



power to  
**change**

# **BRIGHT IDEAS; A SUMMATIVE EVALUATION REPORT**

**What impact has the Bright Ideas programme had? And how can funders support early-stage community businesses going forward?**

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**COMMUNITY  
FUND**

## ABOUT POWER TO CHANGE



Power to Change is the independent trust that supports community businesses in England.

Community businesses are locally rooted, community-led, trade for community benefit and make life better for local people. The sector owns assets worth £870m and comprises 11,300 community businesses across England who employ more than 37,000 people. (Source: Community Business Market 2020).

From pubs to libraries; shops to bakeries; swimming pools to solar farms; community businesses are creating great products and services, providing employment and training and transforming lives. Power to Change received an original endowment from the National Lottery Community Fund in 2015.

## ABOUT RENAISSI



We're passionate about creating the conditions for strong, inclusive communities to thrive.

We're constantly learning from the different perspectives we see working directly with communities, with the providers of services and the investors in communities. It gives us a unique perspective on how systems work and how to improve places equitably.

The combination of our research and evaluation consultancy with employment & advice programme delivery, makes Renaisi a uniquely well-rounded learning partner for the voluntary and community sector.



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# 1. INTRODUCTION



The Bright Ideas programme, funded by Power to Change from 2016 to 2021 and delivered by Locality, Co-operatives UK, Plunkett Foundation and Groundwork UK, has helped numerous community groups to develop, test and launch their community business ideas.<sup>1</sup> The programme was primarily offered to community groups looking to explore a community business idea, and to a lesser extent, to existing organisations with a new idea. It offered: (i) one-to-one business development support from a specialist Advisor; (ii) grant application support for funding of up to £15,000; and (iii) learning opportunities such as visits to other community businesses, access to online resources and grantee networking.

This paper provides an overview of the impact that the Bright Ideas programme has had on community groups and businesses, and explores ways in which funders can support early-stage community businesses going forward.

Findings in this paper were drawn from Renaisi's evaluation of three Power to Change-funded programmes: Bright Ideas (BI), Trade Up (TU) and Community Business Fund (CBF).<sup>2</sup> The research was based on data collected through semi-structure qualitative interviews with Bright Ideas grantees and Advisors in 2019 / 2020, and through two workshops with Bright Ideas Advisors in 2021.

1 Power to Change (2020), [Community Business Bright Ideas Applicant Guidance](#)

2 Renaisi (2021), [Power to Change Community Business Fund, Trade Up and Bright Ideas Evaluation](#)

## Key Findings

- Bright Ideas supported most of its grantees to achieve their bespoke objectives.
- It helped community groups and businesses develop their ideas, by giving them a better understanding of the community business sector, granting them access to funding and expertise, and by supporting them to better engage with their local community.
- Bright Ideas also helped build the confidence of community business leaders by building up their knowledge, legitimacy and expertise.
- Bright Ideas' impact should also be understood in the context of certain key enabling factors and challenges – such as access to funding, capacity, team dynamics and relationship with Advisors.

## Recommendations

This leads to the following recommendations to Power to Change and other funders:

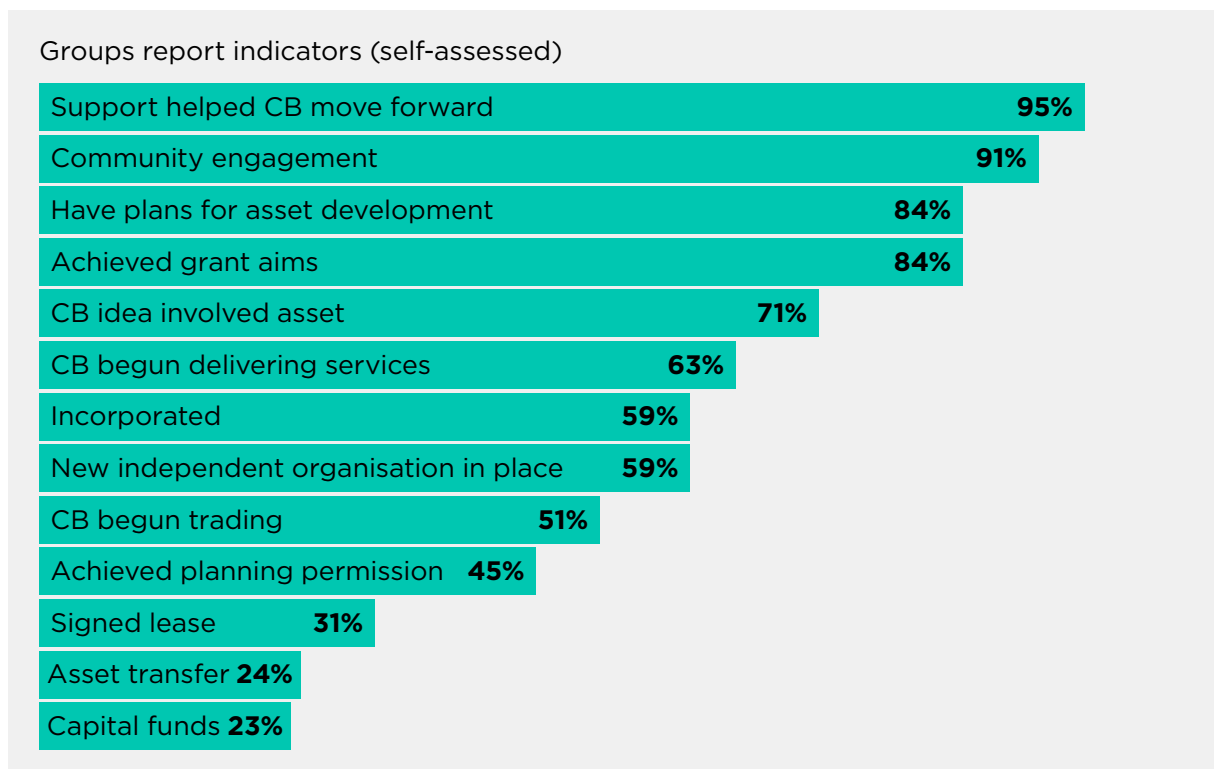
- Continue to support early-stage community businesses by building on the Bright Ideas experience.
- Give early-stage community businesses access to funding.
- Make the Bright Ideas programme accessible to all.
- Influence the wider ecosystem to create an enabling environment for early-stage community businesses.

## 2. BRIGHT IDEAS SUPPORTED MOST OF ITS GRANTEES TO ACHIEVE THEIR OBJECTIVES

Bright Ideas grantees set a wide range of objectives for their time on the programme, depending on the nature of their organisation or group, and their maturity level. For example, community groups or new organisations tended to aim for incorporation, whilst established organisations incubating new ideas often aimed to progress towards trading. Despite these variations, the Bright Ideas programme supported most of its grantees to achieve their objectives.

Figure 1 below illustrates the range of outcomes that Bright Ideas had on grantees. As shown, 95% of community businesses (CB) felt that they could move their idea forward thanks to the programme<sup>3</sup>, and 84% of community business groups achieved their grant aims – which varied from raising capital funds to signing a lease, achieving planning permission and trading. It is also worth noting that 63% of community businesses began delivering services and 51% began trading.

Figure 1: Groups report indicators - self-assessed (N=143).



Note: total number of BI grantees is 191, figures includes 143 group report submitted for grantees in R1-R6 i.e., R7 is not included due to low number of responses.

3 The definition of 'moving forward' is subjective. This statistic relates to grantees' responses to the following survey question: 'Has the support that you have received from Bright Ideas helped you to move your community business idea forward?'

Table 1 Groups report indicators - self-assessed (N=143).

Groups report indicators (self-assessed)	Yes	No	Not applicable	Not recorded	% base (Yes/No)	%
<b>Support helped CB move forward</b>	136	7	0	0	143	95%
<b>Community engagement</b>	124	12	0	7	136	91%
<b>Have plans for asset devt</b>	80	15	48	0	95	84%
<b>Achieved grant aims</b>	116	22	5	0	138	84%
<b>CB idea involves asset</b>	102	41	0	0	143	71%
<b>CB begun delivering services</b>	78	45	13	7	123	63%
<b>Incorporated</b>	22	15	99	7	37	59%
<b>New independent org in place</b>	39	27	66	11	66	59%
<b>CB begun trading</b>	64	61	11	7	125	51%
<b>Achieved planning permission</b>	34	41	68	0	75	45%
<b>Signed lease</b>	23	52	68	0	75	31%
<b>Asset transfer</b>	17	54	72	0	71	24%
<b>Capital funds</b>	16	53	74	0	69	23%

Note: total number of BI grantees is 191, figures includes 143 group report submitted for grantees in R1-R6 i.e., R7 is not included due to low number of responses.

Figure 2 below illustrates the average progress made by grantees on Bright Ideas. The star diagram shows a RAG categorisation based on the scores given by Advisors to community businesses, assessing their progress during the programme.

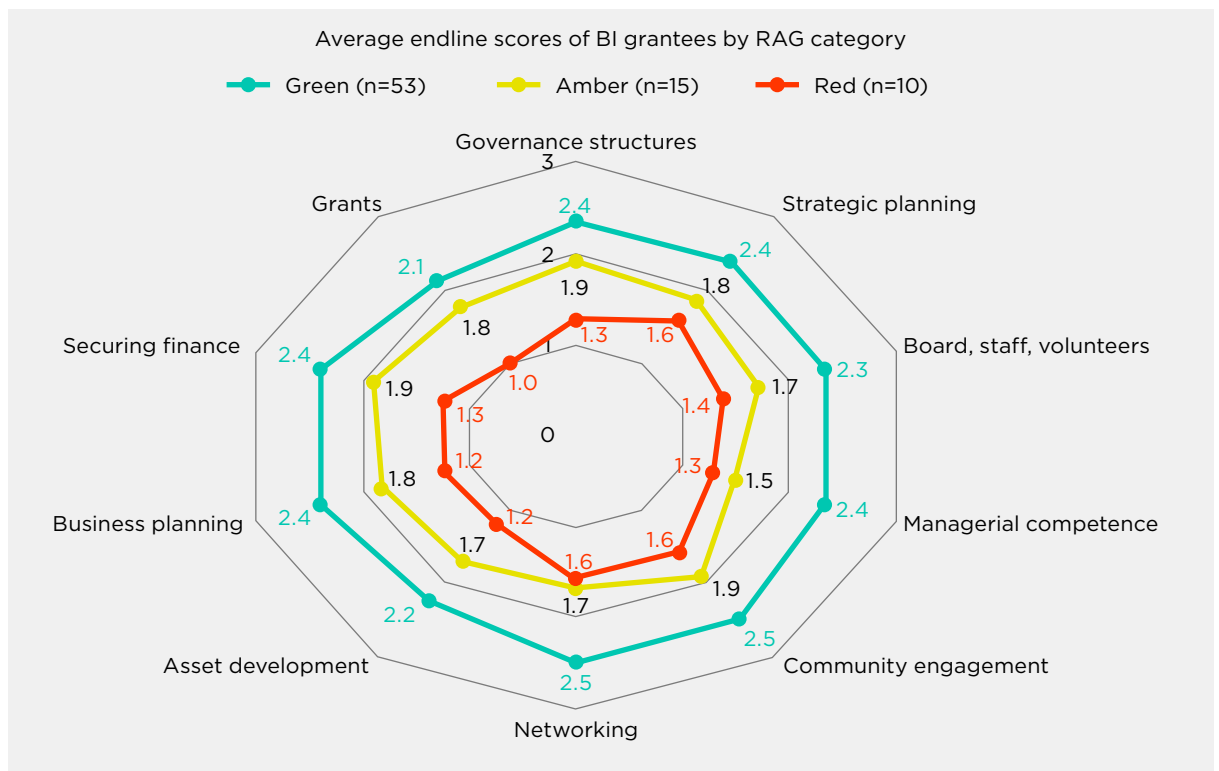
The RAG category was selected by calculating the number of indicators against which organisations made progress, minus the number of indicators against which organisations did not make progress.<sup>4</sup>

- 4 The RAG category thus shows the 'principle direction of travel' as follows:
- Green: the principle direction of travel is ten or above; organisations made progress against many indicators.
  - Amber: the principle direction of travel is between zero and nine; organisations made progress against some indicators.
  - Red: the principle direction of travel is below zero; organisations did not make progress against most indicators.

The diagram below shows that 53 grantees (68%) were categorised as Green, 15 as Amber (19%) and 10 as Red (13%). This indicates that most grantees generally made good progress against their objectives.

It also shows that for organisations marked as Red and Green, the highest scores were related to networking and community engagement. Overall, the lowest score across all three RAG categories related to securing grants.

Figure 2 Average endline scores of BI grantees by RAG category (n=78).



Note that not all 78 have scores for all presented indicators. Count by indicators varies between 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 CBDP indicators to avoid inconsistent results. Scoring system: 0 = Not rated (N/A), 1 = No progress made, 2 = Objective achieved, 3 = Exceeded. Source: BI advisor final report rounds 1 to 4.

Overall, the Bright Ideas programme has generally had a positive impact, supporting community groups and businesses achieve their bespoke objectives. This impact was created by two key mechanisms: business development support and access to grant funding.

The next section explores how business development support helped community groups and businesses further develop their ideas.



### 3.

## BRIGHT IDEAS HELPED COMMUNITY GROUPS AND BUSINESSES FURTHER DEVELOP THEIR IDEAS

Bright Ideas grantees were offered one-to-one business development support and access to grant application support. Business development support included helping groups to reflect on community needs, developing and refining a business plan and supporting the testing of ideas. Grant support amounted to a maximum of £15,000 and could be used flexibly to cover start-up costs (e.g., staff time) or to bring in external expertise. Both Bright Ideas grantees and Advisors felt that this support aided the development of community groups and businesses' ideas in four key ways.

### Increased understanding of viability and starting community

Bright Ideas grantees and Advisors both highlighted that the programme improved grantees' understanding of the systems and processes they had to engage with to start their community business. This was particularly relevant when a community group wanted to turn an idea into a community business. The tailored one-to-one business development support could act as a 'reality check' to community groups, providing them with the opportunity to explore their idea further. All Advisors supported grantees to complete a feasibility study, which enabled grantees to test the assumptions underpinning their idea and plan for next steps. As a result, Bright Ideas grantees reported an increased understanding of the cost of delivering their service or product, the local stakeholder landscape, the local market, processes of asset acquisition and the organisational structure they required to operate. Ultimately, community groups and businesses better understood the commitment, resources and practical steps necessary to operationalise their idea.

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**GRANT SUPPORT AMOUNTED TO A MAXIMUM OF £15,000 AND COULD BE USED FLEXIBLY TO COVER START-UP COSTS (E.G., STAFF TIME) OR TO BRING IN EXTERNAL EXPERTISE.**

### Example: Understanding asset acquisition and management

As shown in Figure 1, page 6, 71% of Bright Ideas grantees had an idea which involved an asset. Asset acquisition, be it through the open market or through a community asset transfer, can be complex. Community groups and businesses indicated that business development support enabled them to understand and plan for this process.

For example, one grantee used the support of their Advisor and their grant funding to access legal support for their community asset transfer.

“**We’re going through the process of community asset transfer. Part of the Bright Ideas project will help us with this, because we will need legal guidance to work out the contract... And it’s not really an easy process.**

Bright Ideas grantee

For other grantees, Advisors supported with negotiations and relationship management with key stakeholders in the community acquisition process.

“**Our Council do not have a clue on what a community asset transfer is... the transfer was getting blocked at Council officer level... that was where we got involved with Bright Ideas... to get us over this hurdle... the Advisor came to the meeting and the Council said ‘yeah’ and the transfer went through.**

Bright Ideas grantee

In some cases, Advisors also helped community business manage their existing assets. For example, by making an asset more accessible.

“**The reason for the Bright Ideas project was that we want to open [the asset] up more to disability groups, physical and mental to get them using it.**

Bright Ideas grantee

### Business modeling and financial planning

Advisors often provided business planning and financial modeling support to community groups or businesses. This supported grantees to understand what was needed for their business to become viable and how to proceed with next steps.

“**The things that worked well in Bright Ideas were the support components, so we got financial modelling and business development from [our Advisors]. And that was fantastic in the run up to [launching our idea of a community] share offer.”**

Bright Ideas grantee

### Increased community engagement

As can be seen from Figure 2 above, one of the indicators against which Bright Ideas grantees progressed the most was community engagement. New community groups or businesses saw this as result of the support they received on Bright Ideas.

While community engagement was not an explicit component of the Bright Ideas package of support, many new community groups and businesses used this as an opportunity to further engage with their local community. This included using Advisor support to understand local community needs and to test their ideas. This helped grantees to better tailor their idea to the local demand, thus making it more viable.

For example, one community business used their Advisor's support to test their idea of using a section of their asset to run a children's centre.

“**The purpose of our Bright Ideas grant was to put the detail on the vision and carry out the community consultation to see that the public were happy with this idea of the using of the building for Family Center”**

Bright Ideas grantee

### **Access to seed funding and expertise to invest in: salaries, marketing, research, communications and technology**

As mentioned above, the grant component of the Bright Ideas programme was used flexibly by community groups or businesses. Interviews with grantees and Advisors revealed that this financial support provided much needed seed funding to those at the start-up phase, helping them plan for or operationalise their business idea. Community groups or businesses mainly used their funding in two main ways: to cover core costs such as staff salary, and to buy external expertise in areas such as communications or marketing. For example, one community business used the funding to cover part of their leader's time when starting a new project.

“**The enabling nature of the fund was really impressive in that it allows you to spend on core, which is really key. So, it covered a bit of my salary and that made a big difference because I really needed to be paid by that point.**

Bright Ideas grantee

Through providing both business development support and access to grant funding, the Bright Ideas programme helped grantees further develop their ideas in many ways. Depending on how mature they were, grantees used this support to test the viability of their idea, conduct market research, begin to operationalise their idea and more. Another way in which Bright Ideas supported grantee on their journey was by helping to build the confidence of community business leaders.

“**INTERVIEWS WITH GRANTEEES AND ADVISORS REVEALED THAT THIS FINANCIAL SUPPORT PROVIDED MUCH NEEDED SEED FUNDING TO THOSE AT THE START-UP PHASE, HELPING THEM PLAN FOR OR OPERATIONALISE THEIR BUSINESS IDEA.**

## 4. BRIGHT IDEAS HELPED BUILD THE CONFIDENCE OF NEW OR EXISTING COMMUNITY BUSINESS LEADERS

Turning an idea into an operational and trading community business is complex and many challenges can surface along the way. A key impact of the Bright Ideas programme was to build the confidence of those with the ideas. In particular, the learning opportunities and business development support bolstered their confidence in three key ways.

### Increased knowledge

Grantees expressed that the Bright Ideas programme gave them a better understanding of the community business sector as a result of various learning opportunities – i.e., peer learning opportunities, access to online resources, webinar and grantee networking events. Ultimately, this knowledge gave leaders greater confidence when trying to start a new community business or project.

For example, for one grantee, the Bright Ideas grant was their first experience of a relatively more substantial grant, and it helped them develop their business and skills.

“**[It built] credibility, giving a sense of direction and gave a framework that reflects organisation. This was our first experience of half decent size grant. We learnt the ropes of the basic mechanics involved in running a social enterprise. We’re not for profit but we have to make money, focus on business and the business skills has been useful.**

### Bright Ideas grantee

Another community business were able to use their grant to invest in training for their trustees and staff, which built their confidence to develop new income generating streams.

“**The impact on staff and volunteers [has been a lot]. One trustee went on to get a job. And they’re the ones who are on training courses. They have taken over there at the youth club. And the new babies and toddlers’ group. They’ve got the confidence to do that sort of thing now. And we’ll carry on doing them sort of things and keep improving.**

### Bright Ideas grantee

### Providing legitimacy

Bright Ideas also helped increase the confidence of community group and business leaders by creating a greater sense of legitimacy around their idea. Community businesses often expressed that having a national funder such as Power to Change and the support from Locality meant that they felt backed by experience and support. This had other consequences, such as increasing the individual confidence of leaders as well as their group’s. It also sometimes provided greater credibility in the eyes of external stakeholders such as local authorities, the community or even other potential funders.

For example, one community business explained how their Advisor's support increased their confidence in their idea, and also increased the confidence of the community in their organisations and what they were trying to achieve.

“**One of the things that [the Advisor] helped with was the whole public relations thing. He had come along and sort of attended and spoke at one of the local public meetings with residents and things like that. Just to provide support and show to the local residents that we weren't just a pokey little charity, trying or working on our own. We did bring in people that knew the environment, knew that worked, the sort of world that we were trying to engage with. So that was really useful to have them there as well. It's sort of helped to legitimise us. I mean, it just helped to give us confidence really and helped give me confidence, as well.**

Bright Ideas grantee

### Access to expertise

Accessing external expertise through the Bright Ideas Advisors also helped build the confidence of community group and business leaders. This was particularly the case when Advisors provided additional capacity on a specific topic such as strategic planning.

For example, one community business explained how the Bright Ideas Advisor felt like another member of the team who had expertise.

“**Trust and confidence [worked well on the programme]... because we had worked with [our Advisor] for a while, I knew she was very meticulous. I had faith and confidence in what she did. And actually, you really thought it was like having another member of your team for a short period of time, you know, who could really focus on that. And often, you need that expertise just for a limited amount of time. And it's difficult to employ that in, so it was very helpful.**

Bright Ideas grantee

The Bright Ideas programme contributed to community group and business leaders' knowledge, legitimacy and expertise, thus giving them greater confidence in their idea or project. Certain key enabling factors and challenges, however, were also at play and contributed to bolstering or hindering the impact of the programme.



## 5. THE IMPACT OF BRIGHT IDEAS WAS BOLSTERED OR HINDERED BY CERTAIN KEY ENABLING FACTORS AND CHALLENGES



A range of factors impact on the journey of an early-stage community business. This includes internal and external factors, as well as barriers and enablers. Research showed that some factors were common across all three Power to Change funded programmes<sup>5</sup>, such as: a clear business model and plan, supportive and engaged communities and external stakeholders, an effective governance structure, and perseverance and strong leadership. Certain programme-specific factors contributed to the success of Bright Ideas grantees in particular; this section explores the internal factors that have either helped or challenged them.

### Enablers

#### Strong communication and marketing strategy

Considering that Bright Ideas grantees were at beginning of their journey as community businesses, they often invested in their communications and marketing strategies. For example, some used their grant funding to develop their online presence and others used local newspapers as a way of reaching out to the community. In doing so, these community groups or businesses were able to raise awareness around their initiative. This was particularly beneficial when grantees needed to engage the community directly (e.g., to develop a membership), attract volunteers or access potential customers.

#### Internal support and buy-in

For community businesses that were already established and aimed to incubate a new project idea, a key enabling factor was having internal support for their idea. This included having buy-in across the wider organisation, as well as productive team dynamics. Support from other staff and / or volunteers, and from key decision-makers, meant that the organisation was more likely to allocate the right resources for the development of an idea (e.g., senior staff time).

For example, one organisation self-funded a Coordinator post to recruit a team of volunteers and work with local community organisations whilst 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; 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.**

Bright Ideas Advisor

5 Renaisi (2021), *Power to Change Community Business Fund, Trade Up and Bright Ideas Evaluation*

### Positive relationship with Bright Ideas Advisors

As seen in the section above, the individual and customised business development support provided by Advisors has had a significant positive impact.

Related to this, a positive relationship with Bright Ideas Advisors proved to be a key enabling factor for grantees. They felt that this led to trust in the support being provided and confidence in the outcome of the support.

### Example: An idea that proved unviable

When one community business realised that their idea was not viable, it was helpful to have a positive relationship with their Bright Ideas Advisor. This community business, based around a physical asset, applied to the programme wanting to start a woodyard business and a pizza business as a new and more commercial income stream.

“

So, we actually went to Bright Ideas with the idea of developing a community woodyard because the Council had a sort of woodyard... we had [also] developed a pizza business idea... we were looking at the potential expansion of our catering offer. They were the two things really with the view that then we would have a stream of earned income.

Bright Ideas grantee

The feasibility study and support provided showed that both these ideas were not viable for a number of reasons. The community business ultimately pursued another idea based on the advice of their Advisor, and this proved to be successful. The community business attributed this to the confidence and trust that they had built with the Advisor.

“

The consultancy support was very helpful. And partly because it's localised as well. So [our Advisor] is our local Locality rep and I already had relationship with her. So that was helpful as well because she could kind of hit the ground running, she knew about us and she knew about our history... it was very useful.

Bright Ideas grantee

### Support from local community and stakeholders

Support from the local community and key local stakeholders was also highlighted by grantees and Advisors as an enabling factor. This support often manifested at three different levels: individual, community and sector levels. Examples include individual volunteer support, community support with initiatives such as community shares offer, or formal local networks. These forms of support enabled community groups and businesses to have local buy-in and ensured that the ideas being explored appropriately addressed community needs.

These findings are echoed in the evaluations of two other Power to Change funded programmes; the More than a Pub<sup>6</sup> and Empowering Places.<sup>7</sup>

An example of this is from one community business that used their Advisor's support to explore a community shares offer for their mill. While a shares offer proved not to be the best route for them, the community business was able to gain support from the community through community fundraising.

6 Renaisi (2021), [More than a Pub Final Evaluation Report](#)

7 Renaisi (2021), [Empowering Places: The programme model and emerging impact](#)



“**Bright Ideas helped us investigate the idea of local community being involved in running the mill... [we did not go down the community ownership route] but the local community raised capital to kit out bakery, install [equipment’] and manage operation on day to day”**

Bright Ideas grantee

### **Ability to fundraise**

The ability to fundraise was another enabling factor highlighted by community groups or businesses and Advisors. The grant support provided through Bright Ideas was used for initial stages of starting a community business or implementing an idea. This meant that community groups and businesses often required further capital investment to develop their project further. Successful grantees were often able to fundraise and attract further support as a result of their Bright Ideas support. Community businesses expressed that funding from Power to Change provided them with credibility, which they leveraged to attract further investment. There were examples of where community businesses had come to Bright Ideas with a specific idea and whilst on the programme, were able to secure further funding for activities both related and unrelated to their original idea. This meant that they were able to further test and develop their ideas, and strengthen their organisations.

### **Challenges**

As with other organisations in the third sector, community groups and businesses face several challenges. Depending on their stage of development, these challenges play different roles. This section explores the internal challenges most commonly faced by grantees on the Bright Ideas programme.

### **Difficult team dynamics and lack of support for the idea**

As indicated above, for established community businesses incubating an idea, buy-in from the wider organisations proved to be a key success factor. For community groups and businesses who were ultimately unsuccessful or faced significant obstacles, a key challenge was the opposite, i.e., difficult team dynamics and a lack of support for their idea. This was the case for both community groups looking to establish a business and businesses looking to implement an idea. Bright Ideas Advisors expressed that, often, ideas brought to the programme were led by one or a few individuals; however, exploring and testing an idea requires substantial resources and commitment, which can be difficult to secure within an organisation. Therefore, in some situations, challenging team dynamics or a lack of capacity to support an idea can be a barrier.

### **Capacity of the group**

Bright Ideas Advisors and grantees both highlighted that capacity was often a challenge. Community groups looking to develop their idea into a community business often struggled with the technical capacity required to start and / or run a community business, or with finding the time required to fully test an idea. Established community businesses looking to incubate an idea sometimes had difficulties finding the additional staff capacity alongside usual business operations; this in turn could lead to a lack of support from the wider organisations. For Bright Ideas Advisors, this was due to the fact that, in some cases, staff and senior leadership were not brought along with the process.



For example, one community business felt that they would have struggled developing their idea if they had not had additional capacity from the Advisor and from the funding to cover start-up costs.

“**Power to Change enabled us to [increase capacity] and gave us the initial sort of core capacity to explore some ideas... you want the ability to be able to go and explore ideas a bit. You know, which one is gonna fizzle out which one is actually going to come to something... Otherwise, how can you firm up your strategy? You'll just have these ideas, but if you haven't got the capacity to really properly test them out, then they're always just floating around 'like, maybe we could do that'.**

Bright Ideas grantee

#### Issues with fundraising or trading

After the Bright Ideas programme, grantees tended to take different routes depending on the type of organisations they were. New organisations tended to move forward with plans to incorporate. In cases where established organisations were incubating new community business ideas, many were able to move their idea forward. For both these routes, grantees and Advisors identified fundraising as a common challenge.

For example, a group used their Bright Ideas grant to explore the creation of a community land trust. They used Advisor support for financial planning, computer modelling and funding application. However, raising further funding proved to be difficult.

“**We've been turned down for grants. It's hard work because you've got to apply. You've got to and it takes up a lot of time and everything. So, it's been challenging to sort of, prioritise the time to do the fundraising.**

Bright Ideas grantee

Advisors also expressed that a related challenge was the continued reliance on grant funding. They felt that community groups and businesses often could not fully commit to being financially reliant on trading income. This was because trading income was often harder to generate for organisations that have not previously traded and was also less predictable. This was particularly the case during the Covid-19 pandemic.<sup>8</sup>

“**The organisations that have contracts seem to be weathering [Covid-19] better, whereas those who are relying on income through trading model are struggling. Trading income has been affected.**

Bright Ideas Advisor

As can be seen above, there are several factors that can either bolster or hinder the impact that Bright Ideas had on its grantees. On the one hand, enabling factors included a strong communications and marketing strategy, support from the wider organisations, a positive relationship with the Advisor, and an ability to fundraise. On the other hand, challenges included difficult team dynamics and a lack of support for the idea, limited capacity of the group, and issues with raising funds and trading.

<sup>8</sup> It is important to note that the impact of Covid-19 is evolving rapidly, is complex and is not the same across all community businesses. While trading income was often harder to generate during the pandemic, this continues to evolve as the Covid-19 context changes.

## 6. CONCLUSION AND RECOMMENDATIONS



### What has the impact of Bright Ideas been?

Bright Ideas was a successful programme, in that it supported most of its grantees to achieve their bespoke objectives - from raising capital funds to signing a lease, achieving planning permission or trading.

Through flexible and tailored support from an Advisor and access to a grant, the programme helped community groups / businesses to develop their ideas in a range of ways. Most notably, Bright Ideas gave participants a better understanding of the community business sector, granted them access to funding and expertise, and supported them to better engage with their local community.

Early-stage community businesses rely on one or a few leaders to turn an idea into a viable business. Crucially, the Bright Ideas programme helped build the confidence of those leaders, by building up their knowledge, legitimacy and expertise.

The above impact of Bright Ideas should also be understood in the context of certain key enabling factors and challenges. Elements like access to funding, capacity, team dynamics and relationship with Advisors can ultimately hinder or bolster the effects of the programme on the development of early-stage community businesses.

### How can funders support early-stage community businesses going forward?

Building on the successes from the Bright Ideas programme, further support will be needed for early-stages community businesses after the Power to Change funding comes to an end. Going forward, funders can build on the Bright Ideas experience by taking the four core actions described below.

#### **Continue to support early-stage community businesses by building on the Bright Ideas experience**

As explained above, the Bright Ideas programme was beneficial to the development of numerous community businesses. There was agreement amongst all Bright Ideas stakeholders that a programme which supports community groups in the very early stages of their development, and includes specialist advice, was very much needed.

Going forward, similar funding programmes will continue to be necessary. Funders should incorporate good practices and lessons learnt from the Bright Ideas programme into the design of future programmes supporting early-stage community businesses:

- **Programme co-design:** future programmes should be co-designed by the funder, implementation partners (such as Advisors) and community businesses. Building on the knowledge and experience of all such stakeholders is key to shaping a programme tailored to the needs of community businesses and appropriate to the context they operate in.

- **Flexible and bespoke support:** community groups and businesses need different kinds of support at different stages of their existence. Therefore, flexibility should be built into future programmes to ensure that the support from Advisors can be bespoke to grantees' needs.
- **Peer networks:** peer networks are a valuable way for community groups and businesses to receive continuous support. Advisors for instance suggested setting up a community business peer-to-peer learning forum and fostering support networks across community businesses within similar sectors. To help peer networks flourish, one party should be responsible for managing and facilitating interactions (or it risks becoming stagnant and inactive).
- **Long-term support:** Bright Ideas Advisors generally appreciated the fact that support was available for community businesses over the medium-term (i.e., between six to eight months). Both grantees and Advisors also highlighted that in some cases, further support was still required beyond Bright Ideas to operationalise a business idea. This is evident through examples where community businesses applied for, and were granted, second grants. Going forward, funders should allow for some follow-up support beyond programme duration, as and when needed. Advisors for instance suggested that more capacity building support could be beneficial on topics such as financial literacy, diversifying or developing trading income, governance and conflict resolution. This could help tackle some of the challenges that early-stage community businesses often face, such as difficult team dynamics or a continued reliance on grant-funding.

### **Give early-stage community businesses access to funding**

As highlighted in the 'challenges' section, grantees and Advisors identified fundraising as a common and persistent challenge for community businesses. While Power to Change has invested in the growth of community businesses, other funders tend to shy away from that. Going forward, funders can play a role in tackling this challenge.

Funders could for instance give community businesses access to core funding, as this would help them operate during the early stages of their lives and would contribute to their long-term stability.

Funders could also help community businesses diversify their revenue streams by facilitating more integration between traditional income streams, with social finance options including crowdfunding and community shares. They could explore opportunities to invest in community businesses' growth through a blend of grants, loans, and equity. This has been championed in the 'More than Pub' programme, which can serve as a model for learning and replication in helping community businesses grow. For example, to transition more towards growth-phase investment, community businesses must have a business plan, and must show demonstrable traction and growth potential, all of which are foundational activities that can be carried as a result of early stage support.

### **Make funding programmes accessible to all**

More will need to be done for future funding programmes to ensure that the community business sector can be accessible to a wide range of groups. In particular, marginalised groups, rural communities and younger audiences were highlighted as currently underserved.

This is in line with Power to Change's 2021-25 strategy. One of their objectives is to 'build a more diverse, equitable and inclusive sector' by working 'to dismantle the barriers that minoritised communities of all kinds face in creating local social change and find ways to inspire new people to join the sector'

- and in particular minoritised communities, diverse leaders and younger people.

Various Bright Ideas Advisors also stressed the importance of further reflection and action on Equality, Diversity and Inclusion for the future of programmes like Bright Ideas. They also found that people from minoritised communities tended to be under-represented amongst programme participants.

Going forward, funders should conduct further research to better understand which groups accessed funding programme, which ones did not, and why; and to shape concrete solutions to make the programme more diverse and accessible. Advisors gave examples of potential solutions, such as revising the Bright Ideas application form, which can be a barrier for some marginalised groups. Allowing video applications or making phone support available for applicants could for instance be alternatives.

### **Influence the wider ecosystem to create an enabling environment for early-stage community businesses**

Community businesses require the support of stakeholders in their areas to create an enabling environment at the local level. Advisors have suggested for Power to Change and other funders to strengthen and consolidate their role as funding organisations and leverage their positions to influence the wider ecosystem. In particular, they have identified a number of avenues that funders could take to influence external stakeholders, such as:

- Facilitate partnerships with private sector organisations to support the core funding of community businesses (i.e., in-kind back office, seconded staff).
- Identify local influencers and gatekeepers in communities like community groups, faith leaders, chamber of commerce, to help mobilise the community.
- Engage professional trade associations and secondary co-operatives to help community business aggregate to secure larger contracts, reduce administrative burdens and facilitate partnership with funders or other organisations.
- Advocate at Government / policy level to raise awareness about the community businesses model, and encourage investment in the sector.



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