



**Plunkett
Foundation**

www.plunkett.co.uk

STATE OF RURAL COMMUNITY BUSINESS

A SNAPSHOT VIEW IN JUNE 2020





INTRODUCTION

The Coronavirus crisis has affected lives in all corners of the world, almost no community has gone unchanged in some way since global awareness of the outbreak began in the Spring of 2020. For community owned and run businesses across the UK, Covid-19 has presented both daunting challenges and unexpected opportunities. These diverse businesses – from pubs to flour mills, woodlands to shops – all have valuable experiences to share, and many have helped inform and influence Plunkett’s own response.

This report looks deeply into those ups and downs, specifically focusing on the period between April and June – from the peak of the pandemic and the national lockdown, to the relaxing of government guidance. Thanks to funding from the Co-op, during this period Plunkett was able to offer a dedicated programme of support to help rural community businesses across the UK as they battled these unprecedented challenges. This report demonstrates how Plunkett has been working with community businesses during this time as they ensured they could meet the needs of their communities – looking specifically at our key areas of impact – affection (community cohesion and inclusivity), creation (local participation), protection (support and services) and subsistence (jobs and training opportunities).

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Report produced as part of the Co-op funded Covid-19 Plunkett Foundation support for Rural Community Businesses between April – June 2020.

Background to the Plunkett Foundation:

The Plunkett Foundation is a national charity, working across the UK to provide access to advice and expertise for the benefit of community businesses. We have been helping rural communities for over 100 years to tackle the issues they face, through promoting and supporting community business and at present we have staff working on a variety of projects to achieve this. The businesses we work with are owned and run democratically by members of the community on behalf of the community, such as shops, cafes, farms and woodlands.

We provide practical advice to help communities establish and run successful community businesses, via a network of around 50 self-employed advisers. Plunkett works with a range of organisations across the UK, to ensure that the support services we offer to developing and existing community businesses both compliment and adds value to what is available in each country.

As well as our support services, we undertake communication campaigns and actively seek to engage with rural policy to ensure communities are aware of the community business model and its potential social impact, and crucially, so that they can operate in a nationally supportive environment. Plunkett's service is responsible for having supported almost 700 rural community businesses to establish in the UK, with a 96% long term survival rate.

Plunkett Foundation and Covid-19:

Since the week commencing 16 March, Plunkett's operations have been conducted remotely due to the coronavirus with both staff and the whole network of advisers only able to contact groups via phone, email or video conferencing. This has required a different approach to how we are engaging community businesses, and without the ability to enable advisers to manage face-to-face visits with groups we have sought to establish new ways of providing our support services at this time. Understanding that businesses are facing very different challenges (when compared with "normal" times) Plunkett has, for example sought to meet these new needs by resourcing ad-hoc/ shorter allocations of support to groups. Our normal 1 – 5 days packages of support are not as relevant at the moment, with some groups simply requiring just a few hours of advice at a time and as such we have enabled advisers to work on much more flexible terms.

This transition to a different way of working, having previously been a predominantly office-based organisation (operating a full UK wide reach via our network of advisers), has been generally positive with the geographic barriers of travel no longer seen as a barrier to access Plunkett support in the same way as it perhaps had been pre-Covid-19. The organisation has also taken a very proactive approach to contacting groups during this pandemic, with staff and advisers encouraged to approach groups and businesses directly to find out how they are managing at the moment and to promote the support available to them via Plunkett and others.

Since the beginning of March Plunkett has now been in touch with around 90% of businesses that were registered as “open” on Plunkett’s CRM prior to Covid-19. During this time there has also been a further 5 new businesses open, that Plunkett had been supporting before this crisis began, as well as new micro and pop-up offerings that have been developed in response to the pandemic.

Due to remote working Plunkett has also sought to provide more opportunities for engagement with community businesses by running regular online zoom meetings, using social media to connect with the volunteers, management committees and staff as well as maintaining a Covid-19 Live space on the Plunkett website. Our Chief Executive, James Alcock has also provided regular blogs to our members, providing updates not only on the support available but also the advocacy work that is being completed by Plunkett to promote the voice of rural community businesses at this time. This increased level of contact has enabled Plunkett to keep abreast of how the community businesses we work with are adapting, managing and surviving during this crisis.

Context of the report:

Community businesses are generally seen as a resilient and thriving form of business in rural parts of the UK, but as individual businesses they face a unique set of challenges in terms of governance, management, reliance on volunteers and funding and as such require bespoke support. These challenges have been further magnified during the Covid-19 pandemic with unprecedented pressures being placed upon these small, local offerings.

When considering a time prior to Covid-19, as a sector, rural community businesses were already proactively tackling UK-wide challenges experienced by communities such as reduced service provision, declining rural economies with reduced access to training and employment, as well as the growing well-being and health challenges that are often exacerbated, and overlooked, in rural areas. Community businesses, for example, play a vital role in tackling loneliness and social isolation at a local level – a national issue, with a solution embedded in locally rooted action. The fact is that since the UK Government announcement on Monday 23 March 2020 that there would be a full UK-wide lockdown, to help manage the spread of the coronavirus, the small, local businesses that Plunkett work with have been on the frontline ever since and have supported their community to manage in this moment.

Recognising the role that these often volunteer-led businesses are playing, the Plunkett Foundation has been supported by the Co-op to provide access to free, bespoke and impartial advice to these businesses during this time of crisis.

The support, funded by the Co-op has focussed on getting one-to-one support to groups and businesses that have needed it the most from Plunkett’s national network of specialist community businesses advisers. All forms of community business – including woodlands, farms, bakeries, pubs and shops – have been able to get support, advice and guidance on a range of issues such as; developing short-to-medium term cash flow forecast, reviewing business plans, applying for funding, upholding good practice governance, utilising community shares and accessing government support. It has also been important to continue nurturing those developing groups that were working towards opening their business prior to Covid-19, and thanks to the Co-op support Plunkett has continued to provide access to adviser support to help these projects navigate this challenge.

As a core part of all Plunkett operations, peer learning has been proactively encouraged and the Plunkett Foundation community business Facebook groups have been an important resource for businesses to learn from one another's experiences in terms of adapting to and managing during the pandemic.

This report will consider the health of the rural community business sector taking into account the impact of the Covid-19 pandemic, and will assess the learning of the Plunkett Foundation frontline support services that have been funded by the Co-op since 1 April 2020.

The report will consider 3 areas of business activity:

- Immediate response to the crisis and how this directly impacted on rural community businesses including increased communications output and working in partnership with others to influence policy and promote support mechanisms available
- The continued service provision during the pandemic including adapted operations, implementing social distancing measures and ensuring the safety of staff, volunteers and customers
- Looking to the medium – longer term and considering how to manage the transition back to more regular trading, or reopening

The report will review the early impact of interventions made by Plunkett, and look at how effective, relevant and appropriate the support has been to groups during the pandemic. In late 2019, the Co-op supported Plunkett to produce an impact statement which considered a snapshot of activities last year in order to start identifying the areas of impact the Plunkett has when working with rural community businesses.

The work carried out in 2019 produced the following overall statement for Plunkett's impact: "The Plunkett Foundation addresses multiple needs of rural communities by advocating for and supporting the start up and running of Community Businesses, using a synergistic, empowering and enabling, end to end approach." As part of this report we will consider how, during April and May, the organisation and our adviser network can be measured against this statement. Recognising that this is a relatively short time to consider the full impact or work carried out during the Covid-19 crisis, a further more comprehensive Impact Report will be developed later this year which will consider the work completed during this time in the context of our annual activities.

Data used in this report:

For the purposes of this report Plunkett will make reference to data collected via surveys from community shops (100 responses), pubs (35 responses), woodland social enterprise groups (40 responses) and by one-to-one telephone interviews with a range of businesses (28) over the past two months. It will also review the peer-support and conversations hosted on the Plunkett Community Shops and Community Pubs Facebook groups. There has not yet been a complete data analysis of all data collected and held by Plunkett in the past 3 months, but it is hoped that through the insights included in this report we are able to consider the state of the rural community business sector right now, and start to understand the upcoming and developing needs for these businesses as society progresses to the stage of recovery past the Covid-19 peak.

Plunkett support and how community businesses have responded:

1.

**EARLY DAYS OF THE
PANDEMIC TO THE POINT
OF ADAPTING TO THE
“NEW NORM”**

As mentioned earlier in this report, Plunkett Foundation operations – including all staff and the Adviser Network – moved to a remote operating set up in the week prior to the official lockdown announcement on Monday 23 March. At this time our primary advice to groups was to follow and uphold UK Government guidance in relation to managing the businesses, and also help to convey the different approaches adopted in the devolved nations too. Alongside the message of complying with the guidance available we promoted an ethos of good governance, health and safety for staff, volunteers and customers and for businesses to prepare for the upcoming disruption in service, in whatever way possible.

1.1 Community pubs

The immediate priority for support was the community pub sector, who had suffered an immediate loss of income following the Government’s advice to “Avoid pubs” (16 March 2020) a full four days before the official enforced closure of pubs was issued, on Friday 20 March. The advice to avoid pubs, rather than enforce the closures at this point null and voided insurance claims for many and there was genuine panic and concern over the loss of income, and not being able to claim for this loss. Furthermore, for many businesses the hope that Mothering Sunday (22 March) might offer one last opportunity to generate significant takings before lockdown, was no longer possible and there was suddenly a need for business to consider how cashflow was going to function in the coming months. Coming out of winter and the traditionally quieter period for the hospitality trade, the spring, bank holidays and early summer trade was firmly earmarked in the business plans of all community pubs as peak times of trade that are critical to support all year round operations, including the quieter months.



Plunkett increased our efforts to communicate and offer clarity after each daily announcement from the UK Government about the any new guidance provided but more importantly about the support that was available to the sector, most notably:

- 19 March: Rate Relief support, VAT holiday, Small Business grants, Hospitality sector grant
- 23 March: Business loans and other financial support
- 27 March: Job Retention Scheme

There was an almost daily set of questions that were then raised by community businesses to the Plunkett helpline and via the Facebook groups¹. We sought clarifications wherever possible and utilised contacts at the Government departments MHCLG and Defra for further information when requested to do so by groups. The communication activity was the primary output for Plunkett in the early days, with an ethos of listening to individual situations and responding accordingly. The Covid-19 Live page², set up on the Plunkett Foundation website has been updated daily and as acted as a source of new information and a repository of guidance, updates and best practice for community businesses at this time. Included in the Covid-19 Live page there are separate links for groups in Wales, Scotland and Northern Ireland to reflect country specific support available and any differences in the advice from Government.

1 Plunkett Foundation Community Pubs Network - <https://www.facebook.com/groups/communitypubsnetwork/>
Plunkett Foundation Community Shops Network - <https://www.facebook.com/groups/communityshopsnetwork/>

2 Plunkett Foundation Covid-19 Live web page - <https://plunkett.co.uk/covid-19-live/>

Mixed in with the UK Government's announcements about the support available was the announcement on 18 March, that pubs were going to be able to do off-site sales, offering takeaway food and drinks – with licensing laws relaxed to make this happen. Of the community pubs open and trading across the UK prior to Covid-19, an impressive 67%³ have utilised the takeaway opportunity, alongside providing many other new services such as prescription collections, pop-up shops and online social meetings to diversify their offer and continue serving. However, with this reduced income it has not been enough to sustain the operations fully and major decisions were required to sustain the businesses longer term – for some they started takeaway service, but later closed due to it not being financially viable.

“Compared to what we were taking when we fully open, obviously the turnover has reduced dramatically. We are only selling cask ales, lager and cider but it brings in £1,500 per week and is ticking over. We were selling 9 cask ales a week (now only 2) and only 1 keg of cider and lager per week.”

The Gardener's Rest, Sheffield⁴

Added to the challenge of creating new takeaway services, was the limited available supply of containers and packaging in which to facilitate the off-site sales. This combined with the need to secure the appropriate PPE and cleaning products, to ensure the safety of staff and customers at a time when the supply of such products was under great strain meant that for some community pubs they had to wait before launching any new services. The community pubs Facebook page

was very busy with comments from groups at this time (18 – 23 March in particular) sharing ideas, learning and helping one another to understand how to facilitate “off” sales. Planning consultant and pubs specialist, Dale Ingram – a regular contributor to the Plunkett Facebook group – was also on hand to promote the legal requirements to make sure that pubs remained compliant.

As new services, altered services or changes to current services were launched the next consideration for community businesses was how to staff them. To furlough, or not to furlough was a frequent question that Plunkett was receiving with businesses concerned that the ability to not do any work for the business whilst on furlough meant that some pubs would not have the capacity to offer takeaway services, or any of the other additional services that could be income generating for them. A sample of 25 pubs⁵ that told Plunkett they had utilised the Jobs Retention Scheme, showed that pubs had furloughed an average of 80% of their staff with only the essential employees (such as chefs and managers) remaining. For tenants of community pubs, the support for the self-employed has also been an option if all operations were mothballed for the foreseeable future. Plunkett advisers were working with groups to see what was affordable for them, aware that they were balancing the needs of the community to continue accessing some services against the financial ramifications of full closure.

In general, across the community pubs network there has also been further support afforded to tenants that are running the businesses through a break in rental payments during this time. For context, that majority of community pubs that Plunkett works with operate under the tenanted model; with a Community Benefit Society (or other community business legal structure) acting as the landlord for the premises, on behalf of the community and a tenant running the business. There has been a real desire by many CBS organisations to support their tenant's during this time of crisis, even though for many CBS's their only income is the rent received from the tenant.

³ According to a Plunkett survey, completed by 58 community pubs

⁴ Quote taken from an adviser call to the Gardener's Rest on 8 May 2020

⁵ 25 of 35 community pubs that responded to the 2020 Better Business survey, an annual state of the sector report produced by Plunkett indicated that they had furloughed staff

This loss of income is particularly challenging for CBS organisations, who still have to service loans and have other financial commitments but have not been directly eligible for Government support (such as the rate relief, or hospitality sector grants) which are focused more so on the rate paying business. A number of CBS organisations were however eligible to apply for the Power to Change funded, Trading Income Support Scheme⁶, which would directly cover the cost of lost rental income but this funding was only available to groups in England.

“We have suspended the rent for them (for 3 months) and as we only opened in June 2019 the idea was to keep the rent low in the first year with a slight increase in the second year (we probably won’t increase it now). Expenditure has been cut back as much as possible to reduce overheads, cost of utilities etc. It is the tenant’s business... All we can do as the management committee is to offer them as much support as we can.”

A community pub in Yorkshire⁷

Developing and managing a short-term cashflow has been a priority for community pub groups throughout the period of lockdown and Plunkett has allocated advisers to work with groups to produce these. Mark Newcomb, the landlord of the Crauford Arms⁸ in Maidenhead has shared how they have transitioned to a flexible business plan which relates solely to this period, during

the Covid-19 situation. They are also comparing performance against their 2019 figures and their original 2020 budget. This short-term view, is enabling pub businesses to consider their financial needs on a near weekly-basis and look at how they can manage their finances in the most appropriate way. It is obviously still an incredibly concerning time for these businesses however and even as we start to progress to a period beyond lockdown, the ability to finance new stock and returning staff (released from the Job Retention Scheme) will be a major concern for these businesses.

The availability of loan finance has been widely promoted as one option that pub businesses may wish to consider, as a way of supporting their organisation’s finances at this time. This is particularly true for the minority of community pubs, which all reside in rural areas and have a rateable value of over £51k - meaning that they are ineligible for rate relief and associated grants. Understandably however, there has also been some reluctance to take on further debt at a time when the businesses are still in a period of uncertainty as to how they will trade once lockdown is relaxed in late June, early July. Some community businesses have however seen the benefit of loan funding, and by far the most popular product launched during this time has been the Bounce Back Loan⁹ which provides between £2k - £50K, over 6 years, with nothing to pay in the first year. The loan is also interest free for the first 12 months, and is fully backed by Government. To date we are aware of around 5 community pub groups that have utilised this source of funding.



6 Power to Change C-19 crisis support -

<https://www.powertochange.org.uk/get-support/programmes/c19-emergency-trading-income-support-scheme/>

7 Quote taken from an adviser call to the community pub on 1 May 2020 (Quote anonymised at the request of the community business)

8 Mark Newcombe, The Crauford Arms talks about how they have been coping during the Covid-19 crisis, the support they have received, the services they have introduced and their top tips for other community pubs as part of the More than a Pub programme communications - <https://www.youtube.com/watch?reload=9&v=xMdY8CHUNcE>

9 Bounce Back Loan Scheme - <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

1.2 Community shops

For Community Shops the story has been the polar opposite in terms of the ability to continue trading and the customer figures experienced since March. As the Manager of Churchinford Community Shop, in Somerset stated on a call to Plunkett in June “It was like Christmas trade, for 11 weeks and we had no warning that it was coming”.

Some businesses have reported increases of nearly 300%¹⁰ on their monthly trade but serving an increased number of customers has required community shops to manage a different set of challenges to community pubs, although many of the points raised earlier in this report were just as relevant to shops – especially in terms of understanding and implementing the content of each Government’s daily briefings, guidance related to retail and what support would be available to the sector.

In times prior to Covid-19 the community shop sector relied on around 6000-7000 volunteers to support their operations, with each shop on average utilising 20 volunteers to run their services¹¹. This workforce became depleted quickly as a result of the pandemic situation, with a large number of those volunteering for a community shop prior to Covid-19 being over the age of 70, and therefore being included in the Government’s guidance (issued on 16 March) to self-isolate. The loss of workforce could have created huge disruption to service, had it not have been for the groundswell of local support that has replenished (to an extent) these numbers with around 80% of community shops¹² stating

that they have signed up new volunteers to assist with the shop operations (front of house, ordering, deliveries, cash and carry runs and home deliveries etc) during lockdown. Furthermore, the new intake of volunteers has tended to be either young people returning from university or no longer in education, or workers that have been furloughed from their own usual day job and wanting to contribute to their community at this time. This positive increase in volunteers demonstrates the importance that residents have placed on having access to a local shop during this crisis, and must be something to learn from and build on in future¹³. The Plunkett Foundation Community Business Manager, recognising the strain and support requirements for new volunteers issued a blog¹⁴ piece in May, promoting self-care and being aware of the mental health of volunteers that are working increased hours at this time. This communication has been shared on social media and has been promoted by the Plunkett Adviser Network, when working directly with businesses.

“Our community is working hard to keep the shop running for all our benefit and we are heartened by the new offers of support from so many of you at this time. We will need all the help we can get. As the schools’ finish, we will also be looking for safe roles for our under 18s to do their bit.”

Almondsbury Community Shop¹⁵

10 Reference to a conversation with Illmington Community Shop, 21 April 2020 and Churchinford Community

11 Volunteer numbers referenced in Plunkett Better Business report 2019 - https://plunkett.co.uk/wp-content/uploads/PF_BB_SHOPS19_web-version-1.pdf

12 According to a Plunkett survey of 106 shops

13 According to Plunkett’s Better business report 2019 “Sustaining and increasing volunteer commitment” was the number 1 challenge facing the community shops sector – Survey completed in 2019

14 “Wellbeing: taking care of yourself, staff and volunteers” by Alison Macklin - <https://plunkett.co.uk/wellbeing-in-light-of-coronavirus/>

15 Quote taken from an adviser call to Almondsbury Community Shop 19 May 2020



Training for new staff and volunteers has also been harder since March, with social distancing measures making it difficult to provide the one-to-one guidance that shop managers may have previously offered to all new starters. Adding to these problems is the size and layout of many of the shops, which has meant that new one-way systems, redesign of shop layouts, limiting the number of customers in the shop (at any one time) or completely banning customers from the shop have been key considerations for the businesses. For example, 61%¹⁶ of shops have also decreased their hours during Covid-19 for a range of reasons but staff, volunteer and customer welfare is the clear priority. Plunkett advisers have worked with groups to consider the health and safety implications changing the lay-out of their business, and have promoted the development of bespoke risk assessments as a way of providing confidence to those working at the shop and the customers that the most appropriate and safe measures have been put in place.

“We are open and trading but operating on reduced hours. To begin with we had an emergency meeting and things were a little tense because some key volunteers withdrew - more through fear than self-isolation (quite understandable given the circumstances). We focused on building everyone’s confidence and we feel comfortable with the strategy we’ve developed. Despite having to reduce the hours that we’re open (10 - 2) sales and turnover have increased and card payments have increased. We’re actually stronger now than before COVID-19 came along!”

Siop Gymunedol, Capel Dewi¹⁷



¹⁶ According to a Plunkett survey of 106 shops

¹⁷ Quote taken from an adviser call to Siop Gymunedol on 5 May 2020

A lot of the new volunteers that have become involved in community shop operations have also supported and implemented additional services being offered by shops at this time. This diversification of service has meant that home deliveries, online/telephone ordering systems and cashless transactions have become a part of everyday operations for community shops, which for many was something they would never have thought of prior to this current crisis. This new way of working has enabled not just existing customers, and the customers that are able to physically get to the shop to benefit from the offering but also those residents that are shielding or self-isolating being able to continue accessing vital goods at this time. The Plunkett Facebook page for Community Shops has been a fantastic resource for groups implementing these new services too; with template ordering forms, promotion of appropriate “online ordering” applications, helping each other to understand legislation around data (GDPR) and also how to link to accounting software all being discussion threads featured on the platform.



The next challenge to be overcome when catering for increased levels of custom was supply. Toilet rolls, long-life goods such as pasta and products related to home baking were all in ‘short supply’ at some point, with customers shopping habits having changed during the pandemic. The situation of supply to rural shops has been further exacerbated during this time however, with Plunkett receiving multiple reports that there have been difficulties in accessing goods and their usual orders. Some stated that they were receiving credit notes for stock being diverted from their orders to elsewhere, whilst others were saying that they just weren’t able to access anything they needed at the time when it was needed. Having canvassed opinion on social media and completed direct engagement work with the businesses, as well as receiving representation directly from shops themselves, Plunkett wrote an open letter¹⁸ to groceries industry urging them to consider introducing special measures for rural community shops to help them maintain their stock levels of essential goods such as:

- reduced minimum orders,
- priority deliveries to rural and more isolated community shops,
- smaller, more frequent deliveries,
- implementation of rules in cash and carry stores to prevent panic buying and unfair distribution of stock

The supply issue remains a challenge for some community businesses but not to the extent it was during April and May. In response to the supply issues Plunkett, on behalf of our members have also been able to promote a new ancillary membership scheme with Nisa with a flexible term to provide another option for businesses to consider their supply needs now and in future. We have also supported individual businesses to consider appropriate levels of stock that they should be holding at this moment – within the space available to them at their shops, recognising the limitations of size (for some) already referenced previously.

18 Plunkett representation to the groceries industry - <https://plunkett.co.uk/threat-to-supply-for-rural-community-shops/>

The issues of supply, has also led to some shops having to consider how they can finance increased or irregular orders with some not wishing to utilise reserves for fear that they may yet need access to this money as the crisis progresses. Plunkett advisers have been offering support to develop short-term cashflows, or review business plans over the past 3 months. The £10k retail grant and associated rate relief (Government initiative) has been welcomed by some shops, with one particular business stating that with this additional funding they have been able to stock more and used the local village hall (which was closed due to Covid-19) as a warehouse – making sure that they've had enough stock to manage a fluctuating trade period which has included Easter, VE Day celebrations, bank holiday and a lot of very warm weather.

Throughout the pandemic, shops, pubs and other forms of community businesses that Plunkett work with have demonstrated their awareness of the responsibilities they have to their communities and membership. Good governance advice has been requested by many, in particular how to run Annual Member meetings remotely and complete annual business compliantly. Plunkett has offered adviser support in relation to holding online meetings and liaised with the FCA about guidance for filing annual return documents. As well as this we have also run webinars with and shared information compiled by Co-operatives UK¹⁹, one of our partner organisations.

The majority of this report has been prepared in June and the crisis remains a very real challenge for community businesses. The attention is swiftly returning to how people can start to interact with each other, and with businesses with greater freedom – with each of the devolved nations doing so on different timetables. The fact is the community businesses that have remained open have now settled in to some kind of “new norm”, but the support needs for the sector remain and Plunkett will continue to provide as much clear guidance and support to groups in this moment to help them prepare for and move in to the next phase of the global pandemic.



1.3 Other forms of community business in touch with Plunkett

Whilst Plunkett's reputation will most often be associated with community shops and pubs, the support services available can be accessed by all forms of community businesses including bakeries, mills, community farms and woodland social enterprise groups to name but a few. Again, for each of these businesses the challenges during this time have been as clear as they have been for shops and pubs – implementing and managing social distancing, loss of trading income, managing staff and volunteer welfare and how to adapt to the crisis. The difference however is that for some, their eligibility for support (often due to legal structures) has left them without access to direct financial assistance during this time and for others it has been the opposite problem of having to manage increased trade, without the capacity to do so.

For some businesses, the moment has brought about new opportunities. As reported above at a time when community shops were experiencing difficulties with supply one of the community businesses that Plunkett works with has been supplying new customers – way ahead of schedule. Warwick Bridge Corn Mill only opened earlier this year, and had not intended to be milling flour until mid-June²⁰ but local demand has changed their plans completely. As the following quote shows, this moment has presented them with an opportunity to not only supply new customers but also to raise their profile in the region.

19 Co-operatives UK coronavirus advice - <https://www.uk.coop/coronavirus>

20 “Back to the grind: historic mills boosted by flour shortage during Covid-19 lockdown” The Guardian, 7 May 2020 - <https://www.theguardian.com/business/2020/jun/07/back-to-the-grind-ancient-mills-boosted-by-flour-shortage-during-covid-19-lockdown>

“Business is good and steady and we’re focusing on meeting the immediate local demand and those sales are contributing to overheads. Deliveries started on 22 April mainly to local retailers. Meeting this local demand has created some great publicity opportunities and we’ve been interviewed by Border TV and the BBC (Inside Out Team) have also been in touch with us.”

Warwick Bridge Corn Mill, Cumbria²¹

However, the “opportunities” for some have been more challenging for others. The new online and phone ordering systems that have been established in many of the community shops is just not, in all reality, something that is possible for some rural areas in the UK. The need for solid and reliable connectivity for all parts has never been more apparent, as has the availability of funding to back community businesses that are looking to enhance their online ordering capabilities. Plunkett has been working with one group in Scotland for the past 6 months on a range of matters, but they are suffering in this moment because of inadequate technologies and also capacity amongst their key workers.



*Delivery boxes at Itteringham Village Community Shop, Norfolk.
Photo by Mike Hemsley.*

“Turnover is down by about 20% - because we can’t get enough telephone transactions though in a day - all our key workers are busy and needed on site and we’re not set up as a call centre. No on-line presence and the current system have limitations and it is too old and wouldn’t integrate - what we really need is a new website to address those challenges and we need funding for that.”

An agricultural co-operative in Scotland²²

21 Quote taken from an adviser call to the Warwick Bridge Corn Mill on 13 May 2020

22 Quote taken from an adviser call with the agricultural cooperative on 5 May 2020 (Quote anonymised at the request of the community business)

For Woodland Social Enterprises, the pandemic has created unique challenges that many of the other community businesses that Plunkett work with have not directly experienced. Like the other businesses they suffered the loss of trading income, with activities such as forest schools, health-based learning activities, social prescribing and woodland management activities suspended upon lockdown. Unlike the other businesses, the WSE groups have experienced difficulties with eligibility around the support for business in response to Covid-19. Whilst the activities run by WSE groups are run by staff and volunteers, Plunkett's engagement activities with groups suggested that only around 40%²³ had utilised the Job Retention Scheme; with staff either redeployed on to other activities such as fundraising or the enterprise not being eligible for support. Many of the WSE groups also reported how they are not eligible for the rate reliefs, or associated grants from government because they are not rate paying entities. They have lost their trading income, but are not able to access government grant support to mitigate for the loss. Funding advice and support will be vital for WSE groups, with there currently being no dedicated UK-wide programme of infrastructure support available for the sector (following the conclusion of the Making Local Woods Work²⁴ in 2019).

Most WSE groups are now planning and looking to reopen and restart activities as soon as possible. The majority of enterprises surveyed by Plunkett were relying on being able to apply current Covid-19 business and operational H&S guidelines – but are needing help to fully understand the information available. The WSE groups are also looking to Government directives around which businesses are allowed to open and when, to plan for their phase return. Those providing Forest School services to schools and other educational organisations were waiting for a return to outdoor learning in the autumn. Some enterprises were looking not only to pick up and deliver on existing commitment, but to start business development planning to increase future business, or develop new opportunities they felt had opened up because of e.g. the increased use of green space, the development of on-line services that had come about as part of Covid-19 restrictions.

23 According to a Plunkett survey of 40 Woodland Social Enterprise groups

24 Making Local Woods Work was a National Lottery Community Fund funded programme that was managed by the Plunkett Foundation - <https://www.makinglocalwoodwork.org/>



2.

**EARLY ASSESSMENT OF
THE IMPACT OF SUPPORT
PROVIDED BY PLUNKETT
SINCE APRIL 2020**

Plunkett Foundation's organisational impact statement reads:

“The Plunkett Foundation addresses multiple needs of rural communities by advocating for and supporting the start up and running of Community Businesses, using a synergistic, empowering and enabling, end to end approach. This is implemented through multiple programmes and activities across the UK.”

As part of developing the “Ripple Effect” impact statement²⁵, produced with the support of the Co-op in 2019 it was demonstrated that the support provided by Plunkett can be seen to have a ripple effect of impact within the communities, where the businesses that are supported exist. This can be illustrated as follows:

- Plunkett provides access to expert advice, support, information, guidance or intelligence to a community business (or developing group) related to a specific need they may have
- The support provided enables the community businesses to consider and implement appropriate actions to benefit the future sustainability of the community business
- Changes are implemented by staff and volunteers
- New opportunities for local involvement in the community business are created via volunteering, employment or training
- New opportunities for local investment in the community business are created via open share offers, or new membership initiatives
- New services are provided to existing customers
- New customers are attracted to utilise the new services provided
- The services provided enhance the social fabric of the community

Furthermore, building on the full 2019 Impact Statement report the impact of Plunkett's work can be reviewed in relation to the 4 following areas of impact:

- Affection (community cohesion and inclusivity)
- Creation (local participation)
- Protection (support and services)
- Subsistence (jobs and training opportunities)



25 The Plunkett Foundation “Ripple Effect” impact statement was launched during co-operatives fortnight 2020 - <https://plunkett.co.uk/ripple-effect/>

During April, May and June as part of the Covid-19 support work that has been funded by the Co-op, Plunkett has directly engaged over 600 businesses and provided additional, bespoke support through an adviser to 57 of these businesses. Plunkett has also promoted updates and access to relevant support, not just from Plunkett but other partners in the sector during this crisis. The outcomes of our interventions can be summed up as, community businesses:

- are aware of country-specific national guidance and requirements for businesses operating during the Covid-19 pandemic
- are better informed about the options available to them in terms of continued service provision at this time
- are aware of the support available to them from Plunkett Foundation and others in the sector
- feel empowered and supported in implementing guidance and measures related to Covid-19
- are able to contribute to, and connect with national agendas, information and advocacy activities
- feel connected to the network of other community businesses that are also managing in this moment
- remain compliant with regards to the legal and statutory requirements of their organisational operations
- continue to meet their needs of their local community

In terms of reporting on the impact of Plunkett activity and that of the wider community sector over the past two and a half months, there is only a relatively short period of time to review. However, the steps taken by community businesses to meet the needs of their community is evidently clear. The longer term view and how this moment in social history impacts on the future of individual communities will need to be considered in the months and years to come, but for the purposes of this report can we are able to demonstrate how Plunkett has been working with a range of community businesses that are progressing positive activity against our four areas of impact – Affection, Creation, Protection and Subsistence.

When reviewing “**Affection**” related activities, it is clear that community businesses have proactively stepped up and made sure that their activities are inclusive and meeting the needs of all residents at this time. As shared above the changes in the way services are being provided, as well as the additional offerings developed in response to Covid-19 have been to meet local needs. The new remote ordering and online delivery has meant that all customers have been able to access services, with those most vulnerable residents that are living locally and having to self-isolate during the pandemic being widely supported by locally-led networks that are often connecting with the community businesses that Plunkett is working with. For example, Cletwr Community Shop are now offering an “order by 1pm and we’ll process your order the same day”²⁶ operation to all their vulnerable customers. This entirely volunteer led offer means that people continue to access the services they require in a timely manner.

26 Cletwr Community Shop online ordering - <https://cletwr.com/#orders>

Communities have had to find new ways to connect since lockdown started. Online video meetings, social media connections and telephone messaging app services, such as WhatsApp have all been tools utilised by community businesses to engage and keep in touch with their local area. One of the best examples when considering “**Creation**” activities during the pandemic is the online pub quizzes, or social meet-ups being facilitated by community businesses across the country. For example, The Swan in Clewer, a community pub, have run a number of online social activities during lockdown but it is their pub quiz²⁷ that most simply demonstrates how they have not only sought to remain an inclusive community business but also how they can continue to progress their social purpose – even when they are not currently trading. The pub quiz follows the traditional format, but has also included a round from another local charity – with the questions helping those attending the quiz learning more about a charity operating in their community, who has also suffered a loss of income at this time. At the break there is the opportunity to then make a donation to the charity, if you so wish. This is a simple way of garnering community support for wider community benefit.

Businesses have adapted in this moment to protect the services they already provide, and also securing other vital services required by the community at this time. When reporting against the “**Protection**” impact area it is important to view the additional services developed in response to Covid-19 as how these businesses are having a positive impact on the local area. Shops and pubs that have linked up with local prescription collection services for example, has reduced the need for people to travel to access the service elsewhere and this in turn has improved the chances of residents truly adhering to social distancing rules and only committing to essential travel during lockdown. Similarly, those pubs that are offering a “meals on wheels” type of service, have meant that vulnerable residents still have access to meals when other local

support services may be operating on reduced hours or have completely ceased operations all together. For example, The Bevy²⁸ community pub in Brighton, has since the business closed been offering meals for vulnerable residents which has been provided by a team of dedicated volunteers and staff to ensure that none of the regular attendees of their lunch clubs goes hungry.

Finally, many community businesses have created new volunteering and, in some cases, paid employment opportunities to support their efforts during the Covid-19 crisis. This local “**Subsistence**” has not been without challenge, as highlighted earlier the report in relation to training these individuals whilst respecting and upholding social distancing guidance but the fact is that many community businesses have recruited new people to their operation during this crisis. The longer-term ambition must now be how to sustain their interest to continue supporting the presence of a local community business in future.

The impact of Covid-19 on community businesses has been huge. Some have been able to grow due to demand, others have mothballed all operations and potentially may never reopen. Plunkett will continue to proactively contact and work with all forms of community business that we are able to, within the parameters of capacity and resource we have available. It is obvious that there will be no quick return to normality and so the ripple effect of the Plunkett support will likely continue for some time to come, with peer learning meaning that Plunkett is also cascading and promoting examples of innovation and best practice that will help community businesses to be sustainable longer term.

27 The Swan in Clewer online activities - <https://www.theswanwindsor.co.uk/online-events.html#02062020>

28 The Bevy community pub in Brighton - <https://www.thebevy.co.uk/>



3.

**THE NEED TO
INFLUENCE, IN ORDER
TO INFORM CHANGE**



Recognising that in Plunkett’s Impact Statement, it references advocacy activity and representing the interest of members and the wider community business sector this section will set out the work completed in this regard during the Covid-19 pandemic.

Since March, Plunkett has primarily engaged with the civil service in England but through partners also sought to engage and communicate with the devolved administrations through our collaborative partnerships:

- Engaged Defra, as member of the Rural Coalition and as individual stakeholder representing community businesses. To date we have:
 - Participated on weekly Zoom calls as part of the Rural Impacts Stakeholder Forum
 - Submitted evidence to the EFRA Select Committee enquiry in to the food supply chain²⁹
 - Co-signed an open letter to the Defra Secretary, George Eustice highlighting how Covid-19 has impacted rural areas³⁰
 - Co-signed an open letter to the Defra Secretary, George Eustice urging the government to take into account the unique needs of rural communities³¹

- Attended fortnightly engagement meetings with MHCLG, as a member of the Community Partnership Board representing community business
- Engaged MHCLG, as a partner of the More than a Pub programme and as an individual stakeholder representing community businesses. To date we have:
 - Made representation about the inclusion of staff TUPE’d at community businesses in early March on the Job Retention Scheme. Subsequent changes were made to include staff TUPE’s up to a much later date in March.
 - Sought clarity on behalf of a number of community pub groups experiencing difficulties in use Assets of Community Value order to protect assets during Covid-19 lockdown, with groups challenged in terms of raising finance to secure necessary finance within the 6-week moratoriums
- Worked with Power to Change, with partners Co-operatives UK and Locality to influence and inform the make-up, design and implementation of the Trading Income Support Scheme in England.



29 <https://plunkett.co.uk/wp-content/uploads/Select-Committee-Draft-Submission.pdf>

30 <https://plunkett.co.uk/covid-19-the-impact-on-rural-communities/>

31 <https://plunkett.co.uk/update-from-james-alcock-ensuring-a-sustainable-recovery/>



- Been an active participant in the UK-wide New Social Economy Network - a research, policy and communications network aiming to champion the role of social businesses. To date the network has:
 - Led on the #SaveOurSocEnts and #BuildBackBetter campaigns³²
 - Co-signed open letters to:
 - The Treasury to highlight the support needs for the sector³³
 - Department for Business Energy and Industrial Strategy, setting out the need of social enterprises and community businesses
 - Department for Culture Media and Sport, calling for social enterprises and community businesses to be included in the support being made available to charities.
 - High Street banks calling for ease of access for social enterprises and community businesses to the loan products available to business at this time.
 - Contributed to a developing piece of research which considers the impact of Covid-19 on the wider social enterprise and community business sectors
 - Engaged with Scottish Enterprise, as the lead organisation for the Co-operative Development Scotland programme and partners Development Trust Association Scotland and Community Shares Scotland to ensure that Plunkett services compliment and add value to other support available in Scotland.
 - Liaised with Wales Co-operative Centre policy and frontline support contacts to clarify announcements made by Welsh Government

This influencing activity will continue for the foreseeable future, with Plunkett continually engaging our members for their views and asks at this time. The Covid-19 Live page will act as the repository for information prepared for dissemination to community businesses.

32 <https://plunkett.co.uk/save-social/>

33 <https://plunkett.co.uk/wp-content/uploads/Letter-to-the-Chancellor-of-the-Exchequer-Help-social-enterprises-to-support-UK-recovery-April-2020.pdf>



A stylized, light green graphic of a hand holding a pen, positioned in the upper left quadrant of the page. The hand is rendered in a simplified, rounded style, and the pen is held in a writing position. The background of the page is a light green gradient with white, wavy, abstract shapes that suggest movement or flow.

4.

**MEDIUM TERM
PRIORITIES, AS
LOCKDOWN AND
SOCIAL DISTANCING
MEASURES ARE
RELAXED**

As the focus turns to the recovery phase and to the medium-term future, with lockdown being lifted in phases and at different timescales in each country there is a need to offer bespoke support to help community businesses at this time.

The resilience of the individual businesses has never been in any doubt, and the flexibility and adaptability of service shown during the Covid-19 crisis should be commended and something to learn from in future. They have found new ways of serving their customers, whilst upholding all current guidance around social distancing, as well as remaining compliant organisations aware of their responsibilities to their staff, volunteers, customers, members and the wider community. The learning included in this report will now be utilised as we look to the coming months, and beyond current the Co-op funded programme of support for community businesses being delivered by Plunkett.

The following areas of activity are those we would identify as the challenges most likely to require continued support from the Plunkett Foundation and others in the medium term:

- **Access to funding:** Investment is going to be key to enable these businesses that have served their communities to continue growing.
- **Managing the debt:** Additional loans and loss of income during Covid-19 will have a lasting effect for many community businesses and it will be important to offer support in order to manage this debt.
- **Continuing to manage social distancing restrictions:** Guidance will be in place for the foreseeable future, further challenges may arise from only being able to open part of a business, or only cater for a limited number of customers at any one time.
- **Maintaining the customer levels:** It will be important to retain some of the increased customer levels to remain sustainable and businesses should be supported to work on marketing and communication activities to highlight this fact.
- **Volunteer retention:** Those on furlough that have given up their time to support their local community business are starting to return to work, and contingency plans should be in place for how to mitigate this. The welcome return of volunteers that are shielding or self-isolating will be fantastic, but this will be phased and there could be issues with some not knowing if/when they feel safe to return to work. It will be important that the welfare and health of all volunteers involved with community businesses are recognised in future.
- **Supporting the workforce:** The potential rates of redundancies UK wide, if there is a recession, could lead to more people seeking local employment opportunities but also many community businesses will likely have to make redundancies if they are unable to support the wages through their trade. Advice and guidance on how to support and manage the workforce in recovery phase will be important.
- **Utilising local or community investment:** Promoting and encouraging local investment, through community shares or membership schemes will help community businesses to build on their current supporter base and encourage funding to support their operations and further development.
- **Continue to uphold good governance:** Promoting best practice to assist groups in not falling foul of legislative requirements.
- **Monitoring the supply chain:** Making sure that community businesses can access the products they need to supply their customer base.



5.

**LONGER TERM
ASPIRATIONS AND
LEARNING FROM
THE EXPERIENCE
OF THIS TIME**

The state of the rural community business sector was relatively buoyant prior to Covid-19 and although it has faced unprecedented challenges during this pandemic, the resilience and adaptability shown since March should point to a healthy future. The reality however, is that there will still be further obstacles to overcome and that the recovery phase and moving on from coronavirus will be long. As set out previously, when considering the medium-term priorities for the sector there may yet be further business closures due to Covid-19 and even further lockdowns to navigate as a result of virus which could mean reimplementing.

That being said, now is also an opportunity to review and consider how the sector will grow from this moment, and how to use the experience of these past few months to promote the social and more localised economies as something more communities would want for their area in future. Plunkett will shortly set out a vision for the future of the community businesses we work with, but there is a strong desire to see the following principles as priorities for community business moving forward:

- A clear focus on employment and training opportunities for new and existing community businesses
- Community businesses playing a key role in a cleaner, greener economy
- Increased connectivity with local supply networks
- The contribution to and connection with local health and wellbeing agenda being a key aspect of community business activity
- Maintaining the new technologies used during lockdown, to support remote and demand-led access to services and championing the need for universal connectivity to make sure that no rural area is left behind.





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