that the star diagrams are not intended to be used in a reductionist way as the only measure of community business 'success'. Instead, they give an idea of the impact of the programmes on particular indicators, and need to be interpreted alongside other sources of evidence, particularly qualitative data.

There are limitations to the data used to create the star diagrams across the programmes, such as inconsistency in using the scoring system, the questions asked across different cohorts, indicators included, the wording used in different forms and surveys, and a small sample size for Community Business Fund peer broker resilience reviews. These limitations mean that we have excluded Trade Up year one data, and Bright Ideas baseline scores. More details on these limitations can be found in the Appendix.

5 BI and TU star diagram indicators were selected from a larger pool of indicators based on which indicators were reported by most grantees, and also to be as consistent as possible with the Qualitative Impact Assessment Protocol (QUIP) evaluation of Power to Change's Bright Ideas programme, a 'deep dive' impact study researching the role of capacity-building in the development of community businesses (2020).

Limitations of our work

Where possible, we make comparisons in findings across the three programmes. However, each of the three programmes was created independently of the others and the quantitative data available varies in type, and therefore direct comparisons between programmes is not always possible.

In addition, within each programme, the type of quantitative data collected through grantee surveys and application forms has sometimes changed between different funding rounds. As such, it is not always possible to include all programme grantees in all analyses. At times, the analysis is limited by the quality of data available, due in part to errors in self-reporting by grantees.

Where any of the above are relevant, we highlight limitations to specific analyses throughout the report.

1.5 COVID-19

Due to the COVID-19 pandemic, we needed to adapt our evaluation methodology in the second half of the evaluation period.

Changes to the evaluation April 2020–August 2020

In response to the pandemic, Renaisi and Power to Change agreed to make adjustments to the evaluation from April 2020 onwards, including changes to our methodology as well as changes to the focus of some evaluation questions. To understand how the programmes changed in response to the crisis and the experiences of community businesses, Renaisi undertook qualitative interviews with programme managers, delivery partners, community businesses and advisors in May and June 2020; and facilitated peer learning workshops with programme managers, delivery partners and Power to Change's evaluation team in June, July and August 2020.

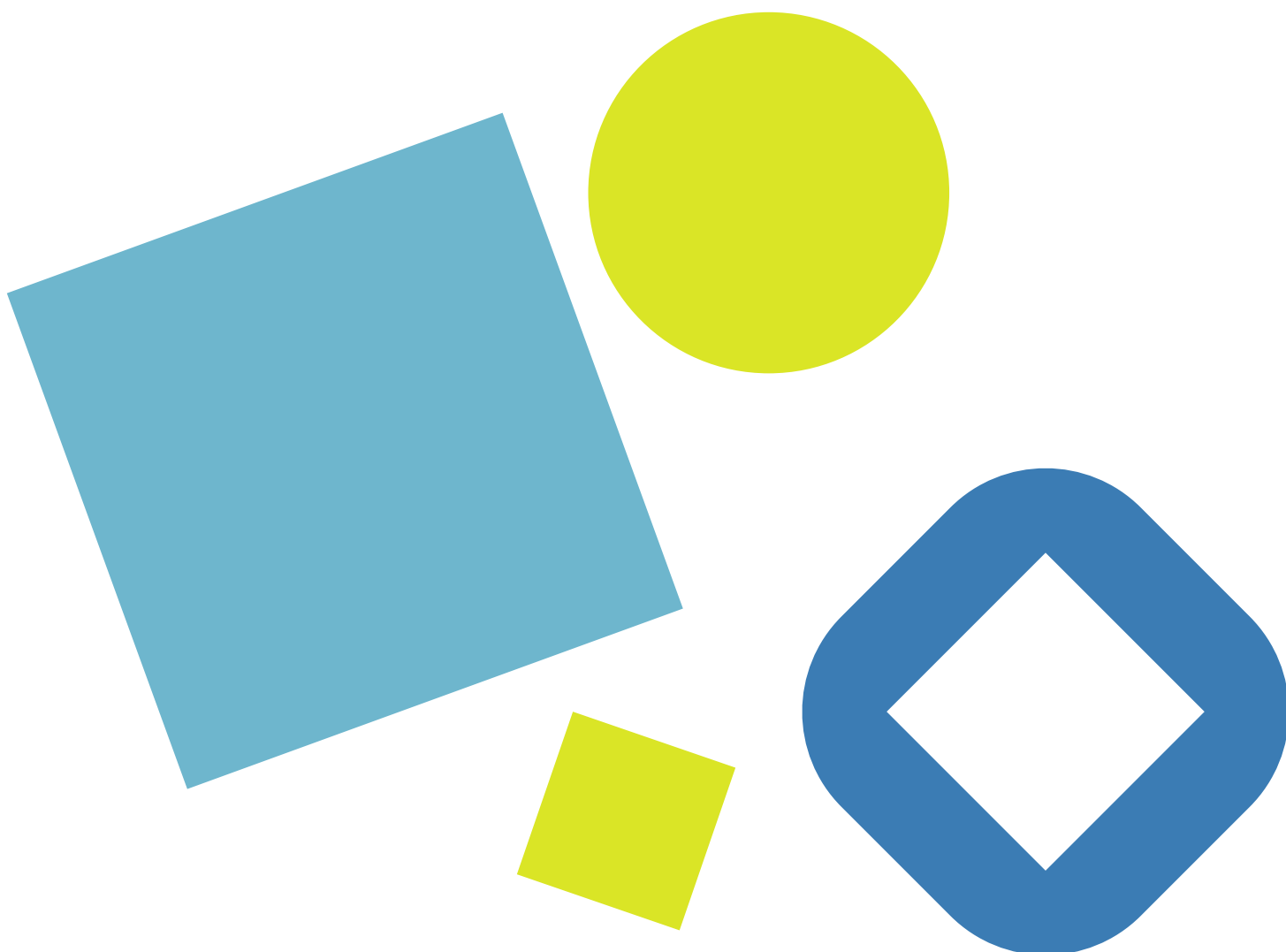
Changes to the evaluation from September 2020

After the period focusing on COVID-19 learning, Power to Change, delivery partners and Renaisi agreed to review the original evaluation and learning framework and adapt it to reflect contextual changes caused by the pandemic. The revised evaluation and learning framework can be found in the Appendix.

Adaptations to qualitative research

During the COVID-19 pandemic, we were no longer able to undertake face-to-face interviews with community businesses, their staff, customers and volunteers. Instead, we switched our qualitative research to virtual means, and conducted interviews with community business leaders via Microsoft Teams. This meant we were no longer able to speak to members of the public, beneficiaries, customers, volunteers and members of staff (other than the lead contact) as we would normally do on a visit, nor were we able to observe community business activities taking place.

This has limited our ability to assess the impact of community businesses on people and communities objectively, and means we are reliant on a smaller range of perspectives to evaluate the impact of the programmes and community businesses involved. However, we did complete 13 fieldwork visits before the pandemic hit and have been able to draw on those insights in this report.



2. The programmes being evaluated

This section describes the aims, structure and key characteristics of the three programmes being evaluated in more detail.

2.1 Bright Ideas

The aim of Bright Ideas is to provide community groups with advice and a small amount of revenue funding to develop, test and launch their community business idea. In essence, it is a business start-up mentoring programme with a small grant attached. It is delivered by Locality, with additional advisors from Co-operatives UK and Plunkett Foundation.

Businesses are provided with the following support:

- 01.** One-to-one business development support from advisors at Locality, Plunkett Foundation or Co-operatives UK.
- 02.** Support from their advisor to apply for a grant, either:
 - a.** Ideas stage grants (£1,000–10,000)
 - b.** Pre-venture stage grants (£1,000–15,000)
- 03.** Opportunities to learn from other community businesses, including visits to other community businesses, access to online resources, webinars and grantee networking events run by Locality and Power to Change.

Bright Ideas aims to support 150 community businesses over three years: 90 new organisations with a new idea, including those not yet incorporated; 40 existing Bright Ideas grantees who require ongoing support; and 20 established organisations that want to launch a distinctly new idea.

After the programme, it is hoped that groups will have progressed from an idea to an operational reality, and will have either launched a community business, moved further along their life cycle, secured investment and/or used the support received to lever additional funding.

Adaptations due to COVID-19

When the COVID-19 pandemic led to national lockdowns in March 2020, the programme was open to Round 7 applications. In response to COVID-19, this application window was closed early, before the deadline, and applicants who submitted prior to closure were assessed. Following on from the award of Bright Ideas funding, Round 7 continued as normal.

After conducting a needs analysis of current grantees, Power to Change launched the C-19 Bright Ideas Support Fund in May 2020. This scheme provided a small grant and support to help start-up community businesses adapt their business models to survive the disruption caused by the COVID-19 crisis. The funding scheme received 34 applicants and 28 were approved. The average grant for the funding including business development grant support was £6,990.

In addition to the C-19 Support Fund, existing grantees also received adaptations to their existing support including flexibility with their overall timeline and advisor support being delivered virtually.

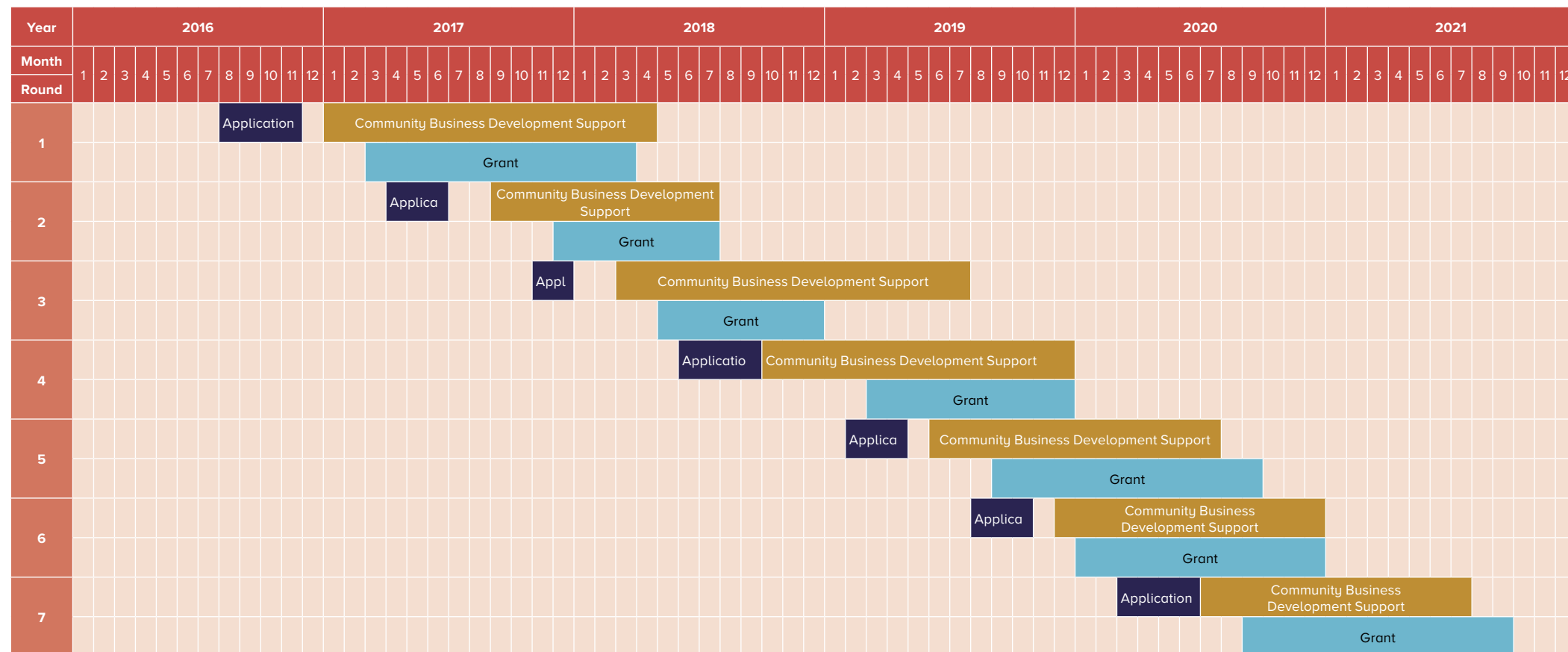
Timeline of Bright Ideas

Figure 4 summarises the seven Bright Ideas funding rounds. The final round of funding was completed at the end of 2020, with all grantees expected to have completed their project by September 2021. The focus in 2021 will be on administering the grant, evaluating the programme and disseminating learning.



2. The programmes being evaluated

Figure 4: Timeline of Bright Ideas funding rounds



2.2 Trade Up

Trade Up supports the growth of community businesses with a focus on increasing their sales and income from trading. It is delivered by the School for Social Entrepreneurs (SSE).

Businesses on Trade Up are provided with the following support:

- Action learning programme over a nine-month period, which includes:
 - Eight one-day study sessions (including witness sessions, expert sessions, peer support and study visits) in groups of 10 community businesses, with up to two participants from each community business per session
 - Four action learning set meetings
 - Webinars between meetings
- A small group of grantees receive a grant of £10,000. The remaining receive a (matched) grant of between £2,000 and £10,000 which varies in value depending on how much their income from trading increases (so that businesses are incentivised to focus on increasing trading income, in order to receive a larger grant)
- Access to a support network of other community businesses.

Trade Up aims to support 210 community businesses over three years (80 in year one, 80 in year two, 50 in year three), which meet the following criteria: (i) businesses must have an organisational structure; (ii) businesses must be incorporated or working towards incorporation; (iii) either early stage businesses (one to five years old) planning to increase trading; or established businesses (more than five years old) making significant changes to their business plan to refocus on trading or develop a new or additional trading income stream.

After the programme, it is expected that the individuals and community businesses involved in the programme will have greater confidence in running their community business, feel more part of the community business community, be more sustainable and actively moving towards becoming less reliant on grant funding, and become a part of SSE's fellows network.

Adaptations due to COVID-19

When the COVID-19 pandemic led to national lockdowns in March 2020, the third Trade Up cohort had just completed their learning programme, and were moving towards their final quarter of grant drawdown in June 2020. Meanwhile, SSE and Power to Change had just completed assessing applicants for the fourth cohort, who were due to begin the programme in April 2020. As such, adaptations were made to the support offer for both cohort three and cohort four.

For cohort three, some adaptations were made on grant drawdown given most organisations were forced to close at the time. Grantees were able to claim for early payment of their quarter four grant, and were able to report on what their expected trading would have been if COVID-19 hadn't hit, as well as their actual trading income. They were also offered an extra £1,000 in advance.

In addition to changes to grant drawdown, cohort three grantees also received six months of additional support through the online community business support programme, run by SSE. This included four learning days delivered online, four virtual action learning sets, peer support and four webinars.

Given cohort four began in April 2020, changes to their experience were implemented from the outset. All of their learning programme switched to being virtual, rather than meeting in person. In addition, the matched trading grant was adapted to take into account the economic challenges created by COVID-19. SSE and Power to Change adapted the match trading model to create Trade Back, which aimed to strike a balance between wanting to provide financial support in a difficult time for organisations, while also retaining the element of challenge provided by the original Trade Up model.⁶

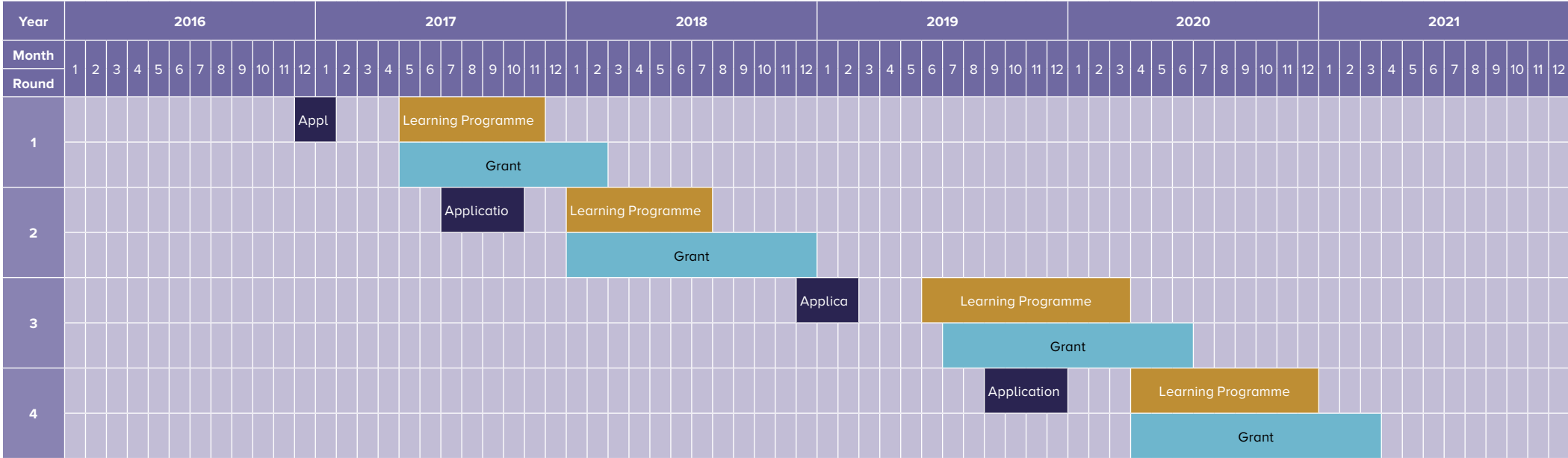
Timeline of Trade Up

Figure 5 summarises the four Trade Up funding rounds. The final learning programme ends in September 2021 and will be followed by a stage of grant administration, evaluation of the programme and dissemination of learning.

6 <https://www.matchtrading.com/match-trading-grants/trade-back/>

2. The programmes being evaluated

Figure 5: Timeline of Trade Up funding rounds



2.3 Community Business Fund

The Community Business Fund aims to help community businesses grow and become more financially sustainable, by increasing income from trading, securing an asset and/or significantly reducing revenue costs. The fund is currently administered by SIB.

As part of the fund, community businesses can receive a grant between £50,000 and £300,000 which can be exclusively capital or revenue funding, or a blend of both:

- 01.** Capital grants: including to fund the costs of acquiring or refurbishing buildings or land, purchase of vehicles or other equipment of significant value
- 02.** Revenue grants: for project-specific revenue costs like staff costs, professional fees, volunteer costs
- 03.** Businesses can also access peer brokerage: business development support delivered by community business peers.⁷

Community businesses are eligible for support through the Community Business Fund if they are an established community business and are incorporated with at least one year of financial accounts.

Adaptations due to COVID-19

When the COVID-19 pandemic led to national lockdowns in March 2020, funding was still being provided to grantees who had joined the programme in rounds one to eight. As the programme does not provide 'centralised' advisor support or a learning programme, no material adaptations were made, aside some flexibility on when funding could be spent.

However, to support grantees who faced significant financial challenges in this period, Power to Change created a £2,100,000 Emergency Trading Income Support Scheme specifically for Community Business Fund grantees, to provide finance in the form of small grants to replace trading income lost as a result of COVID-19. The funding scheme received 111 applications and 83 were approved. The average grant was £24,882.

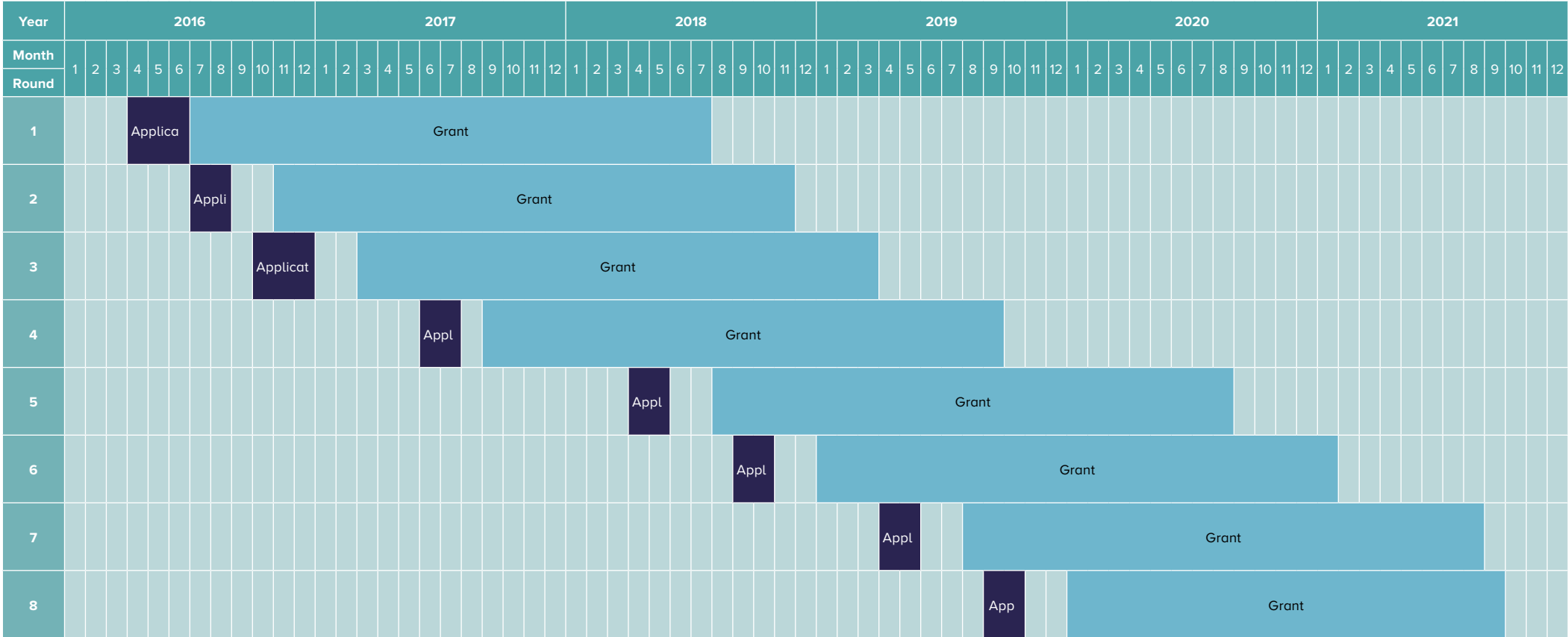
Timeline of Community Business Fund

Figure 6 summarises the eight funding rounds. The final round was completed at the end of 2020, and the focus in 2021 will be on grant administration, evaluation of the programme and dissemination of learning.

⁷ All successful applicants to the Community Business Fund are paired with a peer broker (another community business) to work with them to identify their business development support needs. Where needs are identified, Power to Change award a grant for supporting business development. There isn't a separate application process for this support.

2. The programmes being evaluated

Figure 6: Timeline of Community Business Fund funding rounds

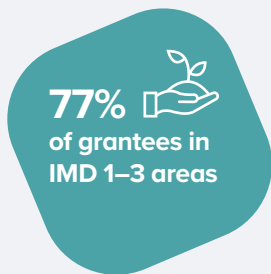
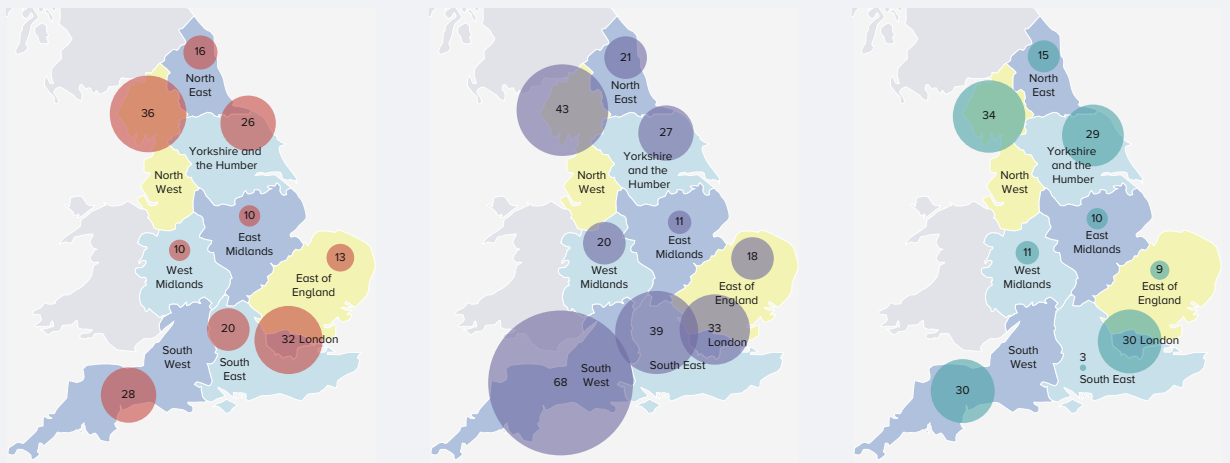


3. Key characteristics of community businesses funded through the programmes⁸

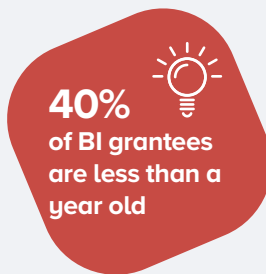
Success rate of applications



Location of grantees



Over three-quarters of CBF grantees are from IMD 1–3, compared to around 50% for BI and TU



whilst CBF grantees tend to be 10 years +



Grantees across all three programmes are most likely to be community hubs.

● Bright Ideas ● Trade Up ● Community Business Fund

⁸ Data for this infographic originates from Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants (to be published)

4. Programme design

In this section, we will explain the programme design behind Bright Ideas, Trade Up and the Community Business Fund and the assumptions or hypotheses about community businesses that underlie them.

Theme	Research questions
Programme design	<p>01. What is the programme design? What support did community businesses receive? (including support for acquisition/management of assets)</p> <p>02. What are the underlying assumptions/hypotheses for this design?</p>

When the programmes were created, there was no explicit theoretical model underpinning their design or linking the three together. Renaisi hosted a workshop with Power to Change and its delivery partners for the three programmes in October 2019, to create a retrospective theoretical model which would inform the learning framework for the two-year evaluation and build an understanding of the key questions that the evaluation would answer.

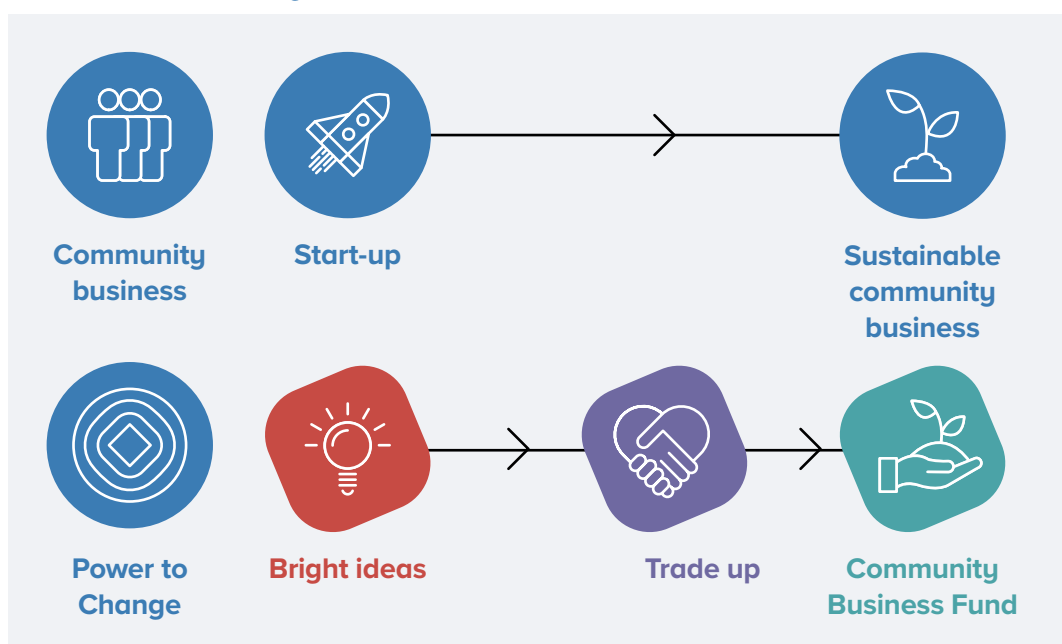
Theoretical models are useful to:

- 01.** set the boundaries/scope of the research project in terms of the theories and constructs that will be studied and measured
- 02.** illustrate the research hypotheses to be tested, and the predictions that are being made (if any) about the relationship between the constructs under study.

Initially, the three programmes tended to be seen as a linear journey of support for community businesses as they matured, with Bright Ideas providing early-stage support, Trade Up providing support to grow trading income, and finally the Community Business Fund providing significant capital investment to support longer-term sustainability.

4. Programme design

Figure 7: Linear model of community businesses' life cycle from start-up to sustainable community business



However, this linear model does not reflect the experiences of community businesses in practice. Community businesses can develop from a range of contexts, including developing as a new start-up, developing out of an earlier entity such as a charity looking to diversify its income, or being incubated by another community business. They also have a range of support and investment needs depending on their particular context, asset base and business model. This means that the community business life cycle is:

- cyclical, rather than linear
- multifarious, with community businesses taking different development paths depending on their particular circumstances

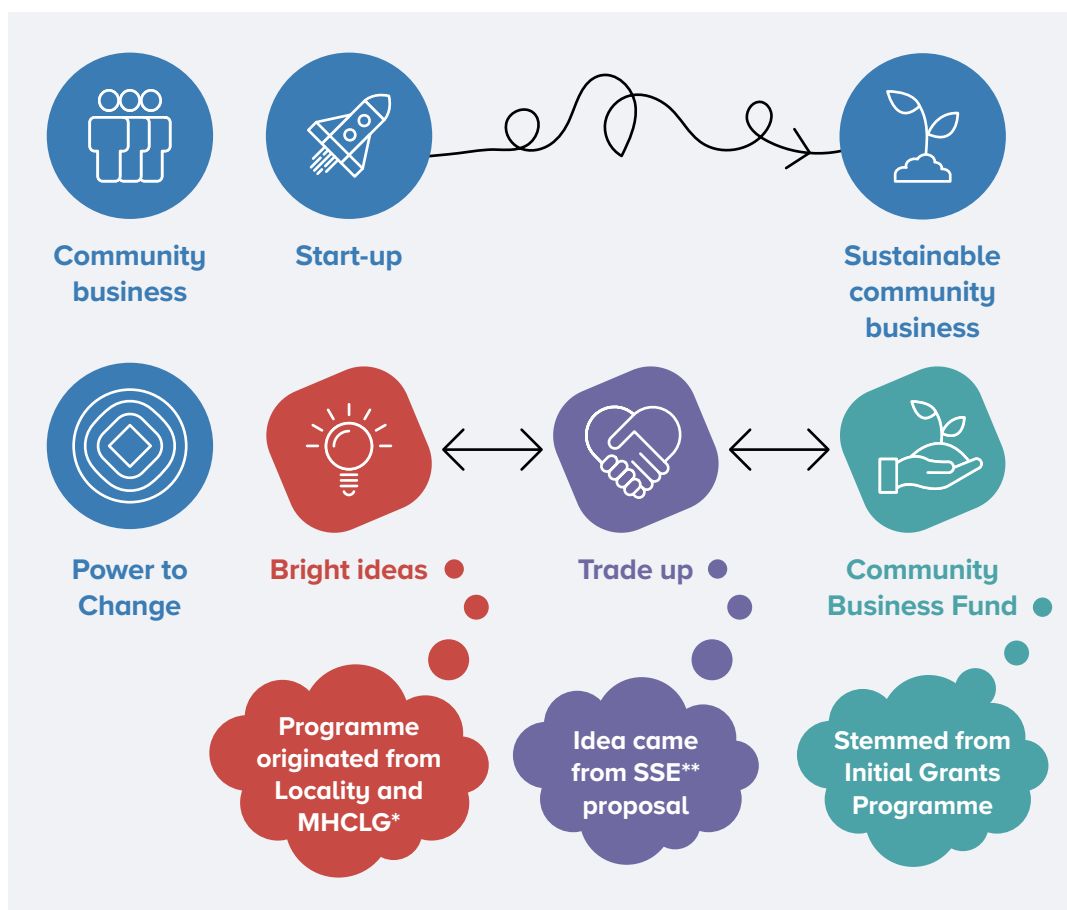
As a result, some community businesses have accessed support from more than one of the three programmes in a different order from the one originally envisaged. For example:

- 01.** Five organisations were supported by Trade Up and then Bright Ideas, because they were established organisations taking on or developing an asset and then choosing to incubate a new community business.
- 02.** Nine organisations were supported by the Community Business Fund and then Trade Up, because they needed support with 'sweating' and increasing their trading income from an asset they had taken on or developed.
- 03.** Eight organisations were supported by Bright Ideas and then the Community Business Fund, because they needed capital investment to secure an asset after successfully developing plans to acquire one.

4. Programme design

Therefore, the factors involved in determining when and in what order community businesses access the three programmes include business context, the type of support needed as well as stage of business development. Overall, of the 594 community businesses supported, 44 received funding from two of the programmes, and of the two that received funding from all three programmes neither followed the ‘expected’ linear programme journey.⁹

Figure 8: Non-linear journey of community businesses from start-up to sustainable community business



9 Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants, p. 3.

* Ministry of Housing, Communities & Local Government and ** School for Social Entrepreneurs

4.1 Bright Ideas

Overall, the aim of Bright Ideas is to help early-stage organisations make progress which allows them either to start up a community business or implement a project idea. Organisations are provided with a range of tools and a tailored package of support which includes one-to-one business development support, a grant of up to £15,000, and peer learning and networking opportunities. The programme's success is not solely defined by creating a new community business as organisations are at different stages of their development and the process of developing a new business can take a long time: as a result, 'success' is assessed on a case-by-case basis.

The five key underlying assumptions implicit in the design of Bright Ideas are that:

- ◆ there is an absence of other sources of support for early-stage community businesses
- ◆ community businesses emerge from an idea typically developed by community groups
- ◆ three days of quality business development support is sufficient to support groups to take their next step
- ◆ post programme, further funding opportunities and support to develop the business are available and accessible
- ◆ early-stage community businesses can be sufficiently upskilled within the timeframes of the programme to be able to continue their development.

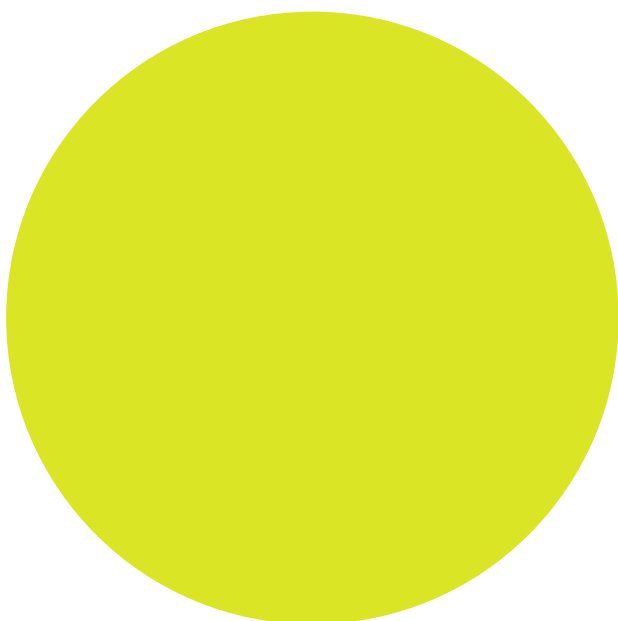


Figure 9: Summary of aim, support, type of community businesses and underlying assumptions of Bright Ideas



Absence of support for early-stage community businesses

Bright Ideas was designed on the basis that there was a gap in the market for flexible and tailored support to aspirational and developing community businesses to accelerate them from 'ideas' to 'pre-venture' to 'start-up'. Open to both asset and non-asset based projects, the programme was designed to address the lack of support and funding for early-stage groups who want to be more active in their community, including those interested in community asset ownership, creating local enterprises to support service delivery, responding to public service transformation challenges, and creating employment opportunities.

How community businesses emerge

Initially, the programme was only open to groups with a new community business idea, implying that community businesses emerge from groups in the community coming together to set it up. During the initial rounds of funding, Locality identified that several organisations wanted to apply to develop or incubate a community business which they did not have the internal capacity and/or resources to successfully launch as a new entity without support. Consequently, the programme criteria expanded to offer three streams of support, for young organisations (i.e. less than five years old) with new ideas; existing Bright Ideas grantees needing follow-up support to progress to start-up stage; and established organisations 'incubating'

4. Programme design

new community business ideas.¹⁰ As such, the revised programme criteria reflect how there are different ways for new community businesses to come into being but that they all share a strong vision for their neighbourhoods and will have varying support and investment needs depending on their particular context.

Quality of business development support

The programme provides aspiring community businesses with three days of expert business development support. This support must be sufficient to help grantees address their challenges and progress to start up a community business, implement a project idea, take on an asset, engage in service delivery and/or explore or attract other funding opportunities. Hence, the quality of the professional advice offered to community businesses is key to the success of Bright Ideas. Advisors must be skilled and knowledgeable enough to meet the needs of community businesses at whatever stage they are in their development. Moreover, advisors are trusted to support community businesses to make decisions about what grant support they require. This means advisors assist community businesses in their grant application and, in some cases, support community businesses to understand their ability to apply for top-up grants and reduce their initial grant request. Ultimately, advisors are an important resource and without good quality advisors the programme would not work well.

Availability of and access to further opportunities

Community businesses on Bright Ideas will be at different stages of their life cycle and not all of them will make it to start-up stage. To help them develop further, secure investment and maintain community support, community businesses may produce detailed business models and financial plans, while others may be supported to leverage funding from other sources. Therefore, the programme relies to some extent on community businesses being able to access further funding opportunities and support beyond this programme to enable nascent businesses to continue on their development journey.

10 Our data visualisation shows that 89 per cent of BI grantees were new organisations (i.e. less than five years old) with new ideas, nine existing BI grantees received follow-up support, and 11 per cent of grantees were established organisations 'incubating' new community business ideas (i.e. more than five years old). Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants.

4. Programme design

Early-stage community businesses are upskilled within the time available

Primarily, the programme is presented as a business mentoring programme with a small grant opportunity attached, as this is thought to encourage and motivate organisations to maximise their own learning and development. Within the one-year timescales of the programme, it is presumed that community businesses will be sufficiently upskilled and empowered to pursue opportunities and support successfully, to continue their development and become sustainable community businesses. Furthermore, the programme facilitates networking and peer-to-peer structures, including discounted membership of the consortium partners (Locality, Plunkett Foundation and Co-operatives UK) and peer learning sessions, and community businesses are encouraged to maintain these relationships beyond the lifetime of the programme.

4.2 Trade Up

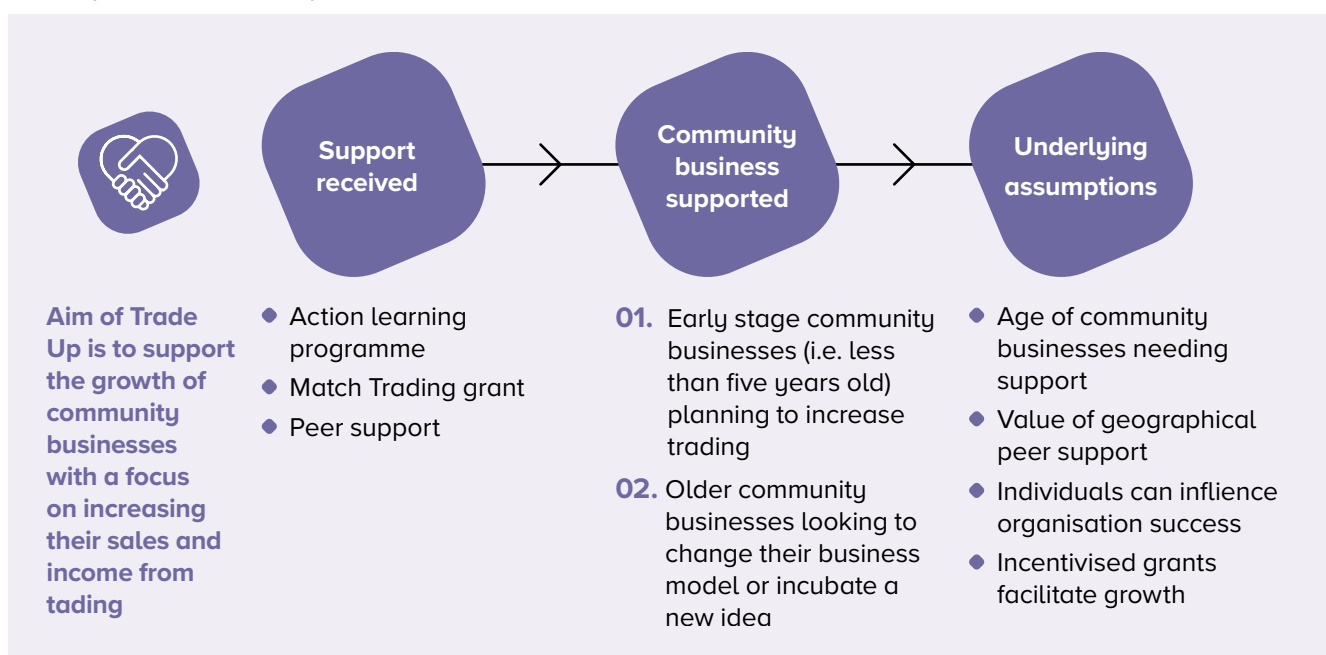
The aim of Trade Up is to support the growth of community businesses with a focus on increasing their sales and income from trading. This is achieved through a nine-month learning programme, which includes cooperative problem solving and access to experts, and an incentivised Match Trading grant.

The four key underlying assumptions for the design of Trade Up are that:

- community businesses needing this type of support are in the main less than five years old
- there is value in the support provided by geographical peers (i.e. other community businesses in the same region) even if their organisations have quite different business models
- a learning programme focused on individual participants can influence their organisation's success
- incentivised grants facilitate growth in trading income.

4. Programme design

Figure 10: Summary of aim, support, type of community businesses and underlying assumptions of Trade Up

**Age of community businesses needing support**

Originally, the programme was intended for early-stage community businesses, i.e. less than five years old, planning to increase their trading. This implies an assumption that only smaller, newer community businesses would need support with increasing their trading income. SSE later found that more established organisations also experienced challenges with increasing trading income and wanted to apply for the programme, for example if they have taken on a new asset and need support maximising their ability to generate revenue income from it. The programme's criteria were therefore loosened to accept some community businesses that are older than five years but seeking to change their business model or incubate a new idea. As a result, just over half of the community businesses supported by Trade Up are more than five years old, and overall the cohort is most likely to be between two and ten years old.¹¹

11 Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants, p. 10.

4. Programme design

Value of geographical peer support

Based on SSE's 'schools' model, cohorts are brought together in geographical regions and include a diverse mix of organisations from different sectors and contexts. The programme aims to facilitate peer learning by bringing together leaders from the same area, with different skills, experiences and networks, to support each other to develop individual and organisational entrepreneurship. This implies a belief that support from peers in a similar geography is valuable even if community businesses' trading context and sector are very different.

Individuals can influence organisational success

Community businesses who take part in the programme will nominate one or two individuals from the organisation to attend the learning programme. Therefore, the onus is on the individual(s) who attend to cascade their learning and implement ideas gained from the programme to the wider organisation. Where there are two participants, they can work together to implement changes with their wider teams. This reflects a belief that that one person's learning, two in some cases, can influence the community business' success and that this person or pair will be able to apply their learning in practice. This focus on individual learning makes Trade Up fundamentally different to Bright Ideas, which is designed around larger groups of people developing an idea together.

Incentivised grants facilitate growth

The programme was designed to test an idea that incentivising trading through matched grants can support the growth of community businesses. By rewarding trading income growth, such as increasing sales, Trade Up assumes that community businesses become less grant dependent as they increase the proportion of income earned from trading.¹² This is thought to lead to greater sustainability and resilience as community businesses innovate to diversify their income streams.

COVID-19 adaptations

The start of lockdown restrictions affected cohort three who were nearing the end of the learning programme, and cohort four who were just about to start their participation on Trade Up. The programme was adapted to provide immediate capacity building and peer support to enable community businesses to continue playing an active role in supporting and rebuilding communities across England. Cohort four benefited from a combination of capacity building and Trade Back grants to support them to return to their pre-COVID levels of trading.

12 Power to Change, School for Social Entrepreneurs and Renaisi (2020) Trading Up: Match Trading® for Community Businesses as a powerful incentive for regeneration post-COVID, p. 8.

4. Programme design

The learning programme was adapted to focus on business support, recovery, growth and innovation. Trade Back grants were designed to provide a balanced approach where the grant paid against increasing trading income could be adjusted and flexed according to the wider context, but still give participants focus and an element of challenge. The Trade Back support assumed that all community businesses would be able to reopen and start to rebuild to trade at pre-COVID levels at some point during the nine-month programme.

4.3 Community Business Fund

The aim of the Community Business Fund is to help community businesses progress towards self-sufficiency. This is achieved by offering capital and/or revenue grants up to £300,000 and access to business development support from community business peers. Community businesses are eligible for support through the fund if they are an established community business, and are incorporated with at least one year of financial accounts. The programme has a specific focus on place, as it aims to prioritise funding for community businesses located in the Index of Multiple Deprivation (IMD) areas 1–3.¹³ Our data visualisation shows that the programme does indeed attract far more community businesses based in IMD 1–3 (76%) than Bright Ideas and Trade Up (49% and 53% respectively).¹⁴

The four assumptions implicit in the design of the Community Business Fund are that:

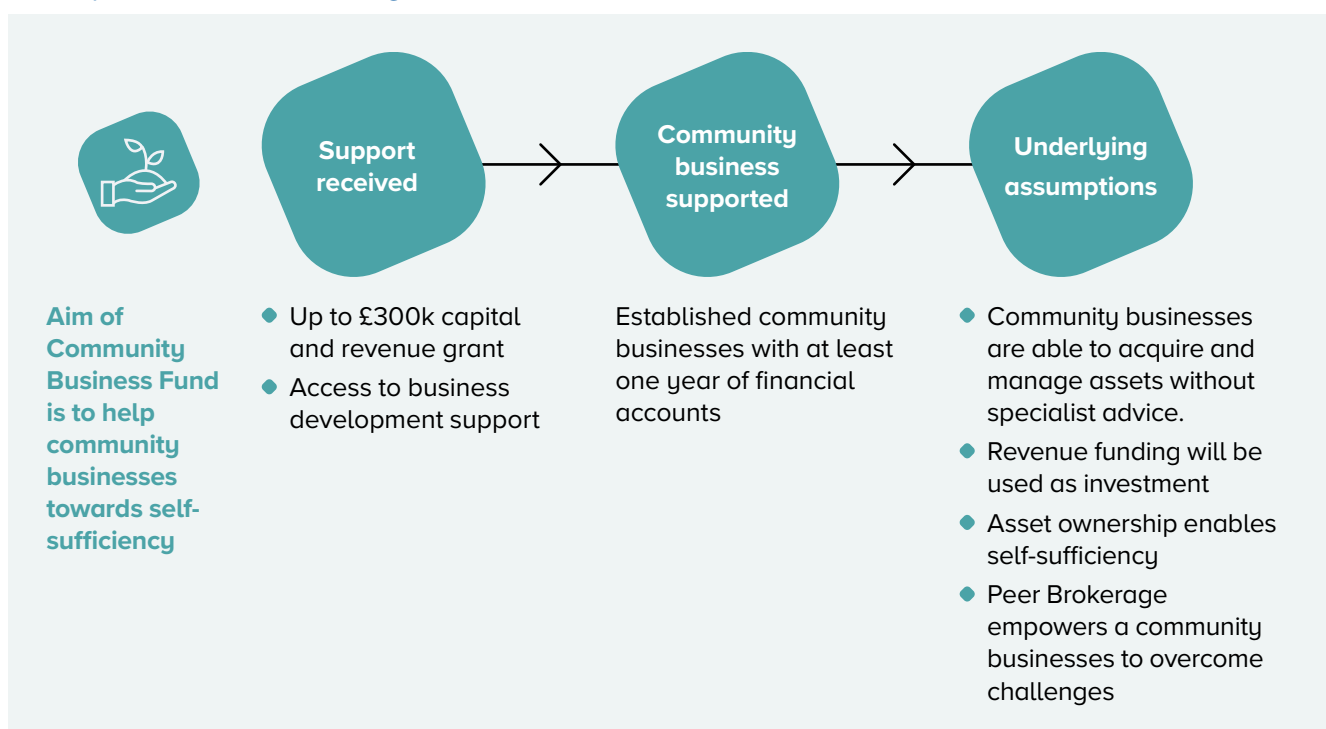
- ◆ community businesses are able to acquire and manage assets without specialist advice provided ‘centrally’ by this programme
- ◆ revenue funding will be used as an investment in longer-term financial sustainability
- ◆ asset ownership enables self-sufficiency in the longer-term
- ◆ peer brokerage empowers community businesses to overcome their challenges.

13 English indices of deprivation 2019. The IMD measures relative deprivation in areas in England. Seven domains of deprivation are included in the IMD: income, employment, education, health, crime, barriers to housing and services, and living environment. Available at: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

14 Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants, p. 13.

4. Programme design

Figure 11: Summary of aim, support, type of community businesses and underlying assumptions of the Community Business Fund



Community businesses are able to acquire and manage assets without advice provided ‘centrally’

Unlike Trade Up and Bright Ideas, the Community Business Fund does not provide direct access to specialist advisors or a structured programme of support to help community businesses acquire or develop their asset. Instead, grantees can choose to spend a portion of the funds on sourcing specialist advice themselves and/or access peer brokerage support from other community businesses who may have faced similar challenges. This assumes that community businesses are able to identify and access good-quality specialist advice themselves and have the experience to manage their development process without a structured programme of support from the Community Business Fund itself.

4. Programme design

Revenue funding will be used as an investment

Community businesses can apply for project-specific revenue costs such as staffing costs, professional fees and volunteer costs. Revenue grants to cover the costs of salaries are provided in cases where the community business can demonstrate how the role will help the organisation increase trading income and, in the long term, generate sufficient income to fund any ongoing salary costs once the grant period has ended. This reflects an assumption that revenue funds will be used as an investment which community businesses will either no longer need or will be able to sustain once the project funding period has come to an end.

Asset ownership enables self-sufficiency

The majority of Community Business Fund grants are focused on assets: acquiring them, developing them and/or managing them to support longer-term sustainability for the community business. This implies an assumption that asset ownership will translate into revenue growth and that trading incomes will increase sufficiently to enable the organisation to become more sustainable in the long term. It also assumes that community-owned assets are indeed an asset and not a liability that will end up needing more investment than the revenue they are able to generate.

Peer brokerage empowers community businesses

Like Bright Ideas, the Community Business Fund provides business development support, in this case delivered through peer brokers who are leaders of community businesses that have faced similar challenges to the peers they are supporting. This aspect of the programme has been designed to promote a 'bottom-up' approach to capacity building which is led by peers rather than by external providers. Community businesses are supported to co-produce development plans with their peer broker, with the aspiration that this will empower them to identify and address their own capacity issues and increase their resilience. The knowledge and expertise that brokers need to deliver this support well is crucial to the success of organisational development plans. Not only do peer brokers offer advice themselves, but they must also be able to source appropriate and high-quality external consultants to deliver specific aspects of the community business support plan if required.

4. Programme design

We have mapped the assumptions underlying each programme's design against Power to Change's sector- and place-level hypotheses in the following table.

		Bright Ideas	Trade Up	Community Business Fund
Sector-level hypotheses	H6: Infrastructure	<p>Absence of support for early-stage community businesses</p> <p>Quality of business development support</p> <p>Availability and access to further opportunities</p>	<p>Age of community businesses needing support</p> <p>Individuals can influence organisational success</p>	Peer brokerage empowers community businesses
	H7: Assets	<p>The transfer of local physical assets from public and other bodies stimulates community business growth. This is because they contribute to financial resilience, provide a physical base for operations and generate goodwill.</p>	<p>How community businesses emerge</p>	<p>Incentivised grants facilitate growth</p> <p>Community businesses are able to acquire and manage assets without advice provided 'centrally'</p> <p>Asset ownership enables self-sufficiency</p> <p>Revenue funding will be used as an investment</p>
Place-level hypotheses	H8: Collaboration	<p>Community businesses collaborate with others, accessing more resources (e.g. skills and money). This enables them to offer more services, products and activities, benefiting their community.</p>	<p>Early-stage community businesses are upskilled</p>	<p>Value of geographical peer support</p> <p>Peer brokerage empowers community businesses</p>

5. Impact of the programmes on community businesses

This section analyses how the programme design of Bright Ideas, Trade Up and the Community Business Fund has led to different types of impact. It is about the impact of the programmes on the community businesses being supported, both in terms of their finances and capacity building more generally.

Programme	Research questions
Bright Ideas	<p>What is the impact of the different parts of Bright Ideas on grantees? One-to-one business development support? Size and pacing of the grant?</p> <p>How does Bright Ideas support individuals to develop a viable organisation and create a new community business idea? What is the impact on the grantees, in terms of business model innovation and resilience?</p> <p>Do grantees achieve the aims of the programme? What the programme set out to achieve? (BI: making progress either making it to start-up or implementing an idea)</p>
Trade Up	<p>What is the impact of the Trade Up learning programme on the individuals that attend? How do community businesses change during the course of the programme? How does this compare to other types of firms? What explains these differences, if any?</p> <p>What is the impact on the grantees, in terms of business model innovation and resilience?</p> <p>Are there any unexpected consequences from the support provided?</p> <p>Do grantees achieve the aims of the programme? What the programme set out to achieve? (TU: less reliant on grant funding)</p>
Community Business Fund	<p>How do community businesses change during the course of the Community Business Fund? How does this compare to other types of firms? What explains these differences, if any?</p> <p>What is the impact of the grant on grantees, in terms of business model innovation and resilience?</p> <p>What is the impact of peer brokerage?</p> <p>Is there a difference between impact of a capital grant and impact of a revenue grant?</p> <p>Do grantees achieve the aims of the programme? What the programme set out to achieve? (CBF: more financially sustainable)</p>

5.1 Bright Ideas

Star diagrams

The star diagrams are based on data from 10 indicators taken from the community businesses individual development plans. Before receiving support, advisors work with groups to set up customised objectives based on the community business needs, and in alignment with the elements of the development plan. At the end of the programme, advisors rate the progress of each community business against each of those areas, i.e. the objectives that were set related to the community business development plan.

The development plan includes 27 sub areas that are grouped under four main categories (organisational development, marketing and relationships, community business idea and development funding). The baseline scores indicate the advisor's assessment of which elements of the development plan community businesses need the most support in, and endline scores indicate which elements community businesses achieved. Therefore, baseline and endline scores are not fully comparable as they assess slightly different things, and as a result we used only the endline rating for the purpose of developing the star diagrams. Our selection of the 10 indicators is aligned as much as possible with the Qualitative Impact Assessment Protocol.^{15,16}

Average star diagram

The star diagram shows the average score given by advisors to community businesses after participating in the programme, indicating which areas of business development advisors think community businesses have made progress in. In all indicators but one (grants) the average score was above two which indicates that, according to advisors' assessment, the objectives defined in the community business development plan were generally achieved for a typical Bright Ideas grantee.

15 Governance structures; strategic planning; board, staff, volunteers; managerial competence; community engagement; networking; asset development; business planning; securing finance; and grants.

16 Power to Change (2020) Qualitative Impact Assessment Protocol QUIP: A 'deep dive' impact study researching the role of capacity building in the development of community businesses.

Figure 12: Average endline scores of Bright Ideas grantees (n=98)



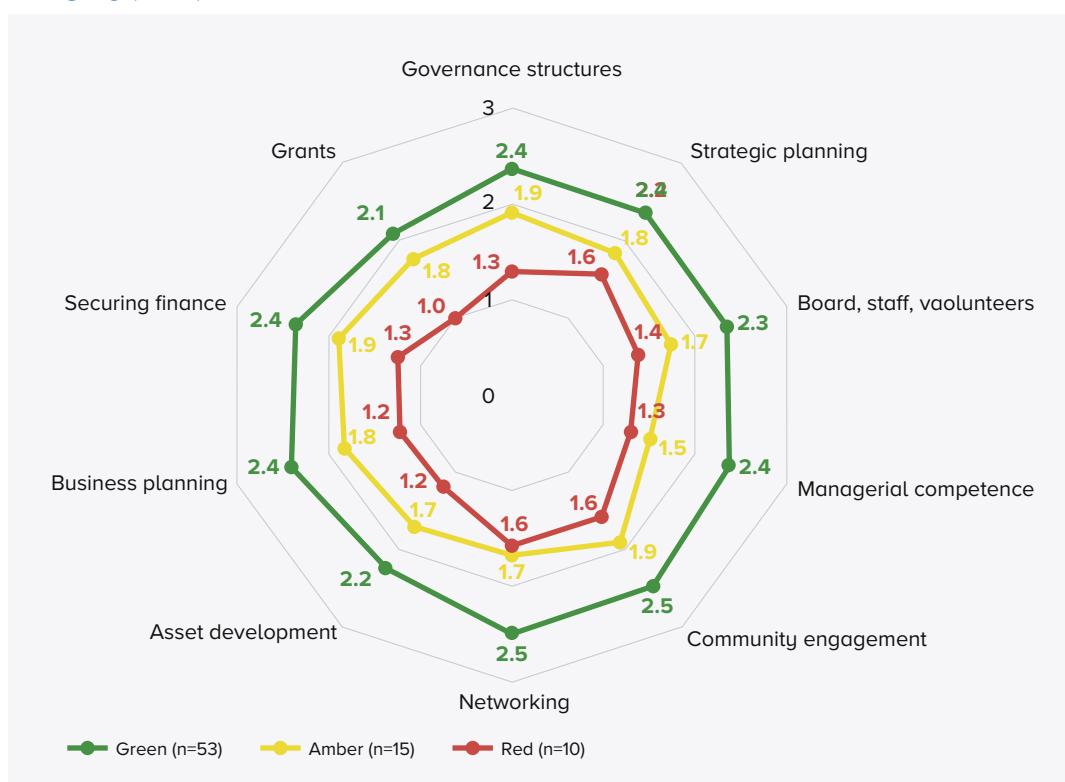
Note: not all 98 have scores for all presented indicators, the count by indicators varies between 57 and 80. Scoring system: 0=Not rated (N/A), 1=no progress made, 2=objective achieved, 3=exceeded.

Source: Bright Ideas advisor final reports rounds 1 to 4

RAG star diagram

We have also created a star diagram showing the average endline scores of Bright Ideas grantees by RAG (Red, Amber, Green) category. The category shows whether community businesses made progress in many of the indicators used in the star diagrams, in some of the indicators, or in few or none of them. Organisations rated 'Green' progressed in many indicators with a total positive score of 10 or above; organisations rated 'Amber' progressed in some indicators with a total positive score between zero and nine; and organisations rated 'Red' achieved a total score below zero, indicating that overall they did not progress in the majority of indicators

Figure 13: Average endline scores of Bright Ideas grantees by non-financial RAG category (n=78)



Note: Not all 78 have scores for all presented indicators. Count by indicators varies 41–44 for Green, 6–12 for Amber, 5–9 for Red. RAG category is assigned to organisations that reported endline scores for at least eight community business development plan indicators to avoid inconsistent results. Scoring system: 0=Not rated (N/A), 1=no progress made, 2=objective achieved, 3=exceeded. Source: Bright Ideas advisor final report rounds 1 to 4.

Sixty-eight per cent of grantees were categorised as Green (53), 19 per cent as Amber (15), and 13 per cent (10) as Red which indicates that most grantees generally made good progress against their objectives.

In alignment to the overall average scores, Red and Green organisations showed the highest scores in networking and community engagement. On average, all community businesses made less progress in securing grants than other areas of development, but Red organisations particularly struggled with this. Overall, there are no significant differences by Red, Amber and Green in terms of highest and lowest scores for each category.

Figure 14: Bright Ideas case study

Bright Ideas case study

About the community business

The community business is a regeneration trust that contributes to local projects and activities to improve the lives of local people.

After three years of negotiation, the regeneration trust acquired the building through a community asset transfer. Prior to joining BI in 2017 (as part of Entry Stage Round 1), the community business received various conditional grant offers to renovate the asset, including a grant from CBF. They applied to BI for support with drawing up architectural designs for their capital project.

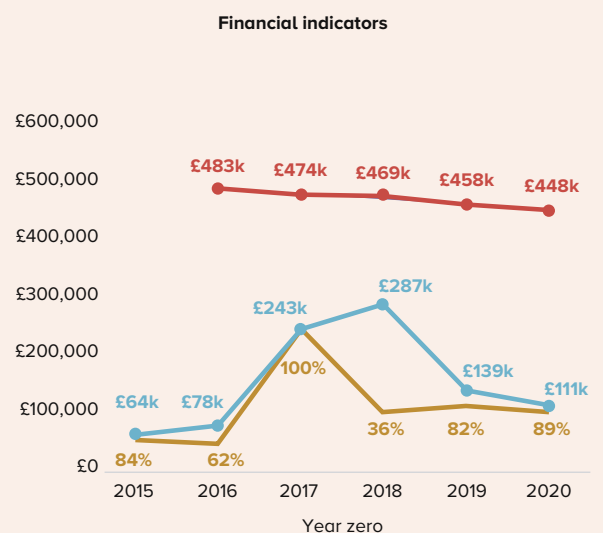
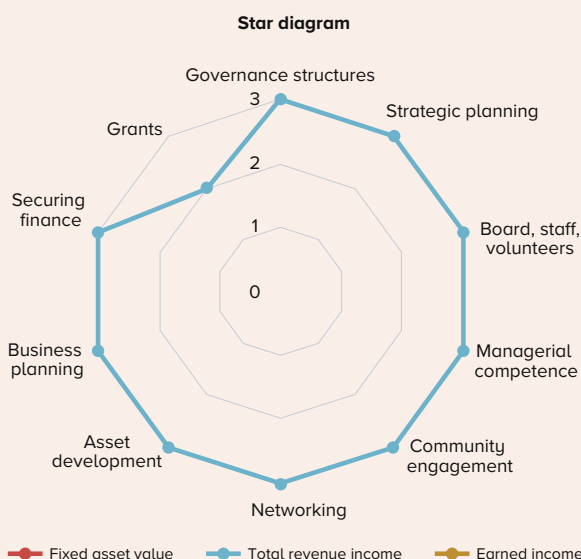
Key challenges

After BI, they put their designs out to tender and received proposals exceeding their conditional grant offer amount. Following a second tender process, they received proposals that met their conditional grant offers. However, they were faced with another hurdle when one of their funders reduced their grant offer after their priorities changed following COVID-19. The community business is now seeking further funding to deliver their capital project.

Key success factors

- ✔ Joined with a clear idea of what they wanted to achieve and were confident about the process that they would go through to achieve their aims. This is somewhat unusual from the 'typical' BI grantee, often a group joins BI with an idea and need support understanding what they need to do to take their idea forward.
- ✔ Ability to build a strong local support, in part due to their many years of activity. The community business engaged local strategic stakeholders from across private and public sectors and fostered strategic relationships with local private sector construction firms.

“**The whole process could not have been better with support to actually prepare the application as a bonus. The funding was in place quickly which allowed us to engage the architect and the [name of university] Engineering team straight away.**”



Financial analysis

As the Bright Ideas programme contains a substantial number of organisations which were registered as new legal entities after they were awarded programme funds, it is not possible to analyse the finances of a constant cohort of grantees for the year before they received the funding. We can therefore only analyse the year of Bright Ideas funding (year 0) and the year post the funding (year +1).

Of the 171 grantees, there are 40 organisations for which we have both year zero and year +1 data, which make up the constant cohort. This relatively small proportion is due to the fact that many grantees are very young, and it can take up to two years for financial data to be published, and therefore there are limited numbers of grantees with year +1 data. As such, this constant cohort may not be representative of the whole of the Bright Ideas grantee cohort.

The advantage however of assessing the finances of 'new start' organisations is that it is easier to attribute growth to the programme, rather than other factors which may affect community business finances. We can reasonably say that participation in the programme was the catalyst for registering the entity in most cases.

Table 3: Total values of income, long-term liabilities and fixed asset values for constant cohort of Bright Ideas grantees

Total values	Year 0	Year +1
Total revenue income (n=40)	£13,490,948	£16,740,624
Total long-term liabilities (excluding defined pension scheme) (n=6)	£291,168	£157,170
Fixed asset value (n=23)	£58,927,240	£62,099,365

This cohort of organisations experienced combined growth in revenue income of £3.2 million, and a rise in fixed asset values of £2.2 million. By contrast, total long-term liabilities drop in this time period. It is worth noting that only six of the 40 organisations in the constant cohort have any long-term liabilities, which is not surprising given the early stage of organisations funded through Bright Ideas.

5. Impact of the programmes on community businesses

Table 4: Median values of key financial indicators for the constant cohort of Bright Ideas grantees

Median values	Year 0	Year +1
Total revenue income (n=40)	£68,237	£106,852
Contribution to reserves after interest and tax (% of turnover) (n=38)	10%	9%
Earned income % (n=39)	56%	47%
Working capital % (net current assets as % of turnover) (n=38)	47%	42%
Total long-term liabilities (excluding defined pension scheme) (n=6)	£14,875	£6,603
Fixed asset value (n=23)	£27,401	£33,127
Fixed asset turnover (FAT) % (turnover/ fixed assets) (n=23)	497%	417%

The median revenue turnover increases in the constant cohort by some 57 per cent in this one-year period, rising by £38,700.¹⁷ The median contribution to reserves is relatively high in both years at approximately 10 per cent. Given the high volume of organisations with a turnover of under £50,000 this is to be expected.

Median earned income decreases over the period, from 56 to 47 per cent between year 0 and year +1. Given that both median revenue turnover and median fixed asset values increase we can assume that this means organisations are receiving more grant income for service delivery and/or asset purchase activities.¹⁸

Median working capital is relatively high in this cohort at around 40–50 per cent of turnover. We attribute this to the fact that there are a lot of <£50,000 turnover organisations in the cohort and these tend not to carry much debt. This is often by necessity not choice, because they are deemed too risky to lend to and such organisations will accrue income into their bank accounts before spending it. Larger organisations by contrast tend to have a higher proportion of activities which are paid in arrears (e.g. contracts and larger grants) which leads to lower levels of working capital.

¹⁷ It is worth noting that there is one grantee with a turnover of c.£5 million and although this is having less of an effect upon a median than a mean it will be impacting the aggregate results to some extent.

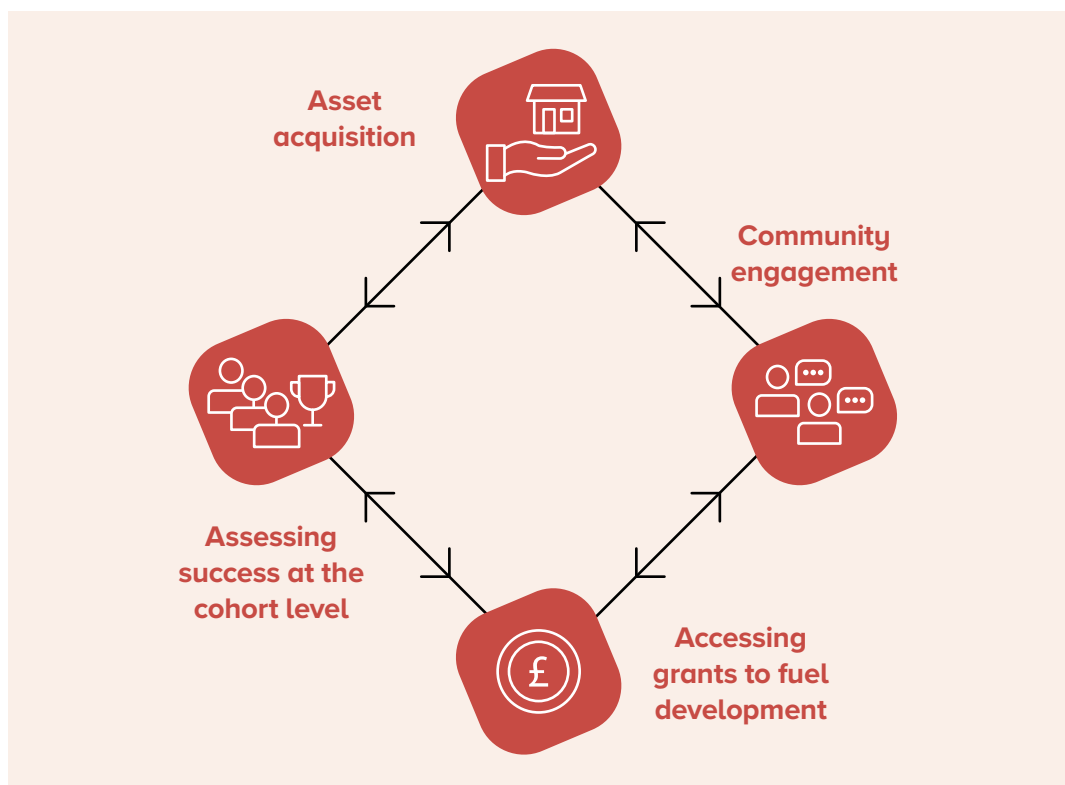
¹⁸ It will be interesting to see how this metric changes as the year+2 and year+3 data comes in.

Median fixed asset values rise between year 0 and year +1 by approximately 20 per cent from £27,400 to £33,100, while the median fixed asset to turnover level drops across the period from 497 to 417 per cent indicating that organisations are generating a slightly lower proportion of revenue income compared with the value of their assets. It will be interesting to see if this rises again in year +2, i.e. whether the efficiency of exploitation of assets into revenue income increases over time once these new assets are fully embedded into the business model.

The following sections describe the impact of the different elements of the programme and how these findings compare with the star diagrams and financial analysis.

Impact of one-to-one business development support

Figure 15: Impact of one-to-one business development support on Bright Ideas



Assessing success at the cohort level

The nature of an early-stage programme like Bright Ideas is to support organisations at varying stages of their early development, who have various different ambitions for their future. This presents a challenge in assessing ‘success’ clearly at the cohort level. Advisors must be able to identify support needs based on the group’s particular context, and the impact of the support from the programme and what ‘success’ looks like will vary depending on what those needs are. The star diagram analyses suggest that, generally, the objectives outlined by advisors in the community business development plan were achieved by most grantees by the end of the programme.

Asset acquisition

A significant part of Locality’s expertise lies in supporting communities to take ownership of public buildings and spaces, and since 2018 it has been driving a ‘Save Our Spaces’ campaign to address the threat to public buildings and spaces through community ownership.¹⁹ Our most recent data visualisation shows that a high proportion of Bright Ideas grantees have an idea which involves an asset (85%), which may be related to the fact that Locality is the delivery partner.²⁰ There is evidence that some Bright Ideas grantees were members of Locality or had a relationship with Locality prior to taking part in the programme.

“ So, [the advisor] who offered [the consultancy support] she’s our local Locality rep and I already had a relationship with her. So, that was helpful as well because she could kind of hit the ground running, she knew about [our organisation], she knew about our history ... otherwise you’ve got to spend quite a few weeks building up a relationship with somebody and then that’s taking time out of [the available advisor time].

Bright Ideas

The median value of fixed assets shown in Table 4 indicates that the average Bright Ideas grantee does not own substantial land or buildings by the end of their year on the programme (year +1). However, the combined fixed asset values for the total constant cohort (Table 3) indicate that a minority of grantees do own substantial assets and that these have grown in value over the duration of the programme. Community businesses we spoke to highlighted that the support they received included the first steps towards asset ownership, for example exploring the best use of land or buildings, architectural drawings and negotiating and creating a lease agreement.

19 <http://locality.org.uk/policy-campaigns/save-our-spaces/>

20 Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants, p. 11.

Community engagement

One of the highest indicators on the star diagram for the Bright Ideas cohort was community engagement. Qualitative data suggests that progress with community engagement was most pronounced in new organisations, i.e. those less than five years old with new ideas. This may be because established organisations are more likely to have already gone through the community consultation process prior to Bright Ideas and are seeking more comprehensive business development support such as business planning and financial modelling.

One example is the case of an established community business that applied to Bright Ideas following an asset transfer. Prior to the programme, they consulted their local community, and used their consultation to develop a vision for the use of the asset. Through the grant and business development support provided by Bright Ideas, they created a business plan, were able to pay for architectural plans and received support with financial planning.

“ I would say that Bright Ideas massively played a role in the success of [our community business]. I mean I remember when the support came, it was in the run up to the share offer so yeah, without Bright Ideas we would be in a different place right now. The support from [the advisor] in particular was absolutely crucial.

Bright Ideas

Accessing grants to fuel development

At the whole cohort level, the least successful development area based on advisors' assessments was securing income from grants. There could be several reasons why organisations struggled the most in attracting additional grants income. Firstly, grantees on Bright Ideas tend to be smaller, newer organisations that may not have the skills, expertise or capacity to apply for grants. At the time of application, 40 per cent of grantees were less than a year old.²¹ Established organisations incubating new community business ideas were more likely to obtain or have already obtained grants. Secondly, there are few funders that are willing to fund community businesses in the very early stages of their development, which is partly why this programme was developed in the first place.

21 Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants, p. 10.

5. Impact of the programmes on community businesses

Nonetheless, grantees' median revenue income increased by 57 per cent in the course of the programme (Table 4) which indicates that the average grantee was successful in substantially growing the size of their organisation's turnover. The financial data suggests that most grantees used reserves, working capital and grants to fuel growth. It is possible that many grantees were not successful in accessing the size or number of grants that they had originally hoped to, and/or found this a more difficult process than anticipated, while succeeding in growing the organisation to some extent.

Impact of the grant

The benefit of the grant is that it can be used flexibly according to the circumstances of the organisation, and what they need to move their idea forward. This means that how the grant is used varies, from website development, feasibility studies, purchasing equipment, consultancy fees, core costs and other start-up costs.

“ The principle of Bright Ideas has generally been that before people get a grant, they have worked with business development support and plot how they will develop a business and how the grant will help to move [their] business forward. They have to be at a stage where it's ready to go.

Advisor

Limitations to the programme's impact

Some grantees felt that there could have been further support provided to help the community businesses continue developing upon completion of Bright Ideas. This is because most organisations that have completed the programme are still at a very early stage of development. If their involvement has helped them to demonstrate that their idea is viable, organisations may lack the resources to continue strategic business development, particularly where Bright Ideas also paid for core costs. Some interviewees noted that it would have been useful to have a support offer pitched between Bright Ideas and the Community Business Fund, perhaps similar to the peer broker support offer provided by the latter.

“ I think one of the things about BI, and it's the same for a lot of incubation development type support, is that sudden cut off at the end of it. [The] issue is [there is a] sudden cut off and certainly [we were] in a much healthier position financially [before the end of the programme].

Bright Ideas

In summary, the business development support helps early-stage community businesses develop an idea, including assessing its viability, support with asset acquisition and business planning; and the grant provides community businesses with the resources to implement different aspects of their community business development plan such as marketing or community consultation.

“ I think Bright Ideas is really important ... I don't think [there is] anything quite like it. [Bright Ideas] mixes a reasonably sensible level of grant and business development support to move things forward.

Advisor

5.2 Trade Up

Star diagrams

The star diagrams for Trade Up are drawn from the baseline, endline and follow-up surveys completed by the individual taking part in the programme. The surveys cover three main areas: networks and networking, emotional resourcefulness, and business skills and entrepreneurialism. The survey was amended between year one and year two to include different questions, subcategories and scales. Therefore, we have only used survey responses from year two and year three, although we have not included follow-up surveys for year three as they were yet to be completed at the time this paper was written. Community businesses are asked to self-report on how skilled they are on each indicator. As with Bright Ideas, we have selected several indicators to include in the star diagrams to be as consistent with the QUIP research as far as possible, in this case 9 indicators.²²

Average star diagram

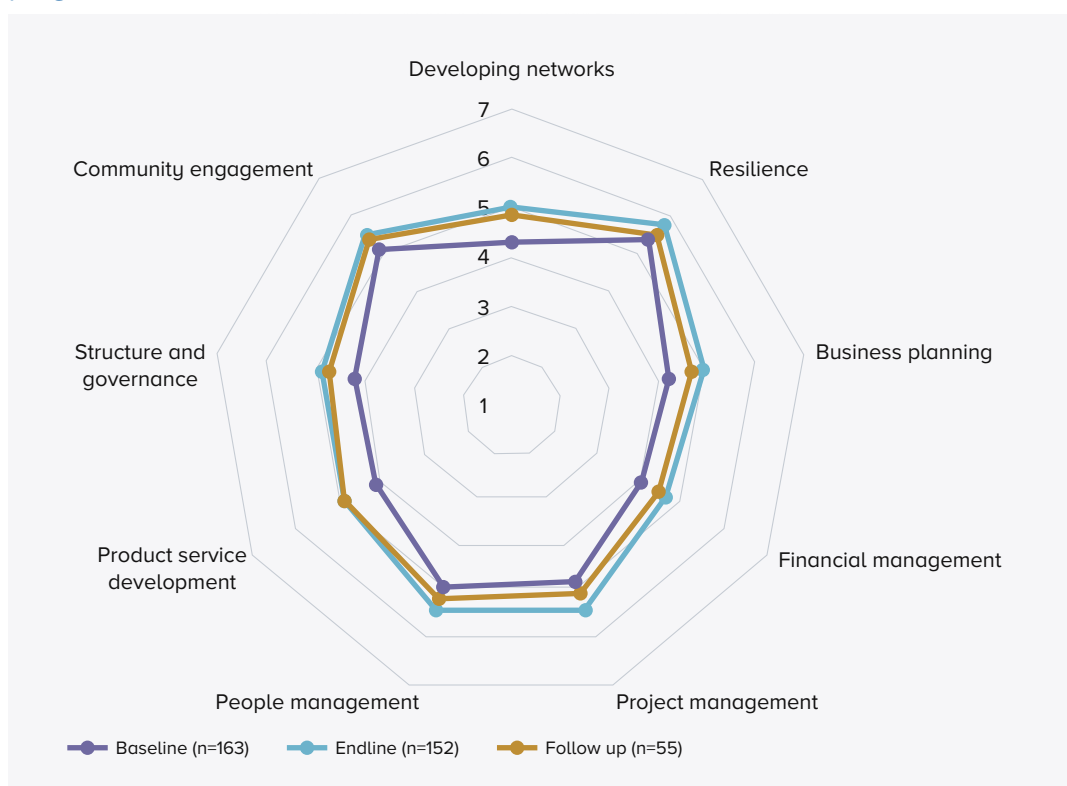
The average star diagram shows the average self-reported scores across the programme. Overall, all average scores increased from baseline (4.6) to endline (5.1) to indicate improvement in the skills reported, while there is a trivial decrease in average scores from endline to follow up (5.0).²³ Despite that, all follow-up average scores are higher than baseline scores. The largest decrease from endline to follow-up was recorded in project management (-0.4).

22 Developing networks; resilience; business planning; financial management; project management; people management; product or service development; structure and governance; and community engagement.

23 Given the nature of the TU programme, we would expect the growth in average scores to be experienced between baseline and endline, and a consistency in score between endline and follow-up. We would therefore not expect an additional increase after the programme had ended.

The highest baseline and follow-up scores were recorded in resilience (5.3, 5.6), community engagement (5.1, 5.4), and the lowest in financial management (4.0, 4.5). However, the largest increase in average scores from baseline to endline is in developing networks, business planning, product or service development, and structure and governance (0.7).

Figure 16: Average score of Trade Up grantees (n=163) in years 2 and 3 of the programme



Note: Follow-up includes scores from year 2 grantees only. Scoring system: 1=not at all skilled, 7=highly skilled.

Table 5: Average score of Trade Up grantees (n=163), in years 2 and 3 of the programme

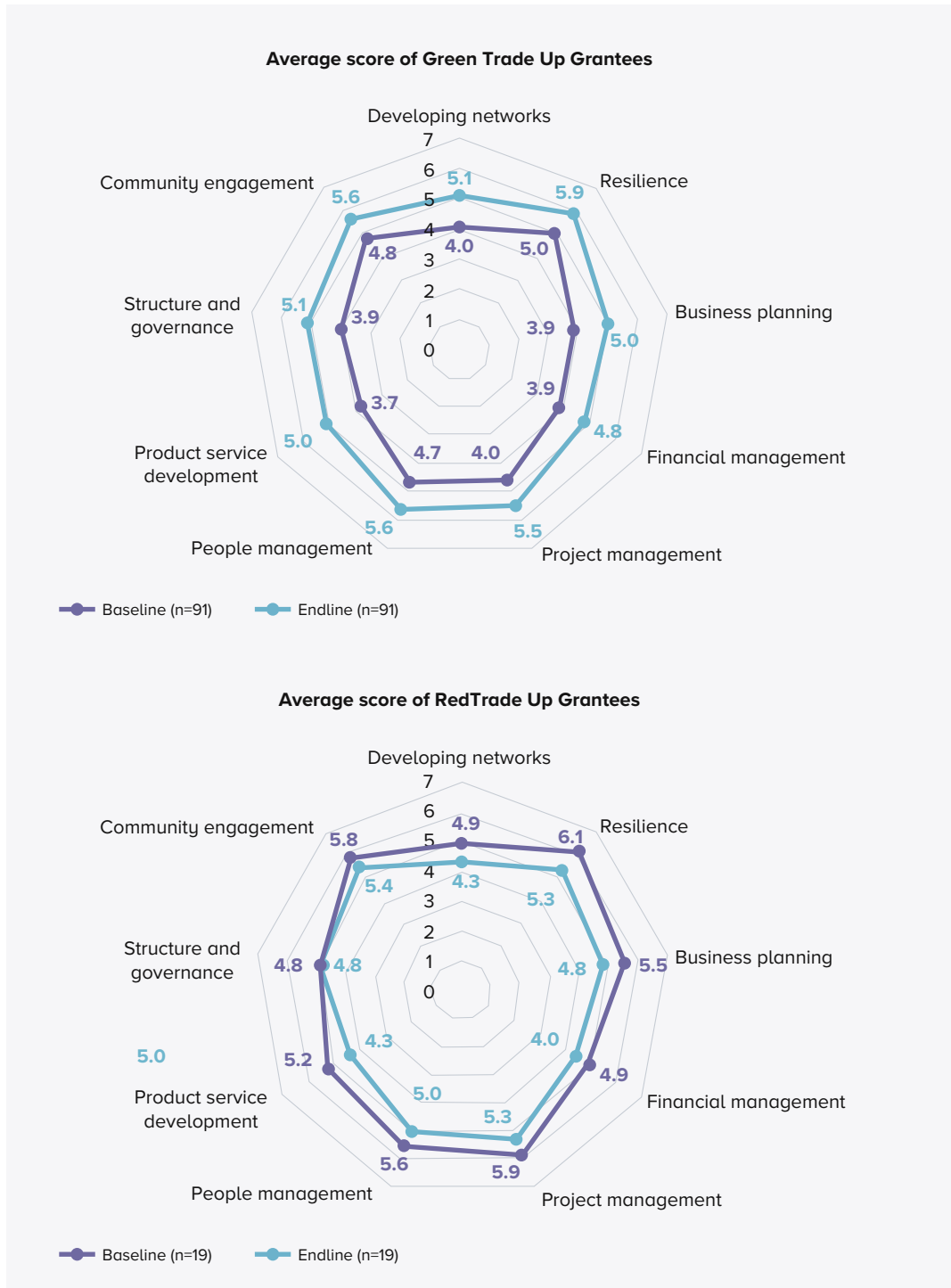
Average score of Trade Up grantees	Baseline (B)	Endline (E)	Follow-up (F)	Difference between B and E	Difference between E and F
Developing networks	4.3	5.0	4.8	0.7	-0.2
Resilience	5.3	5.7	5.6	0.4	-0.2
Business planning	4.2	4.9	4.7	0.7	-0.2
Financial management	4.0	4.6	4.5	0.6	-0.2
Project management	4.8	5.4	5.0	0.6	-0.4
People management	4.9	5.4	5.2	0.5	-0.2
Product or service development	4.2	4.8	4.9	0.7	0.0
Structure and governance	4.2	4.9	4.7	0.7	-0.2
Community engagement	5.1	5.5	5.4	0.4	-0.1
Average	4.6	5.1	5.0	0.6	-0.2
Count	163	152	55		

Note: Follow-up includes scores from year 2 grantees only. Scoring system:1=not at all skilled, 7=highly skilled.

RAG star diagram

We have also created a star diagram showing the average baseline and endline scores of Trade Up grantees by RAG category. The category shows whether community businesses made progress in many of the indicators, in some of the indicators, or in few or none of them. Organisations rated 'Green' progressed in many indicators with a total positive score of five or above; organisations rated 'Amber' progressed in some indicators with a total score between -5 and 4; and organisations rated 'Red' achieved a total score below -5, indicating that overall they did not progress in the majority of indicators.

Figure 17: Average score of TU grantees categorised as Green and Red



Note: Follow-up scores are taken from year 2 grantees only. Scoring system: 1=not at all skilled, 7=highly skilled. Follow-up average is not presented for Red grantees due to the low count of organisations. RAG category is assigned to organisations that reported baseline and endline scores for at least eight indicators to avoid inconsistent results.

5. Impact of the programmes on community businesses

Sixty-three per cent of grantees (91) were categorised as Green, 24 per cent as Amber (24), and 13 per cent (19) as Red, which indicates the majority of grantees have generally self-assessed themselves as having made good progress in developing these skills over the course of the programme.

It is important to note that Red grantees scored themselves higher in their baseline scores compared with Green grantees, and in some indicators scored themselves higher at the beginning of the programme than Green grantees scored themselves at the end. This suggests that Red grantees may have overestimated their baseline scores, and then revised their self-assessment down at the end of the programme after learning more about the complexity of these topics. This is a common challenge with self-assessment tools, and means that it is not entirely possible to conclude that Red organisations did not improve their skills in the course of the programme.

Similarly to the average scores for the whole cohort, Green grantees recorded the highest baseline and follow-up scores in resilience (5.0, 5.9), community engagement (4.8, 5.6), and the lowest baseline and follow-up scores in financial management (3.9, 4.8). The largest increase in average scores from baseline to endline for these grantees was in product or service development (1.3). In contrast, Red grantees recorded the largest decrease in average scores in product or service development (-0.9), and resilience (-0.8).



Figure 18: Trade Up case study ²⁴

Trade Up case study

About the community business

The community business is a community interest company limited by guarantee looking to create a thriving village of enterprises in a city-centre.

Launched in May 2018, the community business has used land leased from the local council to build a regeneration development that functions as a market place for start-up enterprises and social enterprises. The community business applied to Trade Up with aim of developing further streams of income

Key challenges

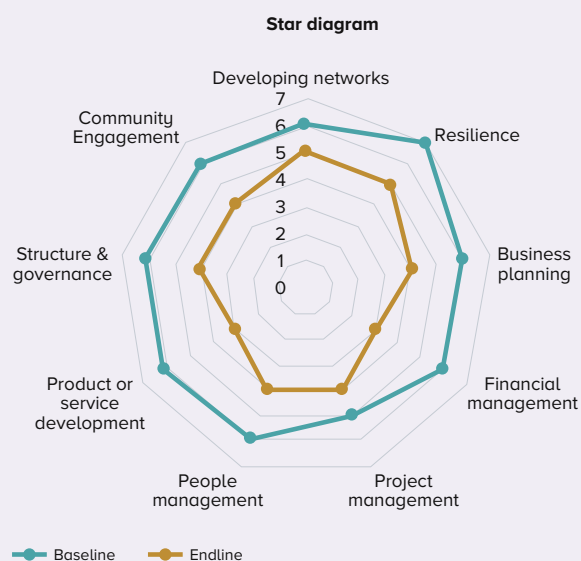
As community business set up as an open air market place, the community businesses has faced challenges with seasonal changes to trading income and continuously showing the council that they are a viable business year round. They have used support from Trade Up to strengthen their resilience by planning better financially for opportunities and threats to the business.

“

I think [Trade Up] been a really important part of my journey and the journey of our business, a lot of the information that we got contributed to a lot of the strategy that we put in place. ... So, I would say if you believe in, you know, education and focused education, which is what this project is really, then I would say that it's played a really important role in allowing us to learn and learn about many of the challenges we will face and being able to be proactive and dealing with them based on the experiences that we've had.

Key success factors

- ✓ Joined with a clear idea of their offer, where they wanted to take their business and the values they wanted to keep central during their growth.
- ✓ A strong connection to their target customers and beneficiaries within their community and to the area of work they are implementing, which has meant that they have been successful in their aims of catalysing other social enterprises within their community.
- ✓ A strong commitment to and initiative for learning from Trade Up advisors and peers, which has meant that they have a strong foundation understanding community businesses and better placed to face any challenges.



24 Note: no financial data was available for the community business for this case study.

5. Impact of the programmes on community businesses

Financial analysis

Of the 280 Trade Up grantees, we have a constant cohort of 57 organisations where there is both balance sheet and profit and loss data available across three years: the year before their involvement in Trade Up (year -1), the year that they participated in the programme (year 0) and the year after their involvement (year +1).

Table 6: Total values of income, long-term liabilities and fixed asset values for constant cohort of Trade Up grantees

Total values	Year -1	Year 0	Year +1
Total revenue income (n=57)	£9,924,904	£10,939,429	£12,201,638
Total long-term liabilities (excluding defined pension scheme) (n=9)	£1,795,767	£1,971,606	£1,939,094
Fixed asset value (n=43)	£8,770,476	£9,888,790	£11,515,599

These organisations saw a growth in total revenue turnover from £9.9 million in the year prior to Trade Up (Year -1) to £12.2 million in the year post receipt of support (Year +1). Across the same period, fixed asset values rose from £8.8 million to £11.5 million, while long-term debt rose, but by less than £150,000 overall, from £1.8 million to £1.9 million.

Table 7: Median values of key financial indicators for the constant cohort of Trade Up grantees

Median values	Year -1	Year 0	Year +1
Total revenue income (n=57)	£110,447	£115,079	£134,218
Contribution to reserves after interests and tax (% of turnover) (n=55)	4%	1%	5%
Earned income % (n=57)	81%	68%	74%
Working capital % (net current assets as % of turnover) (n=56)	13%	14%	12%
Total long-term liabilities (excluding defined pension scheme) (n=9)	£110,000	£59,230	£28,791
Fixed asset value (n=43)	£13,146	£15,876	£26,810
FAT % (turnover/fixed assets) (n=43)	1,033%	824%	517%

The median total revenue income rises across the period from £110,000 to £134,000. The growth rate is faster between year 0 and year +1 (16.6%) than between year -1 and year 0 (4.2%). This could indicate that Trade Up is enabling a faster growth rate than would otherwise be achieved.²⁵ This is in line with recent findings showing that Trade Up grantees outperform a control group on average increase in trading income.²⁶

Both median contribution to reserves and median earned income percentage drop between year -1 and year 0 before rising from year 0 to year +1. When seen alongside the increase in fixed asset values and the drop in FAT %, we hypothesise that the rise in revenue income in year 0 may have been used to fund fixed asset purchases (albeit probably not buildings) and that the return on this capital investment started to appear in year +1. Based on the FAT % we might reasonably expect median revenue and median earned income to increase in year +2 as the assets are further leveraged into earned income.

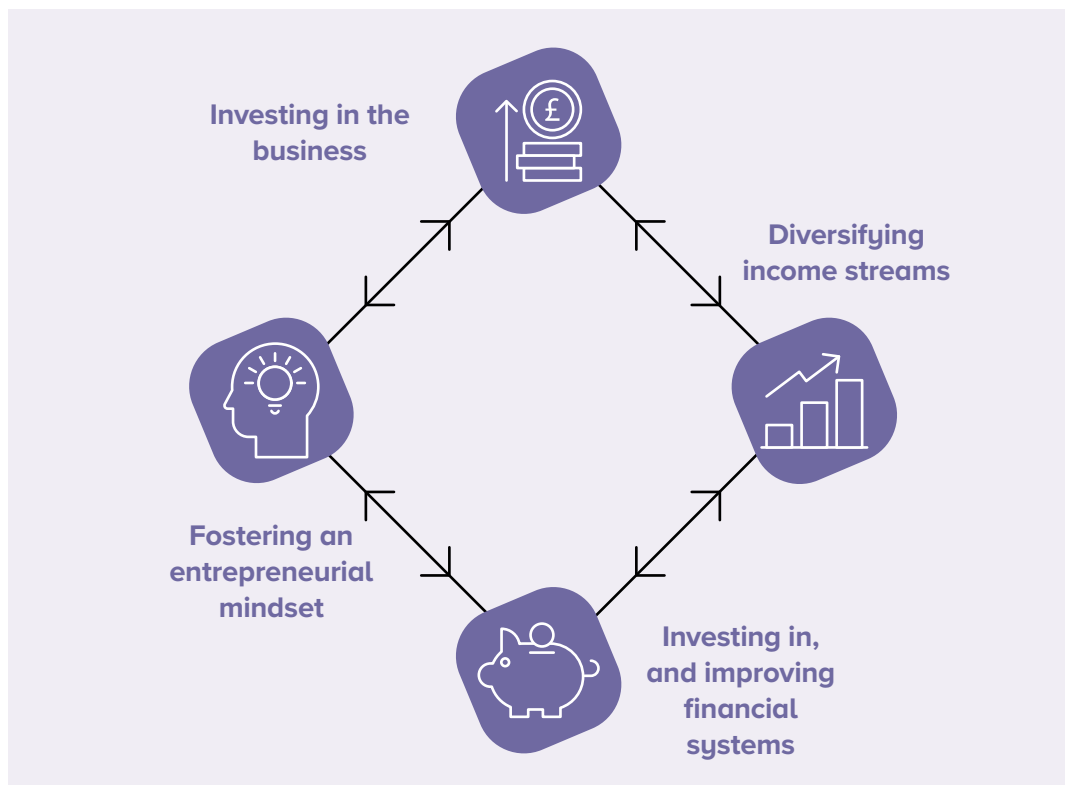
The next part of this report highlights the impact of different parts of Trade Up on participating grantees.

25 To be sure of this we'd need to look at year -2 to year -1 to see if the growth rate was steadily at a lower level pre-Trade Up.

26 Power to Change, the School for Social Entrepreneurs and Renaisi (2020) Trading Up: Match Trading® for Community Businesses as a powerful incentive for regeneration post-COVID.

Impact of incentivised grant

Figure 19: Impact of incentivised grant for community businesses on Trade Up



Investing in the business

Community businesses were able to use the Trade Up grant to invest in the business, for example by investing in marketing, covering the costs of hosting volunteers which added capacity to the community business, creating employment opportunities including for people who might otherwise struggle to find work, and purchasing equipment.

“ The initial cash injection that we’ve been given has allowed us to buy some equipment for marketing stuff, and podcasting and some technical stuff that we were after, which is really helpful.

Trade Up

Diversifying income streams

Power to Change has demonstrated in a 2020 paper on the Match Trading model that incentivised grants help to reduce grant dependency.²⁷ The paper also highlighted that by having more diverse income streams, community businesses may increase their chances of long-term sustainability and may be better able to adapt to crises. The financial analysis we have presented also highlights that, generally, community businesses with the least earned income on Trade Up increased this over the period of a year and grant dependency reduced.

In line with these findings, community businesses expressed that the incentivised grant motivated them to generate ideas about ways to increase trading income and explore what works well and less well for their business.

“ I think it’s made a difference. It’s made a difference to the business with regards to turnover, we might not have been eligible for certain funds if we didn’t get that match funding. And by boosting our earned income, it’s made us diversify.

Trade Up

Investing in, and improving, financial systems

Beyond supporting organisations to increase their income from trading, the incentivised grant also motivates community businesses to improve their financial planning and financial forecasting in order to earn the grant. Community businesses on Trade Up were able to access an additional grant to help them improve their financial systems, enabling them to collect more accurate information about trading and consistently review their grant income against earned income.

For example, one community business that received the additional grant did so to upgrade its fresh produce sales project from cash-based to using a point of sales system. The community business noted that this would enable them to track and benchmark the viability of the project more easily.

27 Power to Change, the School for Social Entrepreneurs and Renaisi (2020) Trading Up: Match Trading® for Community Businesses as a powerful incentive for regeneration post-COVID, p. 4.

Fostering an entrepreneurial mindset

Previous evidence suggests that the learning programme gives participants the business skills, confidence and peer support to develop a truly entrepreneurial culture.²⁸ The findings here show that the incentivised grant also helps with fostering an entrepreneurial mindset, by challenging grantees to consider new income streams and try out new trading ideas. This contributes to a community business' chance of long-term sustainability.

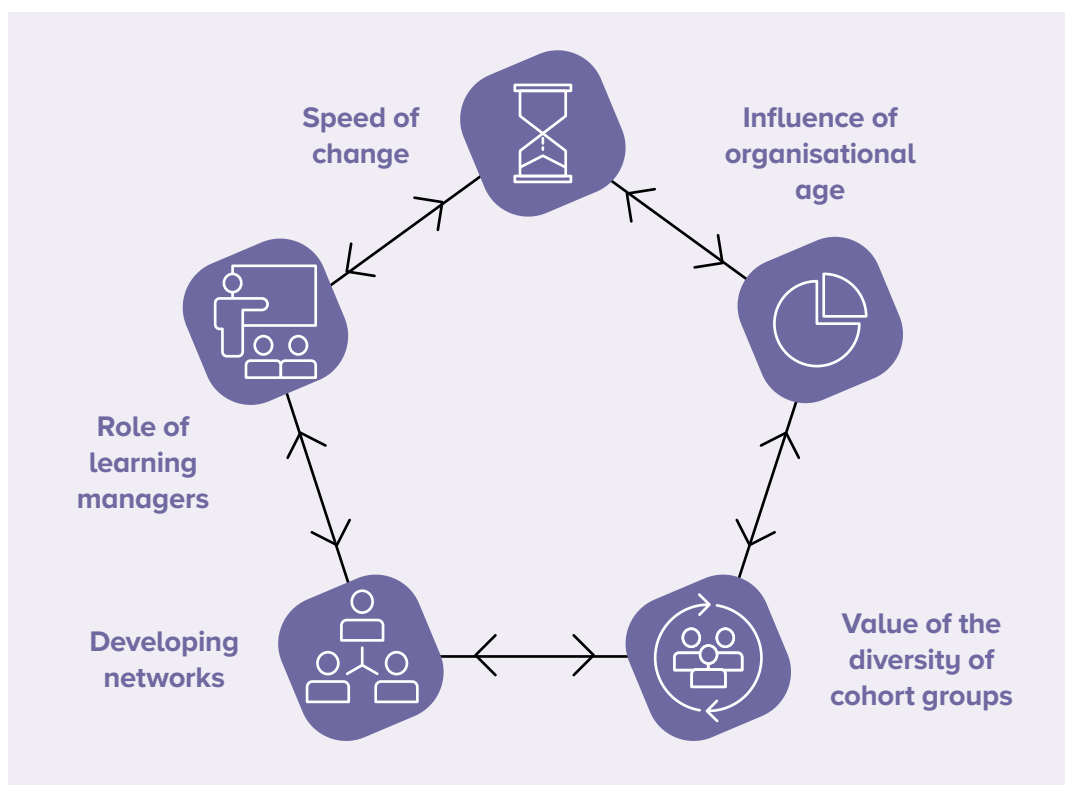
“ [The matched grant model was] enough of an incentive, not getting [the grant] in a lump sum, to kind of encourage you to think, well, I’ve at least got to look at these financial forecasts. And I’ve got to take the time to at least fill this form in and think about these things. So, it was good in that sense, because it forced you to look at your finances and think ‘where are the different streams of income coming from?’

Trade Up

28 Power to Change, the School for Social Entrepreneurs and Renaisi, (2020) Trading Up: Match Trading® for Community Businesses as a powerful incentive for regeneration post-COVID, p. 4.

Impact of the learning programme

Figure 20: Impact of learning programme for community businesses on Trade Up



Speed of change

The Trade Up learning programme helps community businesses focus and reprioritise the future direction of the organisation by giving them the space to focus on strategic planning and helping them to put processes in place to support future growth. One of the largest increases in average scores from baseline to endline was in business planning, product or service development, and structure and governance. This was echoed in community business interviews, which indicated that the learning programme gives community businesses the tools and knowledge to develop these areas.

Community businesses noted that because of the support they received from the programme, they could put time aside to implement strategic changes within their organisation. The combination of the learning programme and grant supported community businesses to prioritise organisational development, rather than simply focusing on day-to-day operational responsibilities. These strategic developments continue even after completing the programme. Strategic changes, such as business planning and service development, may happen relatively quickly,

5. Impact of the programmes on community businesses

particularly when community businesses are motivated to implement them in order to obtain the incentivised grant. However, the impact of these changes in terms of earned income may take place over a longer period as other organisational development take place.

“ Because of the support I received from Trade Up, I was able to look at the business model and a lot of what came out of it was being able to sit with the staff and directors and do some planning. We found time to do that to make sure we were going in the right direction and obviously the money supported that as well ... So, it helped us re-evaluate, refocus and prioritise where we would like to go.

Trade Up

Influence of organisational age

Taking part in the learning programme helped community businesses to think about the why of their organisation. They developed purposeful mission statements and values for their organisation, which could help them with business planning or understanding the social impact or value of their community businesses to their community.

However, we saw a difference between younger community businesses, whose organisational planning tended to focus on how they will generate income, developing a detailed business plan, generating income and growing; and more established organisations, which tended to use the opportunity take stock and refocus on strategic priorities.

“ Last week was about your mission, value and purpose. [The session] came at a really good time because we need to redo our business plan. [It] means we can look at it again and use some of the learning. [The learning programme] focusses you to do particular things and tasks.

Trade Up

5. Impact of the programmes on community businesses

Value of the diversity of cohort groups

Community businesses of different sizes, sectors and ages are brought together on Trade Up in regional 'schools'. This enables community businesses to share knowledge and experience with their geographical peers. Participants valued the opportunity to gain an understanding of how other community businesses in their local area work, as well as getting to meet similar, like-minded local organisations. This brought three main benefits: community businesses were able to learn from peer organisations that had more experience in certain areas; community businesses were inspired by their peers to try out new ideas; and they were able to address some of the challenges they face by drawing on the range of skills, experience and expertise in the cohort.

However, it is a challenge for the programme to meet the needs of such a diverse group, particularly where the content is aimed at newer community businesses.

“ I’m a big believer that, you know, bringing one of the very clear benefits of learning about different topics and speaking to experts, and various things like that. But also, the collaboration that can happen and the learned experiences by different organisations working together, all with the aim of trying to maximise and improve their trading income, I thought was a really, really valuable opportunity.

Trade Up

Developing networks

One of the largest increases in average scores from baseline to endline was developing networks. The learning programme format facilitated the development of strong peer networks, which community businesses often maintained after the end of the programme. Even when it was not possible to meet in person during COVID-19, some community businesses made plans to network with others as part of their planning for reopening.

“ So, it was just that sharing and gaining confidence and ideas and feeling part of something. I stay in contact with a couple of [the other community businesses in my cohort] and I follow a lot of them on Facebook and I can just watch what’s happening with their organisations as well. But I know if I needed to ask them, I could just ring them. I’ve also done some work; I’ve bought trade off another organisation. There’s a wood recycling place in [the area] and she did the sign for me for our mobile bar.

Trade Up

Role of learning managers

Learning managers act as facilitators and community businesses benefit from the expertise that they bring in terms of signposting and resources, as well as building confidence in the participants of Trade Up as experts themselves.

“ In most cases, it is about sharing knowledge within the cohort, rather than having a specialist come in and deliver ‘top down’ training. [I] frame it that we are all experts, we all have knowledge, and the specialists come in and supplement our knowledge.

Trade Up learning manager

Acquisition and management of assets

The programme was not explicitly designed to support the acquisition and management of assets, however, there is evidence that some community businesses have used it to help develop their assets. For example, one community business used the grant to improve signage and signposting around their building; while another used the knowledge gained from the learning programme to leverage negotiations with their local authority to obtain a peppercorn lease.

Although community businesses on Trade Up are less likely to have an asset than community businesses on Bright Ideas or the Community Business Fund, 27 per cent of community businesses on Trade Up do own an asset.²⁹ It is possible that community businesses with plans to increase trading income through improving their ability to ‘sweat’ an asset are less likely to consider Trade Up support because the programme does not explicitly advertise this aim.

29 Renaisi (2021) Power to Change Fifth Data Visualisation: Characteristics of Community Businesses Grantees and Applicants, p. 11.

5. Impact of the programmes on community businesses

In summary, the incentivised grant supports organisations to invest in the business, including their financial systems; diversity their income streams; and foster an entrepreneurial mindset. The learning programme helped community businesses focus and reprioritise the future direction of the organisation, think about their mission and values, share knowledge and learn from diverse cohorts, and develop networks.

Impact of COVID-19 adaptations

The Trade Up programme was adapted for cohort four participants as the pandemic hit the UK. This included delivering the learning programme online, and developing a new Trade Back grant model. Community businesses praised the programme's quick response and adaptations to deliver online, including the use of breakout rooms on Zoom and Slack channels to encourage peer learning, and reducing the length of learning days to half days to overcome Zoom fatigue and cater to those with other commitments while working from home. Delivering the programme online made it more accessible to some participants for whom travelling is a challenge, with one participant who has mobility problems describing it as "a blessing".

“ [The learning managers] have encouraged [us] to meet up virtually. I have done with another [participant], [We] walked around with WhatsApp video on to show the building work and talked about it after. Nice to find the people that are doing similar things. Her building is similar to mine, also a community sports centre. I'm going to go and see another one socially distanced, [it's] eight miles away [and I] didn't know they were there until this programme.

Trade Up

The absence of face-to-face interaction made some aspects of the programme more challenging: developing a group dynamic amongst the cohort was more difficult, and it was harder to receive immediate feedback from peers. However, there was an understanding that this was unavoidable due to the pandemic.

“ [We had a speaker show us how to create a business plan], normally in the sessions you would do it with the speaker and then get feedback afterwards. However, now you are set it as homework so [you] go off and do it on your own. You miss out on doing the activities in person and getting real time feedback.

Trade Up

5. Impact of the programmes on community businesses

Sense of community gained from the cohort

Participants found it reassuring to have contact with other community businesses experiencing the same or similar issues during the pandemic. Participants reported that it felt as though they had a “community” to share their experiences with and troubleshoot problems together. In addition, learners who were furloughed were able to support each other and share concerns about the future. One furloughed participant noted that they appreciated being able to take part in the programme while they had the time to do so without their day-to-day duties.

“ I’m really lucky to have time to think about these things. If I was working maybe I would not have the time or space to think about these things more in depth, which I do, something that I am lucky to have.

Trade Up

Trade Back grant

Targets for the incentivised grant were adjusted to take the negative economic effects of COVID-19 into account. Participants felt that the Trade Back grant model was flexible to individual circumstances, which reduced pressure for businesses that would not be able to open due to government restrictions, for example those who rely on rental and room hire. The grant motivated community businesses to put their learning into practice and develop their organisation in preparation for reopening and recovery when restrictions eased.

5.3 Community Business Fund

Star diagram

The star diagrams for the Community Business Fund are based on the resilience reviews conducted by peer brokers for community businesses receiving business development support. The resilience reviews cover eight organisational development areas. For the purpose of the analysis, we have only included seven of these.³⁰ The total number of resilience reviews is relatively low (18), and reflect the progress made by organisations through the receipt of business development support rather than the grant provided by the Community Business Fund; therefore these results may not be generalisable to the whole cohort. More information provided on limitations to the approach can be found in the Appendix.

30 Business development; capital project; community and customers; finances; governance; social impact; team and structures.

Average star diagram

Community businesses received support with: addressing their social impact measurement including developing social impact framework, support with their cashflow processes, developing their membership model, support with governance and updating their business plan.

The star diagram shows the average scores based on the 18 available resilience reviews.

All average scores have increased by 0.7 on average. Grantees scored the highest before and after scores in capital project which includes four sub-indicators: accessibility, cost management, procurement, team (4.1, 4.8). The highest increase in score, however, was in social impact which includes three sub-indicators: impact and outcomes, mission/vision, monitoring and reporting (3.3, 4.5). The lowest increase was recorded in team and structures which includes two sub-indicators: postholders/performance, training and improvement (3.8, 4.2).

Figure 21: Average scores of Community Business Fund grantees' resilience reviews, completed by peer broker (n=18)



Note: Scoring system: 1=significant support needed in the area, 2=support needed in this area, 3=progress being made but improvements needed, 4=good, limited or no support needed, 5=Excellent – no support needed.

5. Impact of the programmes on community businesses**Financial analysis**

There are 186 grantees across all rounds of the Community Business Fund. Here we will focus on a constant cohort of 68 organisations where there is both balance sheet and profit and loss data available across three years: the year before the business received their first payment through the programme (year -1), the year it received their first payment from Power to Change through the programme (year 0), and the year following that (year +1).³¹ It is important to note that many programme funded projects are two to three years in length from first payment date. As such, due to the availability of accounts data, this analysis currently covers around one third of the intervention period and is yet to be able to explore the financial position of grantees after the Community Business Fund intervention is complete.

Table 8: Total income, long-term liabilities and fixed asset values for constant cohort of Community Business Fund grantees

Total values	Year -1	Year 0	Year +1
Total revenue income (n=68)	£35,324,324	£39,801,607	£42,490,916
Total long-term liabilities (excluding defined pension scheme) (n=27)	£26,992,655	£29,189,708	£31,938,728
Fixed asset value (n=62)	£64,528,287	£72,378,574	£75,480,022

These organisations saw a growth in total revenue turnover from £35.3 million in the year prior to the programme (Year -1) to £42.5 million in the year post initial receipt of programme support (Year +1). Across the same period, long-term debt rose from £27.0 million to £31.9 million, while fixed asset values also rose, from £64.5 million to £75.5 million.

31 For CBF, Year zero is defined as the financial year in which the organisation received their first payment from Power to Change. Many projects take more than one year to complete and therefore year +1 does not necessarily reflect the organisation's financial situation at the end of the programme.

5. Impact of the programmes on community businesses

Table 9: Median values of key financial indicators for the constant cohort of Community Business Fund grantees

Median values	Year -1	Year 0	Year +1
Total revenue income (n=68)	£349,819	£359,501	£359,972
Contribution to reserves after interests and tax (% of turnover) (n=68)	2%	4%	2%
Earned income % (n=68)	66%	71%	72%
Working capital % (net current assets as % of turnover) (n=68)	28%	28%	25%
Total long-term liabilities (excluding defined pension scheme) (n=27)	£160,001	£185,580	£265,117
Fixed asset value (n=62)	£253,031	£263,124	£414,466
FAT % (turnover/fixed assets) (n=62)	116%	152%	112%

Median fixed asset values grew across the period from £253,000 to £414,500. However, substantially greater growth in fixed assets is seen between year 0 and year +1. It is also worth noting that long-term debt increases with a similar trend to the fixed asset value growth. This suggests that debt is being used to acquire or renovate assets which in turn enables growth of the balance sheet.

Earned income as a percentage of turnover increases across the period from 66 to 72 per cent. The majority of this growth is seen between year -1 and year 0. Of those organisations in the constant cohort, 66 per cent received blended capital and revenue grants through the Community Business Fund, while 31 per cent received only capital grants.

The median contribution to reserves is 4 per cent in year 0, which is perhaps to be expected if there are capital activities occurring in year +1. It is notable that the median contribution to reserves is positive in all years. It is not uncommon to see a dip into reserves in years where there is substantial capital activity.

The median FAT % goes up in year 0 but down in year +1. This indicates that in year -1 to year 0 revenue income is increasing faster than fixed asset values, whereas the reverse is true from year 0 to year +1. A change in focus from revenue generation to fixed asset improvement may account for this.

5. Impact of the programmes on community businesses

Figure 22: Community Business Fund case study star diagram and financial indicators; £86,000 capital grant, £18,000 revenue grant.³²

Community Business Fund case study

About the community business

The community business has been set up with the aim of redeveloping their local areas of natural beauty into accessible nature reserves for the community.

They have done this by leasing nature reserve land from the local council on a long term peppercorn rent and taking over the rejuvenation and management of the land. They applied to CBF with the aim of developing one of the lakes in the reserve into a water sports centre.

Key challenges

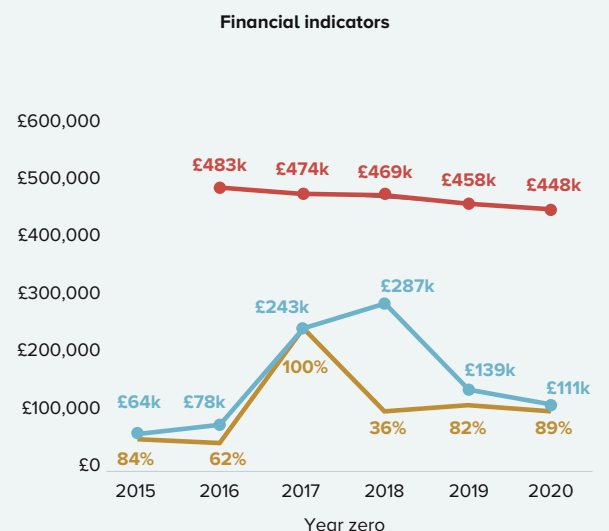
The community business faced a number of challenges since the start of the project. Key challenges before and during their time on CBF included difficulty in working with council to acquire the lease, limited capacity of the community members leading in the running and set up of the business, and finally the financial impact the rejuvenation of the land and equipment required to run the income generating activities. Additionally, a key challenge has been the impact of Covid-19 on their income generation and community engagement.

Key success factors

- ✔ Strong and open communication with Power to Change on any challenges faced during the programme, which enabled the support provided to adapt to any emerging needs.
- ✔ Locally rooted and led, with a strong clear vision of their desired social impacts and how they are integrated into their income generating activities.
- ✔ Strong connections to and engagement with other local organisations and actors such as the local council and local volunteer organisation networks.

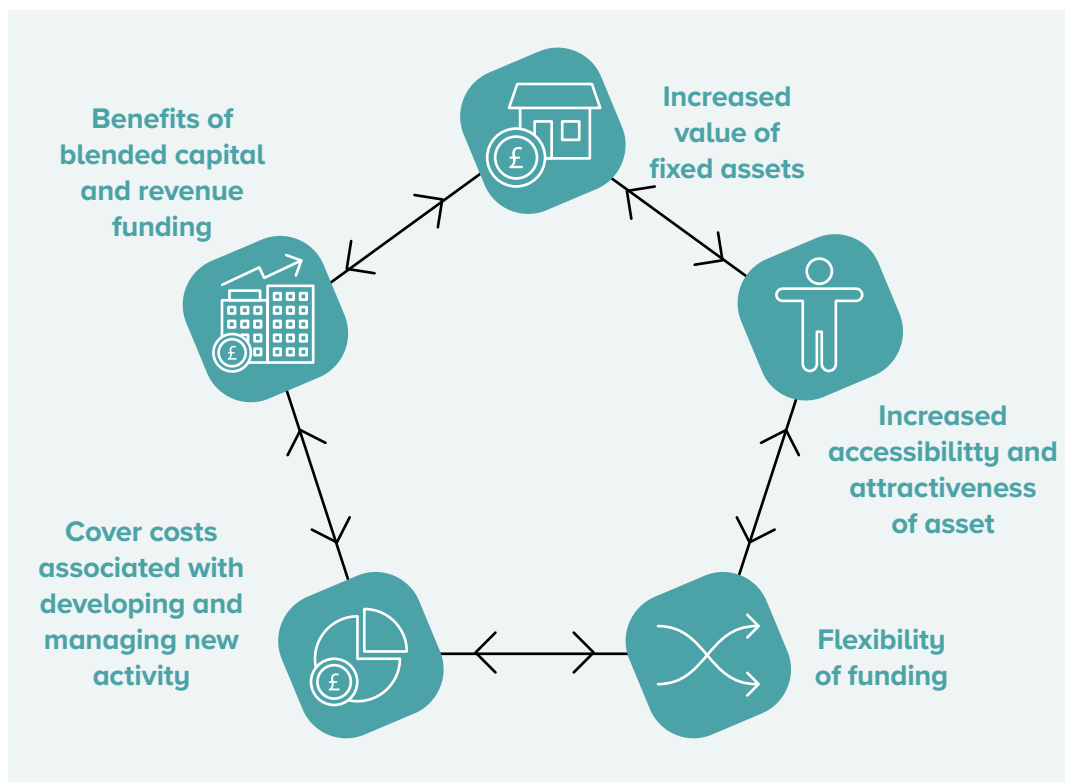


Since receiving [CBF], the business has become bigger. So we've been able to develop the boating lake like into a bigger, bigger project... initially, it became a lot harder to run, because alongside the day to day running, we also had to purchase all the equipment, bring all the equipment in, and that that was a lot of work... but it has enabled us to have a wider scope... it's allowed us to make more impact in the area... [and] we do record more [the] social impact...financially, it's allowed us to take in more money.



Impact of capital and revenue grants

Figure 23: Impact of capital and revenue grants for community businesses on the Community Business Fund



Increased value of fixed assets

The Community Business Fund programme supports community businesses to buy a new asset (building or land), increase the size of their existing asset and/or renovate parts or all of their existing asset(s). This investment is intended to support community businesses to use their assets to increase their income from trading and grow revenue income. Financial analysis of community businesses on the programme shows that in the first year since joining, the median average fixed asset value grew by nearly 40 per cent from year 0 to year +1 (£253,031 to £414,466 respectively).

Examples of capital investments made through programme funding include one grantee which ran a community shop and café from a portacabin and received capital funding from the Community Business Fund to build a larger building. Having this means that they can expand their café offering and stock more products, enabling them to cater to more customers which increases turnover.

5. Impact of the programmes on community businesses

In some cases, the programme has enabled businesses to purchase an asset giving them security of tenure. This is certainly true in the case of one community business whose landlord had plans to sell the building they operate in which would have meant losing their customer base. It was particularly useful to own their asset during COVID-19 because it meant they did not have to worry about paying rent.

“ I mean, without the funding we wouldn't have the business.

Community Business Fund

Increased accessibility and attractiveness of asset

Beyond adding value and supporting the financial sustainability of the community business, capital grants can also support with making assets more attractive, accessible and engaging to local people. For example, community businesses might use the funding to improve the exterior of their asset to entice customers and beneficiaries to engage with and use it. One community business renovated the exterior of their building and as a result daytime antisocial behaviour has reduced and residents feel safer passing through the area at night.

Community businesses may also use the grant to make their asset more accessible or to purchase equipment that enables the space to be used by a wider range of customers and beneficiaries. For example, one used their grant to purchase a purpose-built bus which they can adapt to suit specific requirements depending on the needs of the organisation or clients they are working with.

“ We wanted a bus that was multipurpose ... We wanted to be accessible as well. Making sure the seating was all moveable. One day we might have 16 kids, the next day three wheelchairs and other people, [it's] about adaptability to different organisations ...

Community Business Fund

Flexibility of funding

Capital projects tend to be complex and inevitably involve changing plans or unexpected challenges. The Community Business Fund programme has been flexible to the changing needs of community businesses as their capital project develops. For example, the programme has agreed to cover additional project costs when they have unexpectedly increased, and has been flexible about project timeframes, allowing community businesses to extend the period of their grant where necessary.

Cover costs associated with developing and managing new trading activity

Earlier we explained that the programme will provide revenue funding where community businesses will be able to sustain grant-funded posts in the longer term and/or where the post will contribute to the organisation's longer-term financial sustainability. Generally, the revenue grant was used to cover costs associated with developing and managing new trading activity, such as a project manager or an outreach worker to promote new activity and encourage community members to participate. Posts paid for through revenue grants also brought added value to service delivery in terms of community businesses' offer to customers and beneficiaries.

Benefits of blended capital and revenue funding

Community businesses appreciate the opportunity to apply for blended capital and revenue funding because they could develop the business through an investment in new roles to help manage an asset, rather than receiving capital funding but not having the resource or capacity to develop the business side of the capital investment.

“ [The revenue grant] was to support the salary of the project manager for a while, it's been very useful especially in the last few months ... Which has been invaluable because basically we have someone who we pay to oversee all the project work.

Community Business Fund

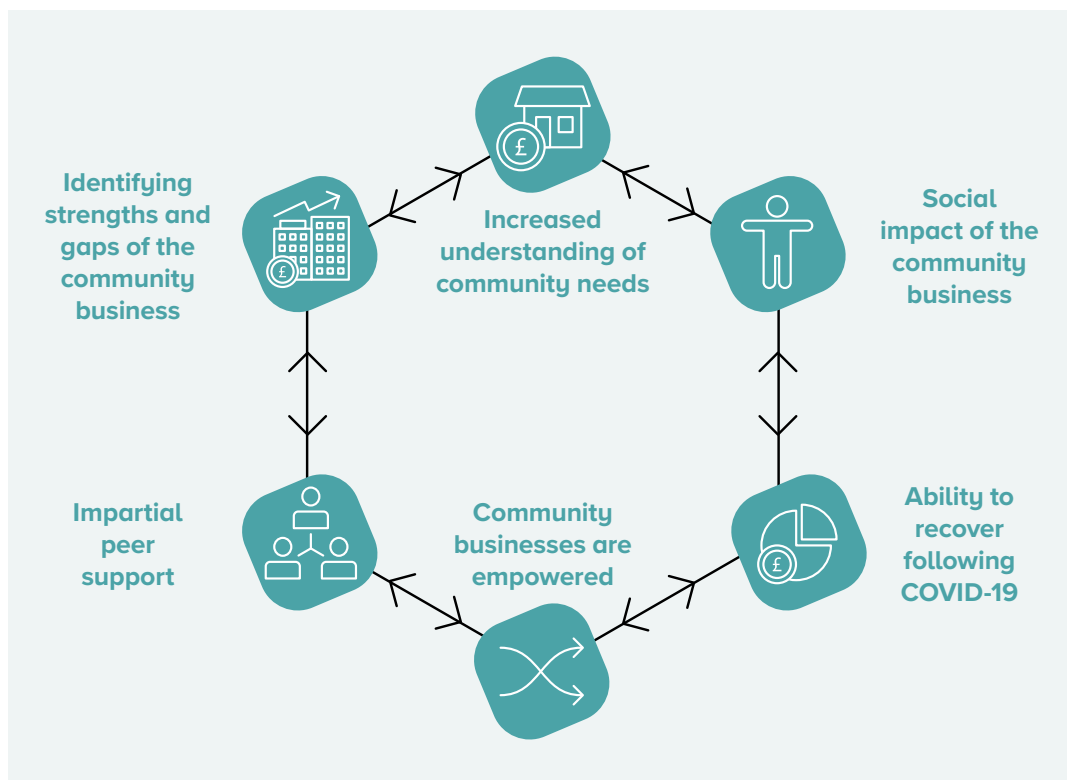


5. Impact of the programmes on community businesses

Impact of business development support

Community businesses supported through the Community Business Fund can access peer brokerage, which is business development support provided by community business peers. In total, 40 per cent of all programme grantees (n=71 organisations³³) accessed this support. This support led to various positive impacts.

Figure 24: Impact of peer broker support for community businesses on the Community Business Fund



Increased understanding of community needs

Some community businesses used the business development support to focus on gaining a better understanding of what local people want, through community consultation. This aids improvement in service provision because community businesses could implement the services that were needed or wanted by local people.

33 As of data received in January 2021.

5. Impact of the programmes on community businesses

“ [The peer broker] did surveys of villagers. It all helped us, provided information which the current committee is still using in terms of what do people want.

Community Business Fund

Social impact of the community business

Some community businesses used the business development support to improve their processes and understanding in terms of impact and evaluation. With the support of peer brokers, community businesses agree on their intended outcomes and ways in which they can measure the social impact of what they do. For instance, one community business noted that prior to the programme they were aware of how many people used their service but did not have an understanding of their social impact, and the peer broker supported them with developing their social impact measures.

“ They were going to help us with some measures of the social impact of what we are doing. Although we have numbers, we know what happens with trainees, [we] know how many customers but we don't have good measures on social impact.

Community Business Fund

Ability to recover following COVID-19

Some community businesses that received peer broker support during the pandemic felt that they would be in a stronger position to recover, as it gave them the opportunity to explore areas of strengths and weaknesses and establish organisational priorities.

“ I think that whatever happens, as of the start of the next financial year, we'll be in the strongest position possible to recover from [COVID-19]. Because we've had that support from Power to Change to be able to look at business development as well, where there's, you know, if we didn't have that we would have really struggled to have organisational resource to do anything about it.”

Community Business Fund

5. Impact of the programmes on community businesses

Community businesses are empowered

Community businesses commented that they feel empowered to make decisions about aspects of the support offer. It was highlighted that peer brokers did not simply force their ideas on community businesses, rather, they worked collaboratively to make decisions about the business development support that businesses need. For example, community businesses noted that they were trusted to make decisions about which consultants they wanted to work with, and draw on their peer broker to offer suggestions on relevant consultants.

“ I felt I was made to make decisions with support [from the peer broker]. I think that is really important. Often, [you] can work with people and they push their ideas, [but that was] not the case here, and that was the best part of it for me.

Community Business Fund

Impartial peer support

The provision of peer brokers meant that community businesses could benefit from non-judgmental peer support and appreciated having an “impartial” third party that acted as a critical friend to support them to identify and address their capacity issues. This meant that community businesses could be honest about the challenges they had experienced within their organisation and with their Community Business Fund project.

There was also mutual benefit of peer support for the peer brokers, with one community business stating that their broker revisited their own organisation’s values and vision after having supported the community business with theirs. It was especially useful that brokers come from a similar background, so they have a good understanding of the community business sector. In addition, some community businesses noted that their relationship with the peer broker continued after completing the programme.

“ We worked with [name of peer broker organisation], we got to be really good friends with them and worked with them beyond that. [We had a] really good connection, which I think was great. We felt very supported. It felt like an honest relationship ... maybe the fact they were a peer [meant we were] able to be really honest.

Community Business Fund

5. Impact of the programmes on community businesses

Identifying strengths and challenges faced by the community business

Peer brokerage gave community businesses the resource and capacity to systematise processes and procedures with the support of consultants, and identify strengths and challenges in areas such as governance, community memberships, marketing and advertising, community shares and refining rental and hire prices.

For example:

- **Governance:** one community business received consultancy support to develop their board and business strategy. This focused on reconstituting their board sub-group structure to make better use of the skills and resources of their recently expanded board. As a result, each of the sub-groups now have clearly defined terms of reference, priorities and assigned board members.
- **Membership:** one community business aimed to increase their membership to enable them to demonstrate community ownership. In turn, the community business can demonstrate that the building is valued by the local community and use the membership as evidence in negotiations with their local authority when they are extending the lease or changing agreements.

“ [Our peer broker] is guiding several of our staff members through the development of a new strategy around rentals in our renovated venue in order to increase revenue and build new partnerships.

Community Business Fund

Challenges experienced in engaging with the support

The business support offer provided by peer brokers was not always appropriate for what community businesses needed. There were a few reasons that community businesses could find it hard to engage with the support. Those in the middle of a large capital project tended to have little time to engage in business development activities. In some cases, recommendations for improvement made by peer brokers were not appropriate for the size of the organisation, for example if they had a small staff team.

“ One thing they flagged with us was our website, but we don’t have the technology and the people to build a brilliant website, and we don’t have the money aside to go and pay for somebody to come and build us a website. And some of the aspects were quite detailed and sort of more conducive to a big business that’s got a lot of staff and a lot of prior funding. But it was the time constraints ... we extended it and just said, ‘look, there’s just no way we can do it in the eight-week period that you’re asking’.

Community Business Fund

5.4 Factors contributing to community businesses’ success on Bright Ideas, Trade Up and the Community Business Fund

In our interim evaluation report, we found that the following factors contributing to community businesses’ success were common across the three programmes:³⁴

- 01.** A clear business model and plan
- 02.** An effective governance structure
- 03.** A supportive and engaged community
- 04.** Post-programme support
- 05.** Perseverance and strong leadership

After further research in year two, this section builds on these factors by assessing the common factors that make community businesses more successful across all three as well as the factors more specific to the individual programmes. The first part of this section will focus on the factors contributing to success prior to COVID-19, then there will be a short section exploring factors contributing to success during the pandemic. Later in the report, we examine the main reasons why community businesses fail to achieve their aims through each programme.

Theme	Research questions
Factors contributing to success	What makes a community business more likely to be successful on Bright Ideas, Trade Up or the Community Business Fund?

34 Renaisi (2020) Power to Change Community Business Fund, Trade Up, Bright Ideas: Annual report, pp. 34–7.

Common factors

Research undertaken this year (2020-2021) has reinforced findings on the success factors that we identified in our first interim evaluation report. In particular, the following have been highlighted as key across all three programmes:

A clear business model and plan

A clear business model and plan is a key factor contributing to the success of community businesses across all three programmes, albeit in different forms. For Bright Ideas, most community businesses that were successful had a clear idea of their community business idea and a business model and plan to implement it. An example of this is the community business whose idea was to take over the ownership of an asset that they had already been using, which involved developing a business plan based on generating income from the asset.

For Trade Up, successful community businesses were able to develop a clear plan for increasing their trading and generating income. For example, one organisation looking to expand its cycling-based business, was able to think of ways to expand business while keeping true to the business plan and mission of making cycling affordable.

Community businesses with a strong business plan and model were more likely to succeed in their Community Business Fund project. This may be because they had a clear sense of the risks and opportunities involved, and a well-thought-through plan of how to cover costs and generate income, especially when there is a large capital investment.

A supportive and engaged community and stakeholders

Increasing local support and engaging with the local community through consultation and service provision, was a key factor that enabled community businesses across all three programmes to have a better understanding of what was wanted and needed by the community, helping them to understand if their plans and activities were viable. Most successful community businesses used the information collected when conducting a review of the demand, need and impact of their idea in community consultation and funding applications to show that there was appetite in their local area for the proposals. In addition, engaging the local community through community events could also contribute to the success of crowdfunding campaigns.

5. Impact of the programmes on community businesses

“ We ran three successful events attended by hundreds of supporters (on average 400 per day). We successfully crowdfunded for a café expansion, no doubt partly due to the event we were able to run.

Bright Ideas

Connected to this, successful community businesses collaborated with other local organisations and stakeholders such as the local council. This ranged from Bright Ideas grantees drawing on the local skills and expertise to achieve their aims, to Community Business Fund grantees forming long-term partnerships to provide services. Community businesses benefited from this because they could make cross-referrals, rely on mutual support, build each other's public profile, and they could use each other's business, such as for rent or hire.

“ We have further networked with new and potential partners within the city and beyond to help build our organisation's public profile and develop support, referral pathways and resilience within the sector. We have offered peer support training and consultations to individuals and other organisations.

Trade Up

An effective governance structure

An effective governance structure ensures that there is consistency across organisations and a mutual understanding of the values, priorities of the business and strong communication across the team. This enabled some community businesses to be more effective in their business planning and any potential business expansion as there was a clear vision and system of accountability.

“ Because of the support I received from Trade Up, I was able to look at the business model and a lot of what came out of it was being able to sit with the staff and directors and do some planning. We found time to do that to make sure we were going in the right direction and obviously the money supported that as well because of the time.

Trade Up

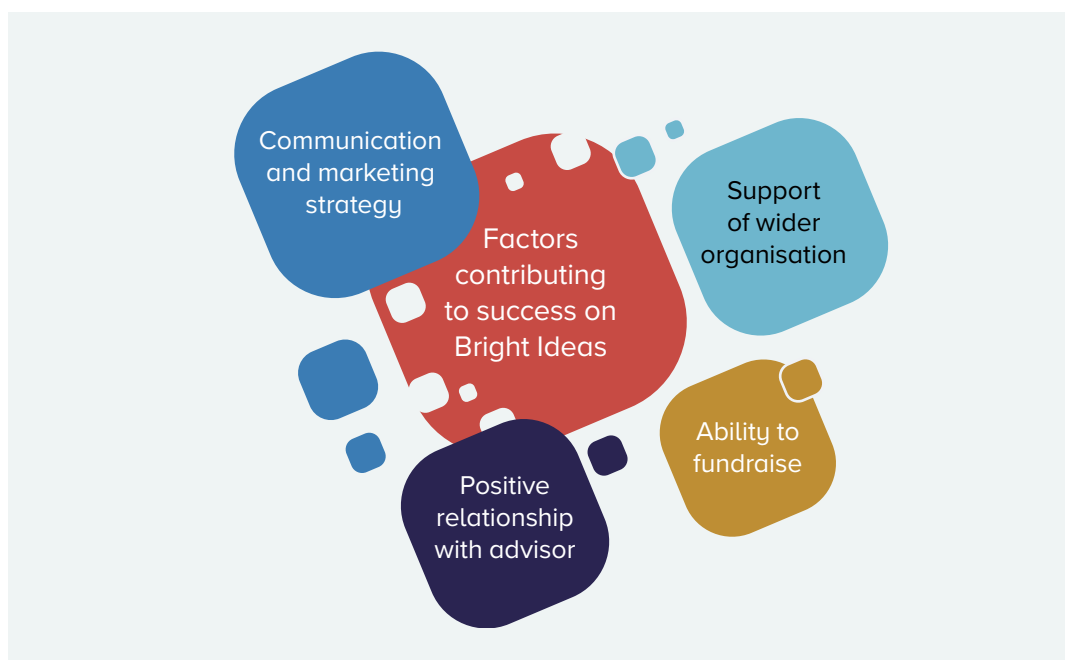
5. Impact of the programmes on community businesses

Perseverance and strong leadership

Successful community businesses across all three programmes need strong leadership and perseverance to achieve their aims. This is because the journey to success and sustainability for community businesses is complex and ongoing, requiring continuity in decision-making and institutional knowledge or understanding.

Bright Ideas-specific factors

Figure 26: Factors contributing to community businesses' success on Bright Ideas



Communication and marketing strategy

Being at the start of their journey as community businesses, successful Bright Ideas grantees often invested in their communications and marketing strategy. For instance, they had an online presence and had built a website tailored to suit their organisation, or regularly submitted stories and advertising to the local newspaper. By doing so, these community businesses increased local awareness of their organisation which was helpful when engaging members of the community, developing membership and share offers and attracting volunteers. This is evidenced by one community business that reported that they were able to gather advice from similar projects through their website and Facebook, which they then used as case studies in their business plan.

5. Impact of the programmes on community businesses

“ Probably the biggest single achievement to date is to run a successful community share offer alongside a number of successful grant applications. The business planning, advice on share issue and the community communications plans delivered under this programme have all played a key role in supporting this achievement.

Advisor

Support of the wider organisation

Established organisations that had applied to Bright Ideas to help incubate a new community business idea relied on support from the wider organisation to succeed. Those with such support were more able to take it forward because the organisation could finance resource to support the development of an idea. For example, one organisation self-funded a volunteer coordinator to recruit a team of volunteers and work with local community organisations while developing a new initiative on Bright Ideas.

“ The staff team have been able to gain support for the business idea across the directorship which is a significant step as it’s an additional service outside of their normal comfort zone. Risk mitigation has been the biggest achievement, i.e. if the pilot is successful the business case will be proven and will therefore likely gain the investment it needs from the directors in order to set up, as directors will be confident in staff ability to manage the community business.

Advisor

Ability to fundraise

Some successful community businesses have been able to fundraise and attract further support as a result of being on Bright Ideas. This is because funding and support from Power to Change provides some community businesses with credibility which they have then been able to leverage for further investment. There were examples of where community businesses had come to the programme with a specific idea and, while participating, they were able to secure further funding for activities both related to their original ideas and unrelated activities. This meant that they were able to further develop, test and launch their ideas, as well as their organisations.

5. Impact of the programmes on community businesses

Positive relationship with advisor

A positive relationship with their Bright Ideas advisor was an important factor in community businesses' success. This helped foster a trusting relationship and allowed grantees to feel like they were able to explore their ideas. An example of this is one community business whose advisor was someone that they had previously worked with, which meant they were advised by someone already familiar with the business and the community business trusted their work. This positive relationship enabled the community business to test their original idea, realise that it wasn't viable and then develop another one that was ultimately successful.

Trade Up-specific factors

Figure 26: Factors contributing to community businesses' success on Trade up



Organisational processes and structures

Community businesses which either started the programme with well-established organisational processes and structures, including financial or governance structures, or were able to develop these through their involvement, were more likely to succeed in the medium to long term. This is because developing well-established organisational processes and structures enabled community businesses to better plan and identify their income streams and continue with the areas they had identified as a priority post programme. Similarly, restructuring areas of their community business, such as pricing, marketing, expanding of customer base, and developing a core offer rather than having multiple activities.

5. Impact of the programmes on community businesses

Increasing capacity of the organisation

The capacity of the organisation can have an impact on the success of a community business on Trade Up. Organisations with more capacity, whether as a result of Trade Up funding or not, were better able to use the programme to implement changes and ultimately be successful in achieving their aims. There are three main reasons why this is a contributing factor: (1) there was more support available to help with the trading elements of the community business, (2) they could increase provision, for example deliver in multiple sites, and (3) it supported with delegating the responsibilities of areas of the business, such as having someone help with marketing and communications, rather than one person doing it all.

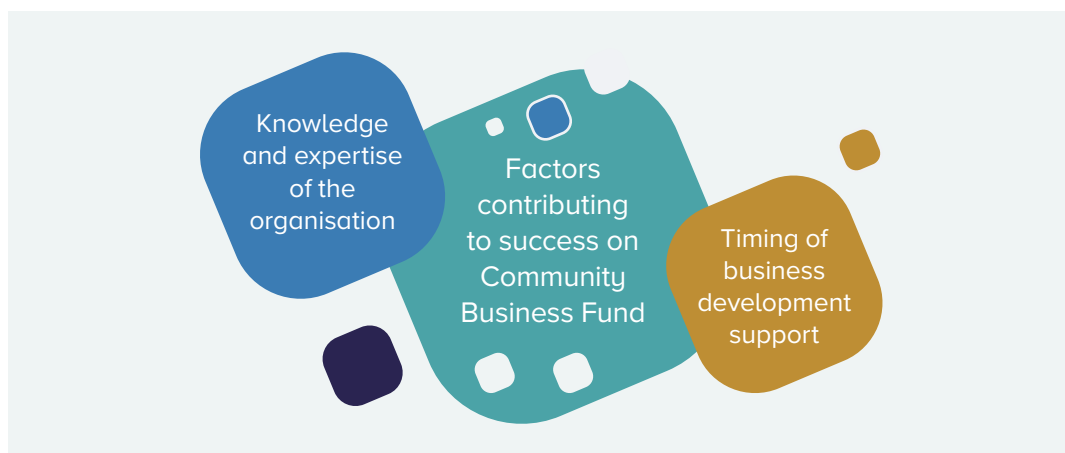
“ We now have a dedicated member of staff for [the project] which is our preserves sales, this has really helped to drive things forward. Ideally we need to be able to offer her more hours to take on some of the other areas of trading.

Trade Up

Other Trade Up participants were relatively new, and so they were run by one person or a few people. Making the leap to commit fully to the organisation full-time also enabled success because it increased the capacity of businesses to respond to challenges and have more resource to implement any changes.

Community Business Fund-specific factors

Figure 27: Factors contributing to community businesses' success on Community Business Fund



5. Impact of the programmes on community businesses

Knowledge and expertise of the organisation

The skills and expertise in a community business can play a role in success on the Community Business Fund. This was particularly the case in community businesses where the services and activities centred around specific and technical offers. For example, one community business that was funded for a capital project had two co-founders, one of whom was an architect. They were a start-up and commented that they would have struggled with capacity had they not had this technical expertise in a voluntary capacity.

Other skills and expertise that play a role in success include community engagement, communication, business development and financial management. For example, one community business that provides training and work experience to people with learning disability through a community café was able to develop a strict budget and set up a structure of performance management as a result of the skills and experience of the trustees before receiving any funding and support.

Timing of business development support

Bringing in the business development support at an appropriate time which suits the organisation and its project is a key factor in success. However, it is important to note that the appropriate time for the business development support depends highly on the community business itself and where they are in their growth journey as an organisation. Some community businesses have expressed that going through the process of using their capital grant to acquire an asset at the same time as trying to optimise business development was difficult.

Factors contributing to success during COVID-19

Community businesses providing essential services

During the pandemic, some community businesses were more able to adapt than others. For example, essential services were able to stay open, such as those operating community shops, food production and health and social care. Of note here are community shops which tended to see a substantial increase in trading income. Particularly in rural areas, community pubs offered takeaway and delivery services which became essential as community members shielded from COVID-19.

“ [One community café has] been receiving excess food, [they have repackaged it and delivered] to families.

Trade Up learning manager

5. Impact of the programmes on community businesses

Organisational resilience and capacity to adapt

Organisations that were better able to identify opportunities and pivot in light of the pandemic were more able to successfully respond to the pandemic in the short term. For example, one community shop that had to close completely because they were too small, instead started online delivery. In some cases, this involved being able to understand and continually monitor changes in government legislation in order to identify business activities that were permitted under the changing restrictions. For example, one community business started serving hot food, as they realised requirements for opening included serving hot food at that time.

“ The Trade Up programme has helped us become a lot more resilient in terms of how we plan and financially understand different seasonality and understanding opportunities and threats to the business. Which is, you know, if you see challenges within the business ... if you cannot be intimidated, per se by challenges and can kind of try and strategise and see the opportunity in them and then you can, you can hopefully set procedures in place that allow a business however difficult the circumstances to try and come through it.

Trade Up

Local support

Having strong support from the local community also made community businesses more likely to succeed during the pandemic. Community businesses that provide basic services and have stronger ties to the local community tended to be part of the crisis response in their local community, which makes them more likely to be seen as an essential part of the community infrastructure in the longer term.

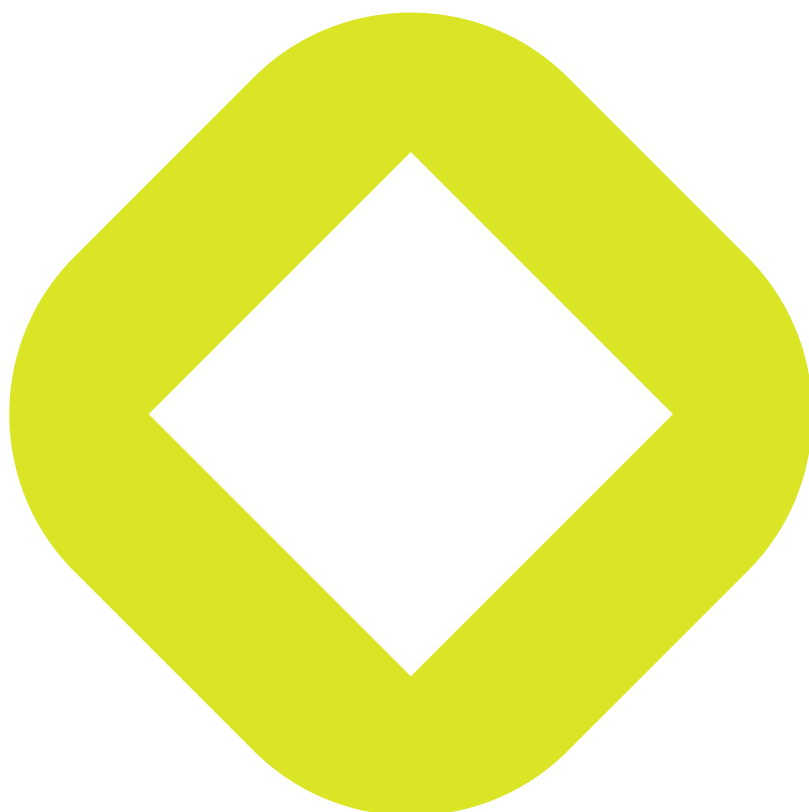
“ The main thing is that some of them have been part of the crisis response ... Those needs aren't going to go away especially if there is a deep recession, so we are going to need good community businesses to know who's vulnerable and to look after people.

Advisor

5.5 Community businesses that fail to achieve their aims through each programme

In this section, we will describe the main reasons why community businesses fail to achieve their aims on Bright Ideas, Trade Up and the Community Business Fund. The first part will focus on the factors contributing to failure prior to COVID-19, then there will be a short section explaining the themes across the three programmes in terms of the factors contributing to failure during the pandemic.

Theme	Research questions
<p>Factors contributing to failure</p>	<p>What are the main reasons why community businesses fail to achieve their aims through the programme?</p> <p>What more could Power to Change or other funders do to support these organisations?</p>



5. Impact of the programmes on community businesses

	Factors within the community business' control	Factors outside the community business' control
Bright Ideas	<ul style="list-style-type: none"> Complexity of a project: this can also mean that the business development support takes place over a much longer time. Team involved in developing the community business, including having the right mix of skills and a strong lead. Otherwise, community businesses can experience delays which may also impact on the delivery of the business development support and progress with the idea. Capacity of the group: community businesses were more likely to experience this as a barrier if they relied wholly on volunteers. Similarly, individuals leading the idea from an established organisation may have operational commitments which makes it difficult to find the time to progress the idea. 	<ul style="list-style-type: none"> Issues with acquiring an asset: barriers mentioned include strength of relationship with and support from the council, difficulties negotiating with the vendor, and an inability to raise or access sufficient funds. Support at all levels, including from the organisation developing the idea and local stakeholders. Reliance on accessing funding to move the idea forward, for example: requiring support from local authorities, needing core cost funding to pay for development, and new community businesses may not have the credibility, relationships or opportunity to attract sufficient funding. Some grantees failed to achieve their aims through the programme because Power to Change chose not to fund their revised idea as they were too far from the original grant aims or they did not meet Power to Change's definition of a community business.
Trade Up	<ul style="list-style-type: none"> Community businesses that experienced staff issues such as turnover of staff, recruitment delays and illness were more likely to find it difficult to implement learnings from Trade Up. This was a challenge for the individual that attended the learning programme, who would need to cascade the learning to the wider organisation as well as continue with their usual operational duties. This can also be exacerbated by an inability or reluctance to delegate responsibility. Governance and management of the community businesses: some community businesses that failed to achieve their aims through the programme commented that poor management and governance played a role in them being unable to implement learnings. The governance and management of the community business may determine how responsibility is shared and enables team members to delegate responsibilities for the development of particular areas of the community business which is not always possible with poor management and governance. Changes within the community business while on Trade Up, such as restructuring and changes to the management of the organisation, especially where these changes were significant and impacted on how the organisation was run. It could be more difficult for community businesses to implement the learning while overcoming major changes and could take time away from the participant's focus on the programme aims. 	<ul style="list-style-type: none"> Lack of, or limited, working capital: some community businesses experience the circular dilemma of needing grant funding to sustain salaries and overheads for enough time to develop areas of their business and eventually increase their trading income. Based on our financial analysis, it is reasonable to suggest that community businesses on Trade Up are less likely to have the working capital to invest in organisational development and that may be why some community businesses continue to pursue grants after completing their programme. A small minority of community businesses aimed to secure an asset while on Trade Up as part of their development. Community businesses that experienced delays with this commented that it is difficult to stay visible and continue delivering activities without having an asset secured.

5. Impact of the programmes on community businesses

	Factors within the community business' control	Factors outside the community business' control
Community Business Fund	<ul style="list-style-type: none"> ● Planning and delivering multiple projects at one time, particularly where capital projects were concerned. ● Capacity of the community business: especially for those reliant on volunteers or experiencing high staff turnover. However, this can also be linked to factors outside of the community businesses' control, such as financial resources and funding. 	<ul style="list-style-type: none"> ● Issues with capital project, such as unexpected delays and increases in costs. This could affect the extent to which these community businesses were able to generate income, such as an inability to deliver the planned activities. ● Changes in policy or legislation which affected the project. These changes can cause delays to projects as community businesses explore solutions that meet new government requirements. ● Unsuccessful fundraising: the programme assumes that community businesses will be able to access match funding for capital projects. This tends to take some time and funders may change their priorities which can halt the progress of a project. ● Assets can turn into liabilities: for example, community businesses need to be able to meet the cost of maintenance, especially for old buildings, and requires them to make sufficient profit for long-term investment in the asset through business activities. It may also take some time for community businesses to start realising increases in trading income from capital investments. This can also impact on the community business' ability to sustain new roles paid for through the revenue grant.

Factors contributing to failure during COVID-19

Factors within the community business' control	Factors outside the community business' control
<p>Resilience and ability to adapt their offer quickly: those who did not explore ways to continue in the context of COVID were affected.</p>	<ul style="list-style-type: none"> ◆ Maintaining and building a sense of purpose and momentum: particularly because of changes in legislation and variation in location due to geographical restrictions. For Bright Ideas, this impacted community businesses wanting to bring people together for community consultations, or whose core community group members were personally impacted. Similarly, the priorities of those involved in the development of the community business may have changed or they did not have the time to be involved. ◆ In response to the impact of the pandemic, many funders ringfenced their funding to support COVID-related projects or to support organisations experiencing significant loss of income. For many Bright Ideas community businesses, plans for applications to funders had to be paused which delayed progress as community businesses could not move forward without funding. ◆ Due to the pandemic, some sectors were more vulnerable to failing to achieve their aims, for example sports and leisure, hospitality, and arts and culture. Some projects on Bright Ideas, such as those involving assets or seeking to deliver a community hub model, were no longer viable or feasible in the context of COVID, especially with the uncertainty around the length of time restrictions would be in place. ◆ For Trade Up, furlough meant some learners could not put what they learnt from the programme into action. ◆ Community businesses on Trade Up and the Community Business Fund with diverse income streams, including a high proportion of income from trading, were less likely to achieve their aims through the programmes. This was particularly the case for those relying on generating income through events, and use of their community space, whereas those reliant on grants often received flexible funding offers and additional grants to support them during the pandemic.

5.6 Key findings and conclusions

In this section, we focussed on how the programme design of Bright Ideas, Trade Up and the Community Business Fund has led to different types of impact. We found that:

All three programmes have an impact on community businesses' finances

Grantees on all programmes saw a growth in total revenue turnover and fixed asset values.³⁵ It is important to note that there are some caveats to the financial analysis, such as a small sample size for Bright Ideas grantees due to the fact many were yet to incorporate and publish annual accounts, and the fact that we are only looking at one year post intervention when many Community Business Fund projects last for more than two years. More detailed financial analysis of the longer-term effects of these programmes will be possible in the coming year.

Different programme design elements lead to different impacts on community businesses

Each programme was designed with different elements to support community businesses in different ways. For Bright Ideas, the business development support helps early-stage community businesses develop an idea, including assessing its viability, support with asset acquisition and business planning; while the grant provides community businesses with the resources to implement different aspects of their community business development plan such as marketing or community consultation.

For Trade Up, the incentivised grant supports organisations to invest in the business, including their financial systems; diversity their income streams; and foster an entrepreneurial mindset. The learning programme helped community businesses focus and reprioritise the future direction of the organisation, think about their mission and values, share knowledge and learn from diverse cohorts, and develop their networks.

The revenue and capital grants awarded in the Community Business Fund allowed grantees to acquire and/or increase the value of their assets, as well as improving their accessibility and attractiveness to customers. The revenue grants in particular helped to cover costs associated with developing and managing new trading activity as well as, alongside capital funding, creating the ability to develop the business through investment in new roles to help manage the asset. Peer broker support helped community businesses to gain a greater understanding of their communities' needs, identify the strengths and gaps of their business and improve their processes and understanding in terms of impact and evaluation.

35 For BI, this was from year 0 (year of support) to year +1 (year after receipt of support), whereas for TU this was from year -1 (year before support) to year +1 (year after support)

There are some common factors to success on the programmes ...

Some factors contributing to success were common across all three programmes, such as a clear business model and plan, a supportive and engaged community and stakeholders, an effective governance structure, and perseverance and strong leadership. Other factors were specific to each programme.

... however, in most cases, factors of success are programme-specific

Factors contributing to success on Bright Ideas included a strong communication and marketing strategy, support of the wider organisation for established organisations that had applied to the programme to help incubate a new community business idea, having a positive relationship with their Bright Ideas advisor and the ability to fundraise to support with the further development of their idea.

In contrast, community businesses on Trade Up which either started the programme with well-established organisational processes and structures, or were able to develop these through the programme, were more likely to succeed. In addition, organisations with more capacity were better able to use the programme to implement changes in the wider organisation.

The key factors of success for Community Business Fund grantees were knowledge and expertise of the organisation such as having the right mix of skills across areas like community engagement, communication, business development and financial management, and bringing in business development support at an appropriate time which suits the organisation and its programme project.

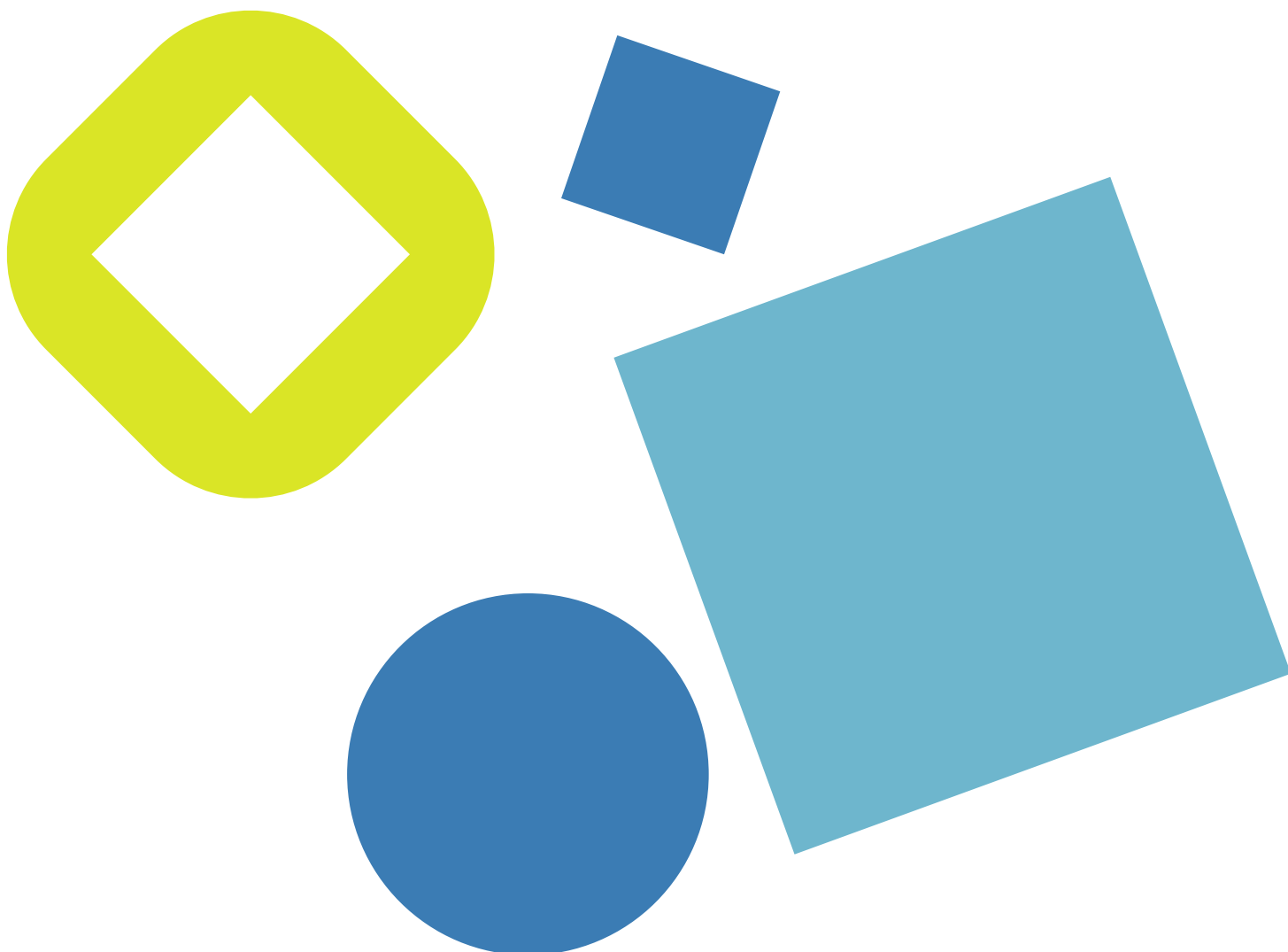
Some community businesses fail to achieve their aims

Across the three programmes, community businesses did not achieve their aims due to factors either within, or outside of, their control. Many of the factors within their control related to staffing: grantees in Bright Ideas were more likely to fail if their team did not have the right mix of skills, a strong lead or the capacity to deliver the project; while due to the nature of the Trade Up learning programme being attended by a community business leader, turnover of staff or capacity issues meant it could be difficult to integrate learnings into the organisation. Capacity of staff was also an issue for Community Business Fund grantees, particularly those planning and delivering multiple projects at one time.

Factors outside of the control of the community business were related to challenges in acquiring assets (BI and TU), ability to access funding to move an idea forward (BI) or deliver a capital project (CBF), and financial difficulties such as lack of working capital.

And many of the factors related to failure due to COVID-19 were out of community businesses' control

COVID-19 created additional factors which meant community businesses were unable to achieve their aims on their programmes, most of which were out of the control of the community business. Changes in legislation and variation restrictions by location had impacts on grantees across the programmes. Many could no longer bring the community together for consultation, which halted momentum for new ideas; while others were restricted by the sector in which they operated. Community businesses on Trade Up and the Community Business Fund with diverse income streams, including a high proportion of income from trading, were less likely to achieve their aims through the programmes. Over and above this, some funders ringfenced their funding to support COVID-related projects which led to community businesses being unable to access funding to move forward with their ideas and projects.



6. Post programme and sustainability

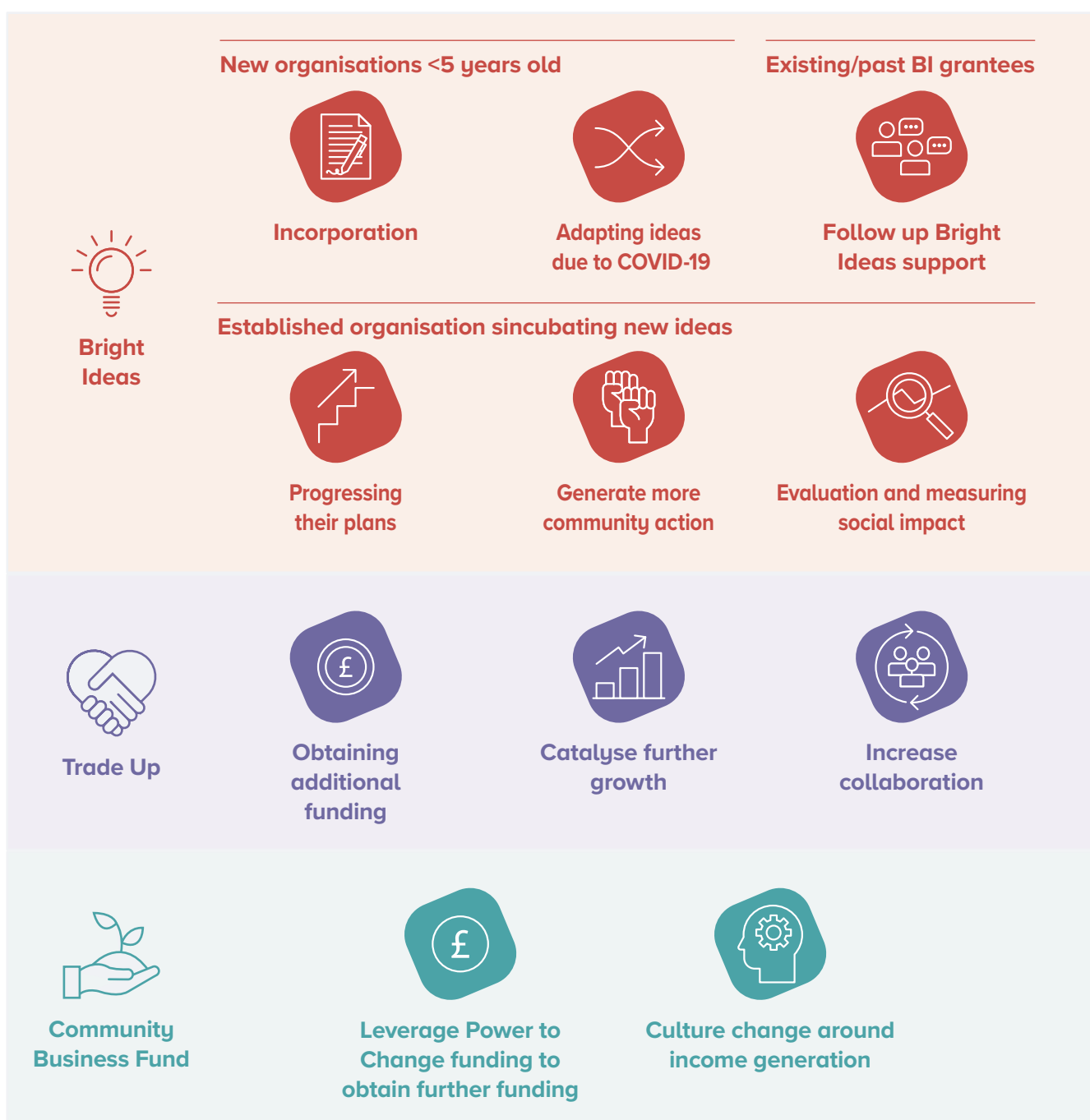
In this section, we will explore the journey of grantees after they have finished their respective programmes, and whether the programmes have helped grantees become more sustainable in the longer term. We will also touch upon how COVID-19 has impacted on grantees' post-programme journey and ability to become sustainable.

Theme	Research questions
Post programme	<ul style="list-style-type: none"> ◆ What do grantees do after getting support on the programme? ◆ Is there a general pattern of what Bright Ideas, Trade Up or Community Business Fund grantees do post programme? ◆ Do they apply for other Power to Change funding? If not, where do they go for support? ◆ Are there any unexpected outcomes from the programme?
Sustainability	<ul style="list-style-type: none"> ◆ How have the programmes helped grantees become more sustainable? ◆ Has the learning programme helped Trade Up grantees become more sustainable? ◆ To what extent has the Community Business Fund met its objective of supporting community businesses to grow and become more financially sustainable?
Context of COVID-19	<ul style="list-style-type: none"> ◆ Has what they have done post programme been impacted by COVID-19? If so, how? ◆ What does sustainability mean in the context of COVID-19?

6.1 Post programme

In this section we explore grantees' trajectory following their involvement with the programmes.

Figure 28: Summary of journey of Bright Ideas, Trade Up and Community Business Fund grantees post programme



Bright Ideas

After receiving support on the programme, grantees tend to take different routes depending on the type of organisation they are. In general, Bright Ideas grantees that were new organisations, typically less than five years old, with new ideas, tended to move forward with their plans to incorporate, which was one of the main aims of the programme.

Not all grantees are new organisations, some are established organisations incubating new community business ideas. In these cases, many have been able to move their community business idea forward by delivering on the plans they developed during Bright Ideas.

“ Since Bright Ideas, we had our community raise shares in 2019. Since then we’ve also started delivering a service and built a platform. We’re also going to be launching our next offer in spring, so we’re on our way.

Bright Ideas

Others have been able to leverage the support received from Bright Ideas to raise awareness of community ownership, further the ideas they were using to address gaps in their communities and subsequently generate more community engagement and action. In addition, community businesses have been able to use the skills developed on the programme to develop evaluation techniques and continue to measure their social impact post programme.

Some previous grantees found that after finishing the programme, they still needed additional support to get to start-up stage. These organisations were able to apply for ‘type two’ support, specifically aimed at previous Bright Ideas grantees to provide bespoke support to move forward with their idea. For example, one organisation is a land trust aiming to build affordable houses in their area. Their first Bright Ideas grant was used to explore the idea of a community land trust, and included financial planning, computer modelling and applying for grants. Following this, the second grant was used for strategic planning and to fund equipment, such as a computer.

Another example was a community development trust that initially received support and funding through Bright Ideas to put together a proposal for a community asset transfer. However, following their proposal, their council did not know how to put a lease together for an asset transfer, a challenge which was not anticipated by the group. Subsequently, the group sought additional support from Bright Ideas to help overcome this challenge.

6. Post programme and sustainability

Trade Up

After taking part in the learning programme and receiving a grant through Trade Up, some grantees have been able to exploit the support they received to catalyse further growth through receipt of additional grant funding. This is supported by the financial data, which shows that, for the constant cohort, earned income as a percentage of total revenue falls from 81 per cent in the year prior to Trade Up funding to 74 per cent in the year after. This may be counter to the overarching aim of Trade Up, which is to increase income from trade and decrease reliance on grant income. However, these organisations often apply for grant funding to buy capital equipment, with the aim of diversifying their income streams and ultimately fund growth in revenue income in the long term.

“ And so, we’re trying to move away from grant income, but we need the current income to get the tools and resources we need to do that. Which is really odd. So that’s what we’re focusing on at the moment, which seems really, really backwards, but that’s enabling us to deliver more trading opportunities.

Trade Up

Grantees also increased collaboration with other organisations both through the programme and with similar local groups.

Community Business Fund

Some organisations supported through the Community Business Fund have been able to leverage Power to Change funding to obtain further grants from other funders.

For some businesses, the programme has enabled more strategic changes within the organisation, such as introducing more clearly defined goals around the programmes being delivered, or considering different income generation streams such as income from trading and social investment.

“ The Community Business Fund has been integral to the success of [our community business]. Across the board, it allowed us to rethink other parts of the organisation as well. It’s been integral to our success and the way we thought about stuff and has actually opened everyone’s mind to things like social investment, where we needed it.

Community Business Fund

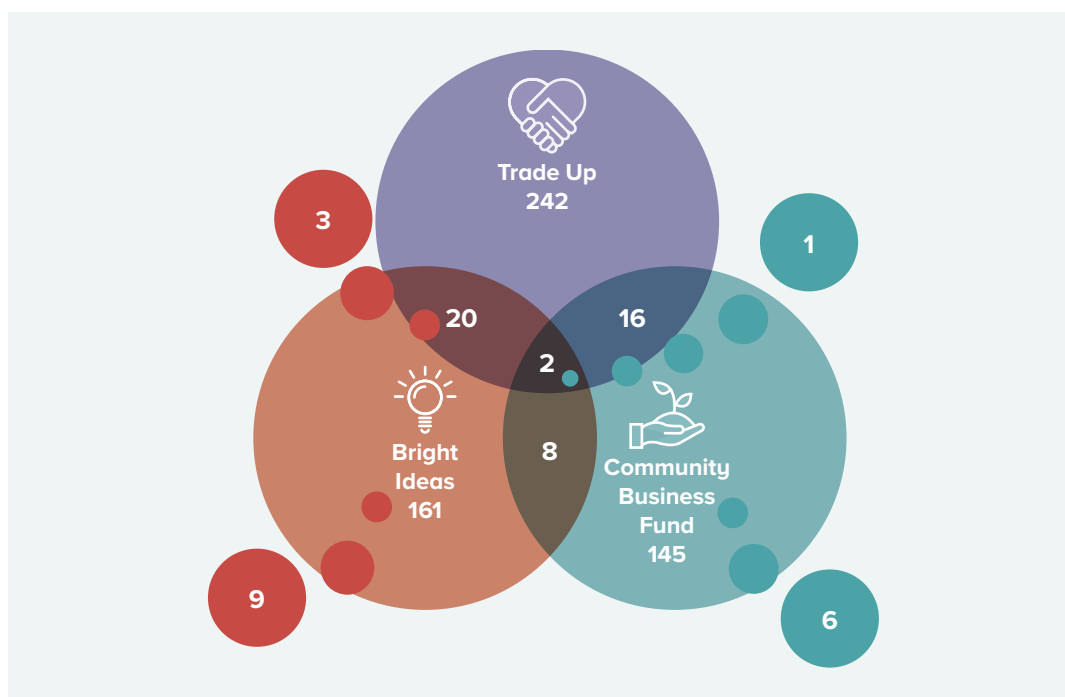
In some cases the programme has also changed the culture at community businesses, with some feeling more able to define themselves as a 'community business' now.

Additional funding for previous grantees

As we have mentioned, many grantees of the three programmes go on to apply for, and receive, additional funding from both Power to Change and other philanthropic funders.

Power to Change grantees may apply for funding from more than one Power to Change programme. Eight per cent of grantees on Bright Ideas, Trade Up and the Community Business Fund have successfully received grants from two of the three programmes. The Venn diagram in Figure 29 shows that 20 grantees received funding from Trade Up and Bright Ideas, 16 from Community Business Fund and Trade Up, eight from Community Business Fund and Bright Ideas, and two from all three programmes. Additionally, some grantees received funding more than once from the same Power to Change fund: 12 from Bright Ideas, and seven from the Community Business Fund.

Figure 29: Community businesses supported by multiple programmes



Note: The bubble outside of the Venn diagram refers to community businesses that received funding from the same programme twice, e.g. of the 161 organisations that received only BI funding, nine received this funding twice.

6. Post programme and sustainability

Some grantees also receive funding from other philanthropic funders. Data from 360 Giving (2017–2019) shows that Bright Ideas, Trade Up and Community Business Fund grantees received funding from a variety of other sources, with The National Lottery Community Fund being the biggest funder by value. Nearly 50 per cent of these grants were awarded after organisations received Power to Change funding; this constitutes 20 per cent of the total funding value.

Table 10: Funders that funded Bright Ideas, Trade Up, and Community Business Fund grantees (2017–2019) by value of grants, and proportion of total grants value (£56,051,687)³⁶

Funder	Value	Count	%	Funder	Count	Value	%
The Big Lottery Fund	£38,973,509	76	69.53%	Birmingham City Council	1	£48,000	0.09%
The National Lottery Heritage Fund	£3,903,800	21	6.96%	The Dunhill Medical Trust	1	£46,000	0.08%
Esmée Fairbairn Foundation	£3,045,117	18	5.43%	County Durham Community Foundation	2	£45,676	0.08%
Garfield Weston Foundation	£1,317,500	29	2.35%	Mercers' Charitable Foundation	1	£43,900	0.08%
Nesta	£1,162,453	8	2.07%	Walcot Foundation	1	£40,000	0.07%
BBC Children in Need	£1,070,872	22	1.91%	Virgin Money Foundation	1	£35,072	0.06%
City Bridge Trust	£896,200	10	1.60%	Suffolk Community Foundation	7	£27,119	0.05%
The Tudor Trust	£894,000	15	1.59%	The Fore	1	£26,000	0.05%
The Henry Smith Charity	£777,100	9	1.39%	Community Foundation serving Tyne & Wear and Northumberland	12	£22,082	0.04%
Greater London Authority	£640,890	4	1.14%	Wates Foundation	3	£21,950	0.04%
The Clothworkers Foundation	£532,600	14	0.95%	OVO Foundation	1	£20,000	0.04%
Co-op Foundation	£531,387	16	0.95%	Two Ridings Community Foundation	3	£19,822	0.04%

36 360 Giving data (2017–2019); analysis only includes data and grantees up to 2019. www.threesixtygiving.org

6. Post programme and sustainability

Funder	Value	Count	%	Funder	Count	Value	%
Lloyds Bank Foundation for England and Wales	£372,859	9	0.67%	Heart Of England Community Foundation	7	£17,552	0.03%
Trust for London	£248,500	5	0.44%	Essex Community Foundation	2	£17,080	0.03%
Co-operative Group	£169,097	48	0.30%	The Dulverton Trust	2	£10,000	0.02%
Quartet Community Foundation	£162,473	33	0.29%	The Childhood Trust	1	£10,000	0.02%
Friends Provident Foundation	£146,000	1	0.26%	Community Foundation for Surrey	2	£6,456	0.01%
Paul Hamlyn Foundation	£135,200	3	0.24%	Somerset Community Foundation	2	£5,220	0.01%
LandAid Charitable Trust	£135,000	2	0.24%	Joseph Rowntree Foundation	1	£4,500	0.01%
Sport England	£116,132	3	0.21%	Woodward Charitable Trust	5	£3,550	0.01%
Trafford Housing Trust Social Investment	£87,675	1	0.16%	Cheshire Community Foundation	1	£3,430	0.01%
Comic Relief	£74,999	2	0.13%	Camden Giving	3	£3,410	0.01%
Oxford City Council	£69,500	8	0.12%	The Funding Network	1	£2,627	0.00%
London Borough of Southwark	£55,849	7	0.10%	Macc	6	£2,570	0.00%
Wates Family Enterprise Trust	£50,959	6	0.09%				

6.2 How have the programmes helped grantees become more sustainable?

What is sustainability?

It has long been recognised that sustainability can mean different things to different people.³⁷ More straightforward definitions of sustainability include metrics such as numbers of staff, years of operation, rates of growth or the value of assets. These metrics are important indicators of economic sustainability, but they can raise particular challenges for organisations within the social economy, by excluding sustainable practices that improve the quality and continuation of life such as fair pay and ethical supply chains.

As such, it can be difficult to find a ‘one size fits all’ definition of sustainability for community businesses, and it also may not be appropriate to do this in light of the stage they are at on their journey. For example, sustainability means something very different to an individual looking to start a community business to one that has been established for over 20 years.

Despite this, in the context of Bright Ideas, Trade Up and the Community Business Fund, loose definitions of sustainability exist (explicitly or implicitly), which we will focus on here.

37 Traynor, K. and Simpson, G. (2020) Community hubs: ten strategies for sustainability, Power to Change.

6. Post programme and sustainability

How have the programmes helped grantees become more sustainable?

	Definition of sustainability	How the programme has helped grantees become more sustainable
Bright Ideas	<p>There is no clear definition of sustainability for Bright Ideas. The programme has helped grantees to start to plan what a sustainable future could look like.</p> <p>By providing funding and support to start up, the programme has provided a crucial first step on a much longer journey towards sustainability.</p> <p>The programme recognises that not all early-stage initiatives will survive in the long term and supports groups to understand when a new idea isn't likely to become a viable business.</p>	<p>By providing funding that was crucial to start up, Bright Ideas has helped some community businesses begin their journey towards financial sustainability.</p>
Trade Up	<p>Sustainability is twofold:</p> <p>Financial – movement away from grant reliance towards a higher proportion of income from trading.</p> <p>Organisational – increasing skills and capacity to manage the business well.</p>	<p>Both the matched grant and learning programme has enabled financial sustainability:</p> <ul style="list-style-type: none"> • The matched grant provided an incentive to move towards increased trading income. • The learning programme taught community businesses skills in business and financial planning. <p>The learning programme has also enabled organisational sustainability through:</p> <ul style="list-style-type: none"> • developing internal processes and policies • embedding a culture of learning • support to further engage community <p>Many community businesses have only recently completed their time with the programme, and therefore the impact of Trade Up on their longer-term sustainability is still to be realised.</p> <p>The wide-ranging economic impacts of the COVID-19 pandemic has challenged the notion that a higher proportion of income from trading is a more sustainable model, in times of economic crisis.</p>
Community Business Fund	<p>Financial sustainability – self-sufficiency through investment and growth (increasing income from trading, securing an asset, and/or reducing revenue costs).</p>	<p>The programme has enabled self-sufficiency through capital and/or revenue funding:</p> <ul style="list-style-type: none"> • Capital funding has allowed community businesses to make capital investments without taking on debt. • Capital funding has secured some community businesses with an asset, which they hope to utilise to become more financially sustainable in the future. • A mix of capital and revenue funding has reduced revenue costs and given community businesses the ability to expand their income generating activities with some core costs covered. <p>For many community businesses, Community Business Fund projects are complex and can take a significant time to complete. In these cases, we are yet to understand the longer-term impact of their programme support on their financial sustainability.</p> <p>The wide-ranging economic impacts of the COVID-19 pandemic has challenged the notion that a higher proportion of income from trading is a more sustainable model, in times of economic crisis.</p>

6.3 What does sustainability mean in the context of the COVID-19 pandemic?

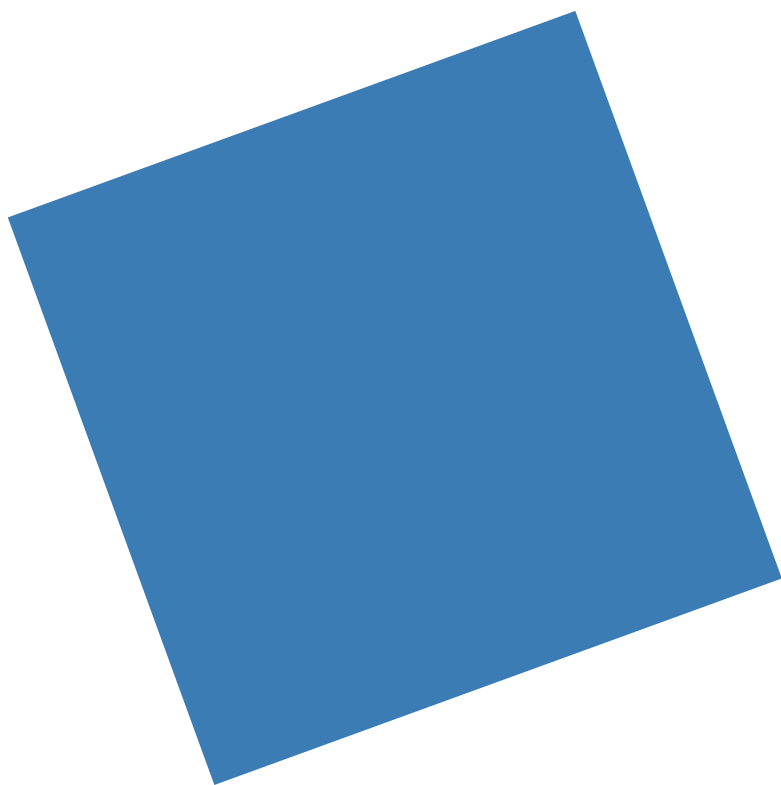
Have grantees been impacted by COVID-19 post programme? If so, how?

COVID-19 has had a profound impact on many grantees. Aside from the obvious financial impact for businesses that have had to close due to government restrictions, it has also had a range of other negative effects.

“ A couple of the groups – the whole thing has taken the wind out of their sails. Not to do with their project. They feel a bit uncertain in the broad sense. They still believe in what they are doing. It is a bit of a cliché but it is important to get momentum going, and there is nothing like COVID-19 to stop momentum. Gaining momentum again will be a big challenge.

Advisor

For many, the overarching impact has been a loss of momentum: while COVID-19 has not completely halted some organisations' ability to make progress, it has slowed down their business plans by having a direct impact on their ability to generate trading income and/or to take the steps necessary to set up a new business idea. The consequence is that it has reduced the ability of community businesses to continue to expand and work towards sustainability.



6. Post programme and sustainability

“ In terms of COVID-19 overall [and whether it] put the brakes on things, [it] hasn’t stopped us chipping away at our objectives, slowly and surely meeting them. The timetable for the business plan has been shunted back a few months re-evaluating things.

Bright Ideas

For some community businesses, COVID-19 has negatively impacted on their ability to connect and engage with their community. This is particularly the case for Bright Ideas grantees at the beginning of their community business journey, who have struggled to undertake community consultations during this time. Even for those organisations that have been able to switch to online delivery, some have felt that they have been unable to connect with some groups in their community, particularly those who struggle to access online services.

For one Community Business Fund grantee, the loss of momentum in relation to community engagement has had a huge impact on their progress, with the feeling of going back multiple years.

“ We’re going to have to start again with all that engagement, which won’t happen this year. So that’s going to be something for next year, so two years of engagement, that had taken two years to build, it just completely disappeared ... It felt like we’d gone back two years.

Community Business Fund

However, COVID-19 hasn’t only had a negative impact on community businesses. For some, such as community shops, it has led to an increase in custom and unexpected growth in income. For others, it has given them time to reflect, plan for the future and develop new ideas for their community business.

“ I don’t think it’s affected us, [although it] caused a little delay in the process ... [it has] given us time to think about things as well. Instead of steaming ahead, [we had] a bit of time to reflect.

Bright Ideas

6. Post programme and sustainability

What does sustainability mean for grantees in the context of COVID-19?

In the initial stages of the COVID-19 pandemic, concerns about long-term sustainability were, for many community businesses, replaced by worries about immediate survival.

“ The priority is survival for community businesses over this initial period. I have concerns over that. Some will be forced to sell some of their buildings if they aren’t able to transform what they are doing. That is really sad. It is survival and holding on to what they have already got.

Advisor

As it progressed, the pandemic raised questions about the ideal mix of trading and grant income for community businesses to remain sustainable through crises. While in some cases it has highlighted the importance of a diversity of income streams, such as not solely relying on specific spaces or assets to be able to generate income, it has also highlighted how being over-reliant on trading income can be a detriment to survival in the context of a widespread economic crisis. Ironically, projects that were more grant-dependent or funded through public sector contracts were better able to continue delivering services during this time.

“ We have definitely lost an awful lot of income because we have quite a diverse portfolio of income, including big community events, room hire, sales of produce ... site hire, weddings, all of those kinds of things. And obviously, all of that has fallen away. And so, interestingly, ... it’s the fully grant funded projects, which are the only ones that are able to continue ... And we have ongoing overheads, obviously, like we have animals and sites to care for. So, we can’t just furlough everyone. So, yeah, it has been interesting in that one of the measures of sustainability in the organisation is what percentage of your income is earned and which percentage is grant funded. And it’s almost like that’s flipped.

Trade Up

“ The other theme is the organisations that have contracts seem to be weathering this better, whereas those who are relying on income through a trading model are struggling.

Advisor

6.4 Key findings and conclusions

Grantees on all three programmes go through different post-programme journeys

After receiving support on the Bright Ideas programme, grantees tend to take different routes depending on the type of organisation they are; new organisations tended to move forward with their plans to incorporate, whereas established organisations incubating new ideas progressed their plans, generated more community action and focussed on evaluation and measuring social impact. Some previous Bright Ideas grantees found that after finishing the programme, they still needed additional support to get to start-up stage. These organisations were able to apply for 'type two' support, specifically aimed at previous Bright Ideas grantees to provide bespoke support to move forward their idea.

After taking part in the learning programme and receiving a grant through Trade Up, some grantees have been able to exploit the support they received to catalyse further growth through receipt of additional grant funding. Grantees also increased collaboration with other organisations both through the programme and with similar local groups.

Similarly to those on Trade Up, Community Business Fund grantees were also able to leverage their grant to obtain further funding post programme. In addition, some were able to enact more strategic changes within their organisation.

Grantees receive additional funding from both Power to Change and other philanthropic funders

Some grantees have received funding from more than one Power to Change programme: eight per cent of grantees on Bright Ideas, Trade Up and the Community Business Fund have successfully received grants from two of the three programmes, while others also receive funding from other philanthropic funders, with The National Lottery Community Fund being the biggest funder by value.

Each programme has helped grantees move towards becoming more sustainable

Bright Ideas has helped some community businesses begin their journey towards financial sustainability, by providing funding that was crucial to start up; the matched grant and learning programme has led to improved financial and organisational sustainability for Trade Up grantees; whereas the Community Business Fund has enabled moves towards self-sufficiency through capital and/or revenue funding.

However, the longer-term sustainability of grantees is yet to be realised

Although Bright Ideas has helped grantees to start to plan what a sustainable future could look like, given the start-up nature of the organisations on the programme, we are very far away from understanding their longer-term sustainability. Many community businesses on Trade Up have only recently completed their time with the programme, and therefore its impact on their longer-term sustainability is still to be realised, whereas many Community Business Fund projects are complex and can take a significant length of time to complete, which means we are yet to understand the longer-term impact of the programme's support on their financial sustainability.

COVID-19 has reduced the ability of community businesses to continue to expand and work towards sustainability ...

COVID-19 has had a profound impact on many grantees: it has led to a loss of momentum which has halted some organisations' ability to make progress, it has slowed down their business plans by having a direct impact on their ability to generate trading income and/or to take the steps necessary to set up a new business idea. It has also negatively impacted their ability to connect and engage with their community.

... and it has raised questions about the ideal mix of trading and grant income for community businesses to remain sustainable through crises

Although in some cases the COVID-19 pandemic has highlighted the importance of a diversity of income streams, such as not solely relying on specific spaces or assets to be able to generate income, it has also highlighted how being over-reliant on trading income can be a detriment to survival in the context of a widespread economic crisis. Ironically, projects that were more grant-dependent or funded through public sector contracts were better able to continue delivering services during this time.



7. Conclusions

This research was conducted during a year of huge change across England and the world due to the COVID-19 pandemic. As attention starts to turn towards recovery and the future of communities and society in the aftermath of the initial shock, the learning from these three programmes can be used as inspiration and a guide to how funders and other infrastructure organisations, like Power to Change and its partners, can continue to support community businesses to adapt to their new context.

Our key conclusions and implications for Power to Change and others are:

Evidence suggests that all three programmes may have had an impact on community business finances, but more needs to be done to understand the link to Power to Change-funded programmes

Our financial analysis found that Bright Ideas, Trade Up and Community Business Fund grantees saw a growth in total revenue turnover and fixed asset values across a one or two year period.³⁸ However, given the length of Community Business Fund projects, more years of financial data is needed to understand the impact of the programme grant on the longer-term sustainability of grantees. Further research will be required to understand the trajectory of grantees of all three programmes in the years following their Power to Change funding.

Community businesses need a combination of funding and additional support to be successful

Across all three programmes we have seen how solely providing grant funding to community businesses is not enough for organisations to be both financially and organisationally successful. Other aspects of the programmes, such as tailored advisor support, group learning opportunities and brokered peer support, also provided essential support and a vital contribution towards helping community businesses achieve their aims. This is important to consider when designing programmes to support community businesses throughout their life cycle.

While some types of support are widely needed and could be common across support programmes, there is still a need for specific support for community businesses in particular circumstances

Some success factors for community businesses were common across all three programmes, such as the need for a clear business model and plan, a supportive and engaged community and stakeholders, an effective governance structure, and perseverance and strong leadership. Support for community businesses to develop these attributes could be provided across programmes. However, many success factors were programme specific and reflected the differing contexts, circumstances, sectors and life cycle stage of different businesses. There is a need for this type of support to be provided through tailored programmes or opportunities.

38 For BI, this was from year 0 (year of support) to year +1 (year after receipt of support), whereas for TU this was from year -1 (year before support) to year +1 (year after support).

Many community businesses fail to achieve their aims because of challenges with staffing, difficulties related to assets, or inability to access additional funding

Across the three programmes, community businesses did not achieve their aims due to factors related to staffing, such as adequate capacity or the right mix of skills; struggles with acquiring assets or inability to access additional funding to move an idea forward or deliver a capital project. In the next year of the evaluation it is worth exploring these factors further, to understand how Power to Change can support key stakeholders and funders in supporting community businesses in future.

It takes time to support and understand the long-term sustainability of community businesses

Although Bright Ideas has helped grantees to start planning what a sustainable future could look like, given the start-up nature of the organisations on the programme, we are very far away from understanding their long-term sustainability. Many community businesses on Trade Up have only recently completed their time with the programme, and therefore its impact on their longer-term sustainability is still to be realised, while many Community Business Fund projects are complex and can take a significant length of time to complete. This means we are yet to understand the longer-term impact of the programme's support on their financial sustainability. It also means that community businesses need consistent and long-term support if their future sustainability is to be substantially impacted.

COVID-19 has had a profound impact on community businesses, and raised questions about the ideal mix of trading and grant income for sustainability through crises

Many factors emerging from COVID-19 were out of the control of community businesses but led to them being unable to achieve their programme aims, including expanding and working towards sustainability. In some cases the pandemic has highlighted the importance of a diversity of income streams; it has also highlighted how being over-reliant on trading income can be a detriment to survival in the context of a widespread economic crisis. Supporting community businesses to recover their trading potential and rebuild their business model to be more resilient to future shocks will continue to be a priority.

Appendix

MyCake's methodology for financial analysis

MyCake has used financial data sourced from community businesses' annual accounts (published by Companies House, the Charity Commission, or the Mutuals Register) to undertake financial analysis of Bright Ideas, Trade Up and Community Business Fund grantees. This focusses on identifying a series of norms in the financial data from 'year zero', the financial year in which funding from Power to Change was received. Year zero then acts as a reference point for changes over time: we can assess the financial status of grantees before receiving Power to Change funding (year -1) as well as after it has been received (year +1). The complete list of financial indicators selected follows.

The findings presented in this report are largely descriptive, to provide a baseline from which the extent to which these changes can be attributed to Power to Change interventions in future. More details on these findings can be found in Renaisi and MyCake's financial analysis spreadsheet.³⁹

Definitions

- Year zero – the financial year in which an organisation received a grant – defined by the relationship between the award date (first disbursement for CBF) and the organisations' financial year end date
- Constant cohort – the set of organisations for which there is data in all years reported (-1 to +1 for CBF and TU, 0 to +1 for BI)
- Outliers – these are included

Impact of the programme on grantees definitions

A set of key data financial metrics have been agreed with Power to Change. Impact of the programme is defined as change in:

- **Total revenue income:** total amount of income from revenue, excluding capital
- **Contribution to reserves after interest and tax**
- **Earned income as a percentage of turnover:** (total revenue income – total grant revenue income – other income) / total revenue income
- **Fixed asset value in £:** amount held in fixed assets, such as buildings
- **Long term debt in £:** amount held in long-term debt
- **Working capital as a % of turnover:** (current assets – current liabilities) / total turnover
- **Fixed assets to turnover ratio:** total fixed assets / total revenue income

39 Renaisi and MyCake Third Data Visualisation commissioned by Power to Change (to be published)

Impact of the programme is being assessed from the year before grants were awarded (disbursed for CBF) i.e. from year -1 to year 0 and for each year after grant funding was received.

It is also worth noting that although we can allocate a grant to a financial year in which it was received this is still a 12-month window of variation. Those who received their grant in the last quarter of their year zero could conceivably have quite different data patterns from those who received it in the first quarter of year zero. We could build some more nuanced calculations to take account of this factor but at this stage the extent to which this would make a material difference is unclear and, as the work involved would be substantial, we are not pursuing this option for the time being.

Close-Up Research's methodology

Close-Up Research has undertaken video ethnography to produce videos on key findings in the research. Prior to COVID-19, Close-Up attended 'impact focus' visits and used ethnographic research techniques to complement, and add depth to, Renaisi's findings. The proposed methodology included eight one-day visits with community businesses, to produce four 3–5 minute ethnographic videos. The focus of each of these was a different emerging theme; providing ethnographic analysis and contributing to the other qualitative research findings. By March 2020, two visits had been completed. During the visits, Close-Up observed activities and spoke to community businesses' volunteers, customers and service users to capture personal stories, and understand how the business impacted on them.

However, in-person visits were no longer possible after the start of the COVID-19 pandemic in March 2020. Close-up Research adapted their methodology to account for this, and worked with five community businesses to undertake virtual visits with video diaries. A video diary is a personal account of events or experiences, recorded 'to camera'. By briefing participants and suggesting appropriate topics for them to cover or respond to, the resulting footage can be rich with data and be edited into useful films. The outputs of this work will be four 3–5 minute thematic films, one each looking at: adaptations; impacts; sustainability, and an overview of all five places covered.

The video diary process includes:

- 01.** After agreeing the aims, a brief guide to video diaries is created for participants. The guide contains an overview of the project, why we're doing it, what we need from participants (including topics we wanted them to cover and things we'd like them to film), as well as practical tips on recording footage on their smartphones, and submitting via a secure online platform. Before the diaries begin, remote videochat guidance will be available.
- 02.** After an agreed period, the participants send through their footage, in which they have filmed and discussed the things outlined in the guide. The footage is catalogued and transcribed, then analysed to identify any common themes and patterns or notable differences and contrasts.
- 03.** Based on the emerging themes, corresponding key soundbites or moments are extracted and edited into separate sections for the video(s).

Star diagram methodology

Bright Ideas

The non-financial progress made by Bright Ideas grantees is measured by a selection of 10 indicators that are assessed by Bright Ideas advisors following the 27 community business development plan areas, i.e. advisors and grantees define objectives corresponding to areas of the plan, and advisors score grantees' progress against these objectives at the end of the programme.

For a more in-depth analysis, grantees were given a 'Red, Amber, Green' (RAG) categorisation to indicate any differences between grantees that generally made positive progress in most indicators versus grantees that generally did not make positive progress in most indicators. The RAG category is defined by calculating the number of indicators that an organisation made progress on minus the number of indicators where they did not make progress to show an overall 'principle direction of travel'. Green: where principle direction is ten or above, Amber: where principle direction is between zero and nine, Red: where principle direction is below zero.

Trade Up

The non-financial progress made by Trade Up grantees is measured by a selection of nine indicators that are self-reported by grantees. Individuals who participated in the learning programme fill in three surveys: at the beginning (baseline), the end (endline) and in twelve months after the end of the programme (follow-up). Hence, such indicators are not necessarily an accurate assessment of the businesses themselves, they rather indicate how the participants involved in the learning programme feel about the business and their own skills.

For an in-depth analysis, grantees were given a 'Red, Amber, Green' (RAG) categorisation to indicate any differences that may have emerged between grantees that generally made a positive progress in most indicators versus grantees that generally did not. RAG category is defined by the principle direction of every given organisation. The principle direction is the number of indicators that an organisation made progress on minus the number of indicators on which they made a negative journey from baseline to endline. Green: where principle direction is five or above, Amber: where principle direction is between -5 and 4, Red: where principle direction is below -5.

Community Business Fund

Resilience reviews provided by peer brokers generate 'before and after' scores for Community Business Fund non-financial indicators. There are 29 sub-indicators grouped into eight organisational development areas. For the purpose of the analysis, we have only included seven of these (business development, capital project, community and customers, finances, governance, social impact, and team and structures). Peer brokers are asked to score community businesses from one to five on each sub-category at the start and end of the peer broker business development support, and therefore these scores reflect the impact of this support rather than the impact of the programme as a whole.

We have taken an average of the sub-indicators to create a score for the main development area. The number of resilience reviews is relatively low (18). Therefore, the results may not be generalisable to the whole programme cohort. Moreover, resilience reviews assess the impact of the peer broker support, not the full impact of the funding.

Limitations

The Bright Ideas scoring system changed between baseline and endline scores, therefore, these were not comparable. We therefore only used endline scores to indicate what objectives were achieved without taking into consideration assessment scores that indicated what aspects were highlighted as the grantees' most critical needs.

The Trade Up indicators were not entirely consistent across all years measured, i.e. a few were not included in all years, and others were included with slightly different wording. Moreover, the question asking about the impact of the learning programme and the scoring system differed completely in years two and three from that asked in year one – therefore, data for year one was not presented.

Community Business Fund scores are only related to those grantees that used a peer broker, the number of available resilience reviews is quite low (18), and there are some inconsistencies with the peer broker data. These inconsistencies include: (1) many peer broker relationships pre-dated changes to the resilience review (e.g. the addition of diversity and inclusion) which meant not all areas were reviewed by all peer brokers, (2) as no section of the resilience review is mandatory, information and scores were not always available in all cases for a full comparison, and (3) some peer brokers use the same information in the first and final resilience reviews sections if there have been no updates or a particular area has not been the focus of the business development support.

Rather than all indicators being used for all programmes, only relevant indicators for the individual programmes were included in their ratings, and data was excluded where only a relatively low number of reports were available.

Cases of Trade Up and Community Business Fund participants where scores were not recorded for each indicator at both the baseline and endline stage were excluded, to avoid skewing results.

Evaluation and learning framework

	Bright Ideas	Trade Up	Community Business Fund
Programme design	<p>Is the size and pacing of the BI grant appropriate to the community businesses on the programme?</p> <p>What is the impact of the one-to-one business development support?</p> <p>What support did community businesses want but did not receive?</p>	<p>What difference does the learning programme make?</p> <p>Are there any unexpected consequences from the support provided?</p>	<p>What effect does the grant have on longer-term sustainability of CBF grantees?</p> <p>What is the impact of peer brokerage?</p> <p>Is there a difference between impact of a capital grant and impact of a revenue grant?</p>
Community businesses supported	<p>Who is supported by BI? size, sector, location, life cycle stage, IMD decile, age</p> <p>How do community businesses supported by BI compare with those who are not supported?</p> <p>Which businesses fail to become a community business? Why?</p> <p>Which factors make a BI grantee more or less likely to achieve success through the programme?</p>	<p>Who is supported by TU? size, sector, location, life cycle stage, IMD decile, age</p> <p>How do community businesses supported by TU compare with those who are not supported?</p> <p>Which businesses go out of business? Why?</p> <p>Which community businesses have failed to achieve their aims from the TU programme? Why?</p> <p>Which factors make a TU grantee more or less likely to achieve success through the programme?</p>	<p>Who is supported by CBF? size, sector, location, life cycle stage, IMD decile, age</p> <p>How do community businesses supported by CBF compare with those who are not supported?</p> <p>Which businesses go out of business? Why?</p> <p>Which community businesses have failed to achieve their aims from CBF? Why?</p> <p>Which factors make a CBF grantee more or less likely to achieve success through the programme?</p>
Post programme	<p>How many BI grantees make it to start-up?</p> <p>If BI grantees don't make it to start-up, why not?</p> <p>What happens to grantees after BI? Where do they go for support?</p> <p>Do BI grantees apply for other Power to Change programmes?</p>	<p>What happens to grantees after TU? Where do they go for support?</p> <p>Do TU grantees apply for other Power to Change programmes?</p> <p>Are TU grantees less reliant on grant funding?</p> <p>How have TU grantees improved in other ways?</p>	<p>What happens to grantees after CBF?</p> <p>Do CBF grantees apply for other Power to Change programmes?</p> <p>Are there any unexpected outcomes from the CBF grant? Or peer brokerage?</p>

	Bright Ideas	Trade Up	Community Business Fund
Assets	<p>How are organisations acquiring assets? Do different models require different support?</p> <p>What are the reasons for a delay in acquiring an asset?</p> <p>What activities help to overcome/mitigate capital/asset risks?</p> <p>How does Power to Change’s support contribute to effective acquisitions or management of assets?</p> <p>What is the financial impact of getting a new asset or refurbishing an old one?</p>		
	How long does it take a community business to acquire an asset after they exit the programme?		
		How many TU grantees come to TU with an asset? How many acquire it after getting support through TU?	
Sustainability		<p>How do you define sustainability for TU grantees?</p> <p>How has the learning programme helped TU grantees become more sustainable?</p>	<p>How do you define sustainability for CBF grantees?</p> <p>Has the CBF grant improved sustainability for CBF grantees?</p>
What is the intended impact on the organisation/individual involved in the programme?	<p>How do community businesses develop during the course of BI?</p> <p>How does BI support individuals to develop a viable organisation and create a new community business idea?</p> <p>What is the impact of BI on the grantees, in terms of business model innovation and resilience?</p>	<p>What is the impact of the TU learning programme on the individuals that attend?</p> <p>How do community businesses change during the course of TU? How does this compare with other types of firms? What explains these differences, if any?</p> <p>What is the impact of TU on the grantees, in terms of business model innovation, financial sustainability and resilience?</p> <p>How do business finances compare with similar organisations not funded?</p>	<p>How do community businesses change during the course of CBF? How does this compare with other types of firms? What explains these differences, if any?</p> <p>What is the impact of the CBF grant on grantees, in terms of business model innovation, financial sustainability and resilience?</p> <p>How do business finances compare with similar organisations not funded?</p>

	Bright Ideas	Trade Up	Community Business Fund
What is the impact of the community business on people and place?	What is the impact of community businesses on: (i) their beneficiaries, customers and members? (ii) their staff and volunteers? ⁴⁰		
	How do customers, members of the public, beneficiaries and volunteers describe the community business' impact on them? ⁴¹		
			Do community businesses collaborate with others in their local area? If so, how does this impact on their success?
		How does the impact of TU learning programme filter through to their community businesses and their wider community?	What social impact do community businesses create, particularly in relation to Power to Change's seven priority outcome areas?
Wider learning	<p>What works well?</p> <p>What works less well?</p> <p>What can we learn from other programmes?</p> <p>What impact do these programmes have on the wider community business sector and marketplace, if any?</p> <p>What can the learnings from these programmes tell us about the community business market?</p> <p>What are the opportunities to improve Power to Change programmes, individually and collectively?</p>		

40 Note due to the nature of the BI programme working with community business start-ups, this may only be possible for those BI grantees that have received support in previous rounds, and have been operating as a community business for some time. It may, however, be possible to understand the impact of BI grantees on people and the community which occurs as a result of all the activity involved in the process of developing a community business (community consultation and co-design activities, recruitment and training of local residents as board members, recruitment of other volunteers, etc.)

41 Ibid.



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