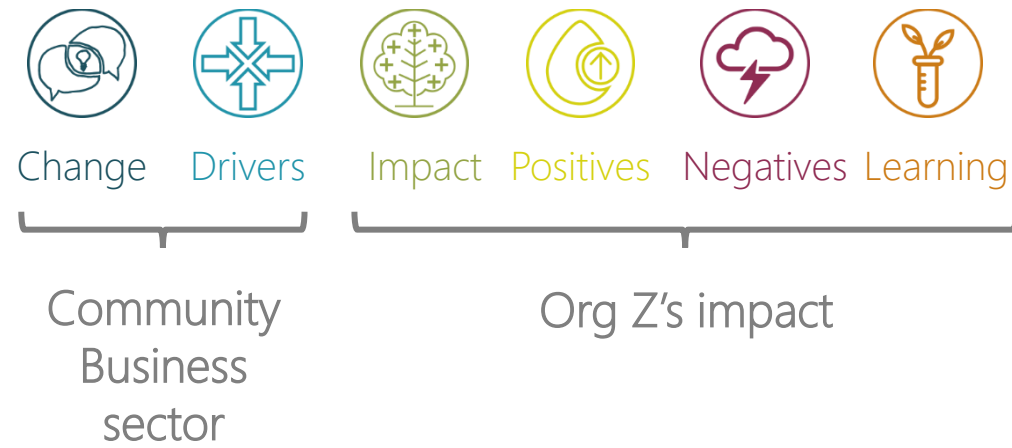


QuIP evaluation of Org Z's 'Capacity Development' Programme.

A 'deep dive' impact study researching the role of capacity building in the development of community businesses.



Executive summary

Using the QuIP methodology, independent researchers interviewed **14** representatives from **community businesses** who had taken part in Org Z's '**Capacity Development**' programme. Respondents shared their stories of how their businesses had changed over the last three years.

Findings related to Org Z:

- Org Z **business advice** enabled organisations to **strengthen their capacity** to plan ahead and make strategic decisions for the future;
- Org Z **grant funding** increased both **income** and **confidence**;
- Org Z **networking support** encouraged organisations to learn from each other, **inspiring new ideas**.

Other key findings:

Many **other** actors and factors contributed to the development of these community businesses.

- Respondents received valuable business support, grant funding, and training from other organisations.
- These businesses also attributed some of their growing capacity to their own **hard-work** and **community focused mission**.
- Many of these organisations faced internal and external **challenges** related to resources and capacity.

QuIP summary report - introduction

Org Z (Org Z) commissioned this **Qualitative Impact Protocol** (QuIP) study to gather evidence on the role capacity development plays in the growth of a community businesses.

The QuIP methodology is purposefully open-ended and exploratory. By using this '**deep dive**' approach, the research findings present a rich picture of the assortment of factors influencing change within the community business sector.

This summary report will cover:

- a brief outline of the Org Z programme and key research questions
- an overview of how the QuIP methodology was applied in this study
- a snapshot of change based on closed-question data
- a deep dive into the main stories of change from the open-ended narrative responses
- organisations ranked by respondents

Capacity Development Programme

Through their **Capacity Development** (CD) programme, Org Z aims to support community groups to start, develop, and grow their enterprises. In addition to **grant funding**, the programme provides community groups with **support and advice** to develop, test, and launch their community business idea.

Over three years, Capacity Development aims to support **250 community businesses**: many new organisations with a new idea, including those not yet incorporated; some existing grantees who require ongoing support; and a few established organisations that want to launch a distinctly new idea.

The intention is that these groups will have progressed from an *idea* to an *operational reality* and will have either: launched a community business; moved further along their life cycle; and/or secured investment/additional funding.

By supporting enterprising community groups to become successful and sustainable businesses, **local communities** and economies are intended to benefit from valuable products/services and employment opportunities.

Capacity Development provides community groups with:

- **Business development support:** 1-1 support from advisors at [various organisations]. The package is tailored to the group's needs, covering topics such as business planning, financial modelling, and community engagement.
- **Grant funding:** Support applying for either an ideas stage grant (£1,000-£10,000) or a pre-venture stage grant (£1,000-£15,000).
- **Peer-learning:** Opportunities to learn from other community businesses, including visits, webinars, and networking events.

Research questions

In addition to a broader programme evaluation managed by partners [a research focused social enterprise], Org Z were looking for a qualitative methodology to help inform their capacity building strategy from 2020 onwards.

Key research questions:

- **How** and in **what ways** does capacity building funded by Org Z contribute to organisational development and resilience?
- How does capacity building support organisational development at **different life-stages** of a community businesses?
- What **other 'providers'** are CBs using to enhance their capacity and how is that support effective and why?
- How can we improve our capacity building offer to individual CBs?
- Does the capacity building support funded by Org Z have the **expected effect** on community businesses?
- What **other interventions** (directed at community businesses) or factors (internal and external) have affected expected outcomes, and how do these interventions or factors relate to each other?
- Have the interventions had any **unanticipated effects**, positive or negative?
- What **drivers of change** or patterns can be identified that could inform future programme design?

QuIP methodology overview

The **Qualitative Impact Protocol** (QuIP) was designed and piloted by researchers at the University of Bath 2012-2015. **Bath Social Development Research** (Bath SDR) was set up in 2016 to apply the methodology in practice, continue to develop it, and to support others in its use.

QuIP studies are designed to collect credible evidence on **perceptions of change** over a set period of time and across a series of domains relevant to specific research questions or a theory of change.

This approach to impact evaluation uses **open-ended** questions focused on *outcomes*, rather than inputs, which enables respondents to discuss a wide range of changes, and their perceived drivers, providing a much richer and broader understanding of any causal mechanisms at play.

In order to reduce pro-project or confirmation bias, the QuIP methodology typically involves some level of **'blindfolding'**, whereby researchers or respondents are purposefully not informed about the hypotheses being tested or the intervention under evaluation.

In this case, the researchers were informed that Org Z had commissioned the research but were blindfolded to the nature of the CD theory of change and programme activities. Org Z introduced the research to respondents broadly as a joint study between Org Z and Bath SDR into changes in the community business sector. This general framing sought to encourage respondents to discuss all potential drivers of change, rather than only those pertaining to the Capacity Development programme.

QuIP methodology – data collection

Data collection was carried out between February and March 2020 by **independent researchers** recruited and trained by Org Z. The purposive **case selection** strategy included 24 organisations with various IMD decile and income levels, all of whom had received support from Org Z's CD programme.

Due to the coronavirus crisis, data collection was cut short and therefore only **14 interviews** took place. Interviews were conducted with 14 respondents, representing 14 community businesses. There was a degree of **self-selection** in this sample as some struggling businesses chose not to participate in the study. It is also important to remember that each respondent is an **individual** within that community business, and therefore their accounts reflect their own knowledge, experiences and perceptions.

The table below shows the IMD* and income level information for the 14 organisations interviewed.

	IMD Decile 1-3	IMD Decile 4-10	Total
Small <£10K	3	3	6
Medium £10k - £50k	2	2	4
Large >£50k	1	3	4
Total	6	8	14

*IMD: Indices of Multiple Deprivation

QuIP methodology – data collection

The researchers conducted the QuIP interviews **online** using the **semi-structured** questionnaire template designed by Bath SDR and Org Z.

Respondents were asked to reflect on changes in their organisation over the last three years.

On average, interviews lasted around an hour covering the following **domains**:

- Products and services
- Governance and leadership
- Income generation
- Coping with challenges and opportunities
- People and skills
- Community engagement

As **respondent voice** is central to QuIP's methodology and philosophy, quotations from the narrative accounts are presented throughout this report. All quotations used reflect the phrasing of the researchers from their summary transcripts, written in the third person. The **respondent codes** (e.g. DS-1) presented in the tables, figures, and quotations, allow the reader to trace back to the original qualitative data (available in the accompanying interactive dashboard or extracted Excel file). The codes contain information about the respondent:

- The **first letter** refers to the **IMD decile** for the local community (**D** = 1-3; **N** = 4-10)
- The **second letter** refers to the business' **income** level (**S** = small; **M** = medium; **L** = large)

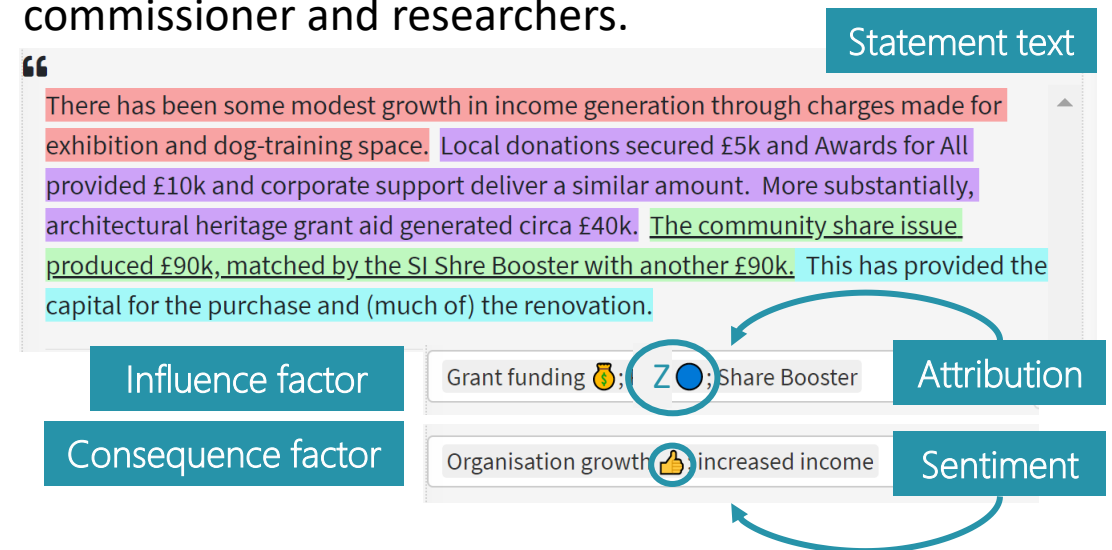
QuIP methodology – coding and analysis

Data was then coded and analysed by Bath SDR using the **Causal Map** online research tool. Following QuIP's systematic and transparent approach, the analyst identified **stories of change** reported by respondents. These stories are referred to as '**causal claims**' to reflect that they are the *perception* of the respondent.

The causal claims are coded by applying labels to a relevant portion of text, including:

- an **influence** factor (the reported cause/drive of change)
- a **consequence** factor (the reported outcome/change)
- a **sentiment** label (whether the consequence is perceived to be positive/negative)
- an **attribution** label (how closely the influence aligns with the programme's theory of change)

These factors are unique to each project as they are developed iteratively by the analyst based on what the respondents have said, with feedback from the commissioner and researchers.



Once all the causal claims have been coded, the analyst looks for patterns across the dataset to understand which stories are common across the sample, and which are specific to certain individuals/a particular respondent group.

How to interpret the causal maps

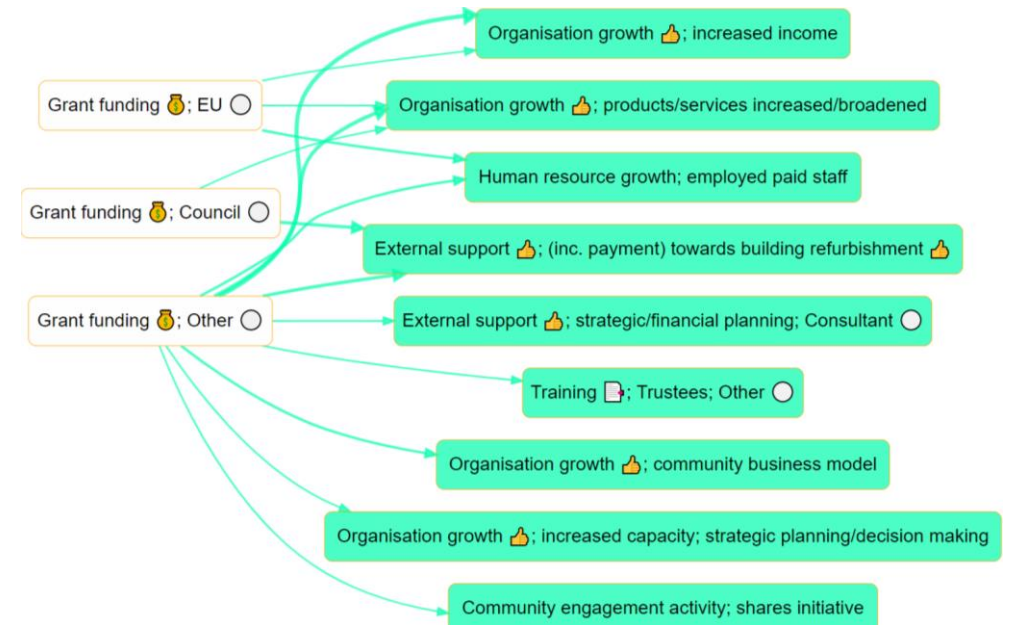
This report contains several **causal maps** which visualise the links made between influence and consequence factors (drivers and outcomes).

The maps typically flow from **left to right**, with the influence factors on the left leading to the consequence factors on the right. The **thickness** of the arrows relates to the number of times that particular **influence to consequence** relationship was cited. In some of the causal maps, numbers have been added to the arrows to show the exact frequency count.

The following icons were used to flag certain attribution and sentiment types in the causal maps:

- 👍 – **Positive** outcomes
- – **Explicit** reference to Org Z
- – **Implicit** reference to CD's theory of change

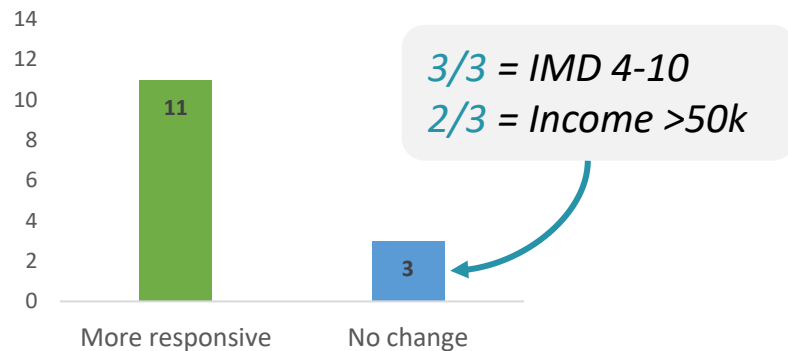
Example causal map



Snapshot of change – capacity

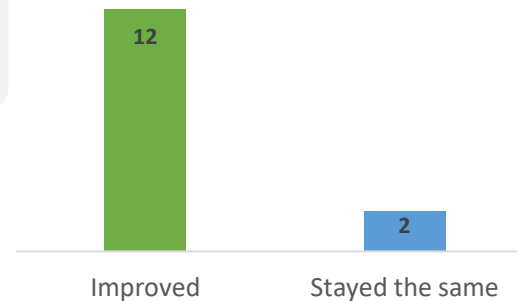
Closed questions were used within each questionnaire domain, typically towards the end, to capture a snapshot of **overall perceptions of change**. The closed question responses were largely **positive**.

Responsive decision making



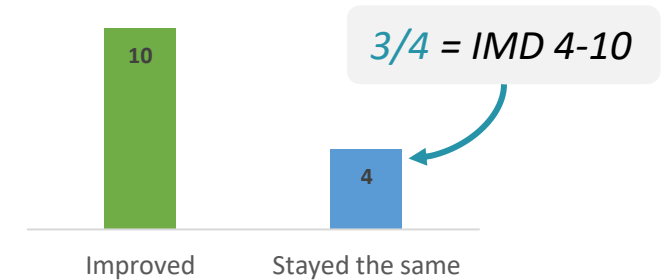
11 respondents reported that their **governance structure** meant that they were **more responsive** to their customers/community.

Strategy capacity to plan ahead



12 respondents felt that their strategic capacity to **plan ahead** for the future had **improved**.

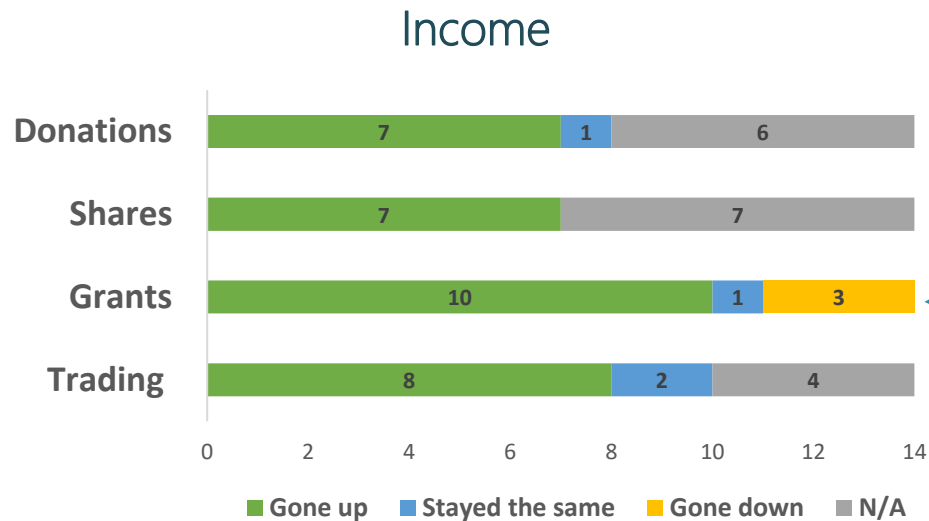
Capacity to deliver services



10 respondents said that overall their **staff and volunteers'** capacity to deliver services had **improved**.

Snapshot of change – income

Overall, more than half of the organisations reported that **three out of four** income streams had **gone up**.



Only one respondent claimed that their grant income had **gone down** because they were moving towards a model where their profit sustained their business. The other two respondents cited that the reduction was due to 1) general **fluctuations** and 2) **ineligibility** for certain funds.

Where respondents answered '**N/A**' or '**Stayed the same**' often this was due to the fact that the organisation hadn't started trading yet or wasn't pursuing that particular income stream (e.g. shares). This highlights that this is a heterogenous group in terms of business life-cycle and income streams.

Snapshot of change – community

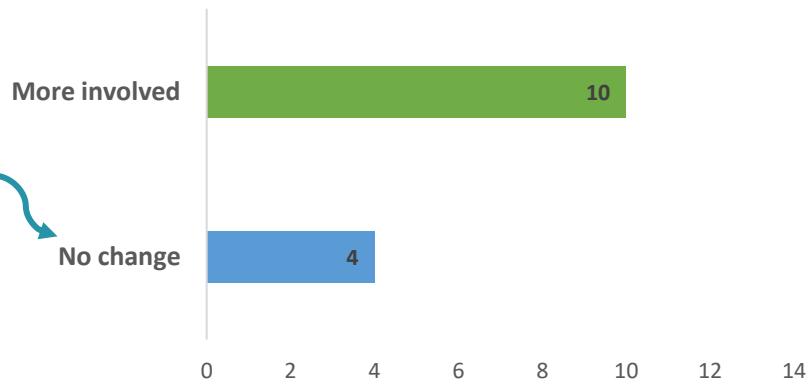
Community engagement



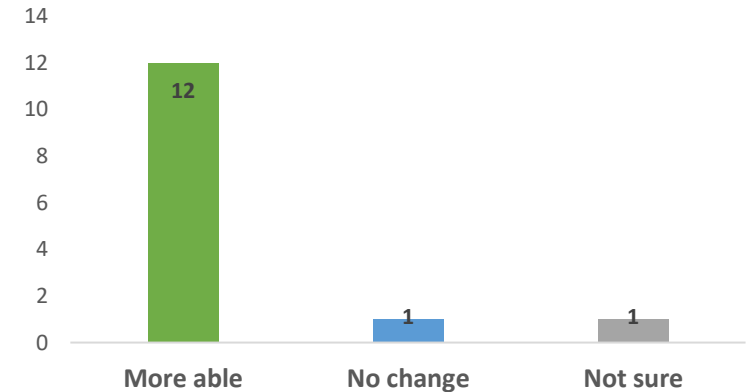
All respondents claimed that *overall* their **local community** was **more engaged** with their business.

One respondent reporting **no change**, did in fact note more voluntary involvement elsewhere in the interview.

Community involvement



Ability to deal with challenges



12 respondents reported that their business was **more able** to deal with challenges.



Business development support *explicitly* attributed to Org Z

There is clear evidence which demonstrates that the **businesses development support** from Org Z's CD programme is having a **positive effect** on community businesses' growth and capacity.

Seven respondents explicitly mentioned that their organisations had received **strategic/financial planning** advice from Org Z and their partners. Respondents from **lower income organisations** were more likely to reference this support in their narrative.

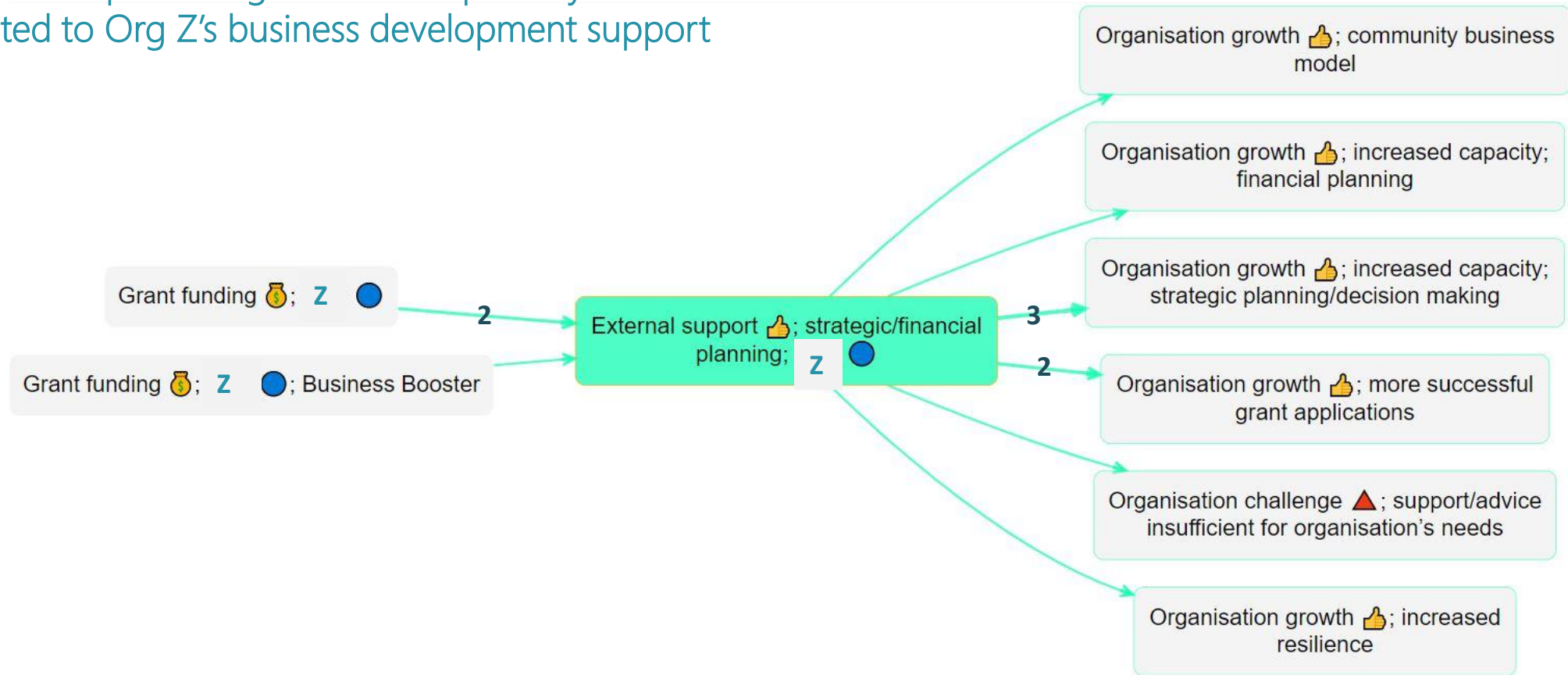
The stage of **organisational development** also seemed to make a difference to the level of impact the CD programme had. Some organisations had progressed significantly whilst others still needed more support.

In line with Org Z's theory of change, there are a number of positive outcomes related to incorporation as a community business, improved capacity and skills, as well as increased resilience and income opportunities. However, there is also one negative account claiming that the support was insufficient for the organisation's needs.



Business development support *explicitly* attributed to Org Z

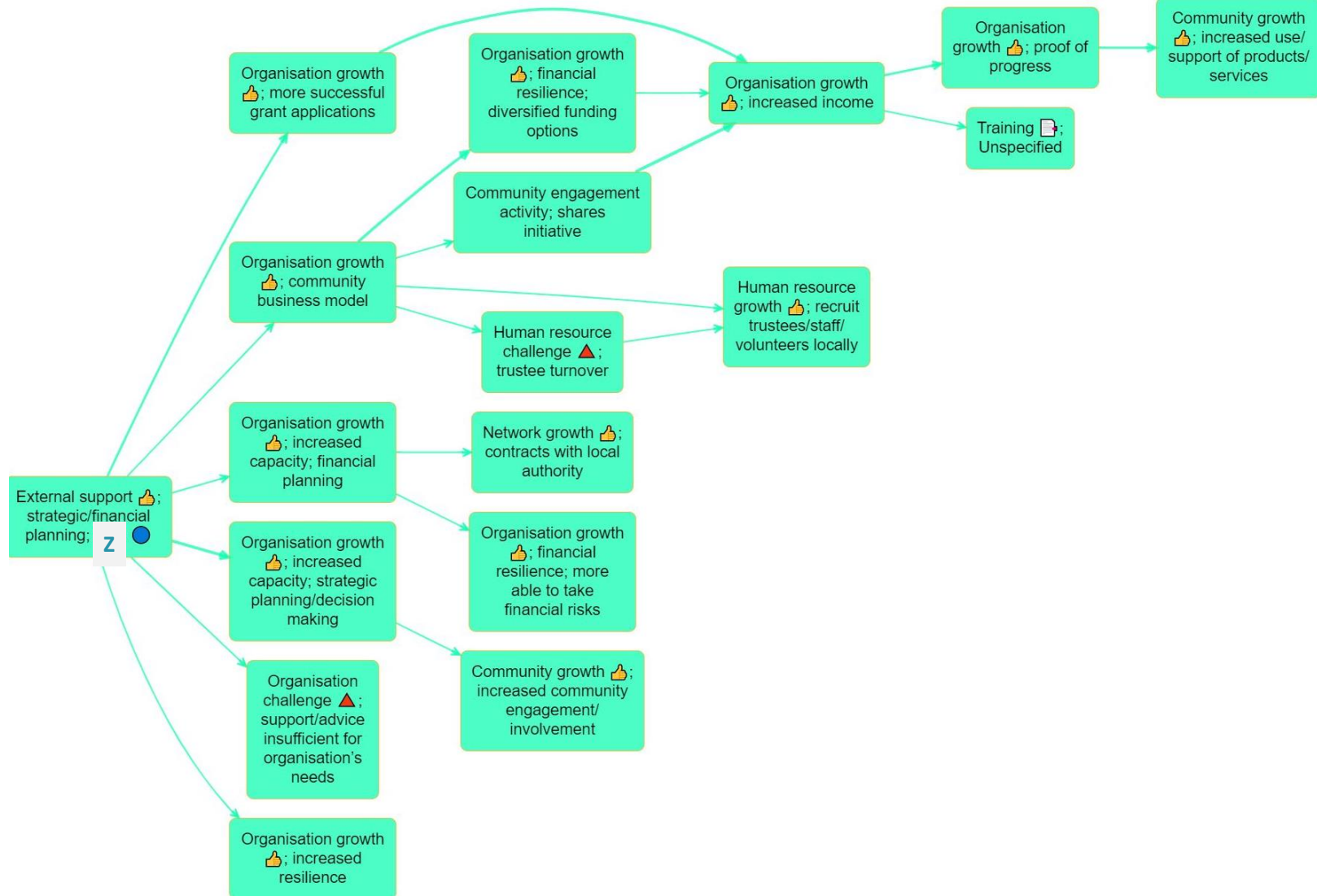
Causal map showing drivers and primary outcomes related to Org Z's business development support





Business development support *explicitly* attributed to Org Z

Causal map showing all outcome paths driven by Org Z's business development support





Positive outcomes from Org Z's business development support

The business development support provided by Org Z was particularly linked to **increased organisational capacity** to **make decisions, plan ahead** and to **manage finances**.

One respondent described how the advice had been **“invaluable”** in the early stages of the organisation's development, helping the business to continually plan ahead.

NS-24: Input from professional advisors, (paid for from Org Z's Shares Booster Programme) has been important for the change in the decision-making.

NS-26: The support provided by the consultant [from named partner organisation] has been invaluable. He helped through the initial stages of development: the scoping exercise and development of a business plan plus ongoing work towards a possible community asset transfer.

NL-46: They have also upgraded their support with financial planning and bookkeeping [...] They have decided to invest in QuickBooks, and are using support from Org Z to do help them train and understand the need to do this.



Positive outcomes from Org Z's business development support

Although only reported once, there was a reference to the grant and business support leading to the community group's **incorporation as a charity**. Later in the interview, the respondent explained how through their new legal status, they were able to apply for more grant funding than before.

DL-22: The core point was that CD paid for the input that led the partnership to understand [grasp] the need for their incorporation as a charity. They had previously been unable / unwilling to grasp this, our source had voiced the message frequently, but the facilitation the CD money paid for carried an external authority [of communication] that our source lacked.

Unintended outcomes of Org Z's business development support

Whilst there were plenty of positive outcomes reported related to the business development support, one respondent relayed how the advice was **considered insufficient for their organisation's needs**, as they desired someone to complete the work, rather than advise them how to do so. They felt they needed more capacity rather than capacity building.

DS-1: They had a consultant come in from Org Z but the consultant was not aiming to do the work, and was advising them regarding what to do. This did not work for them as the Trustees wanted someone to actually do the work.



Business development support attributed to others

In addition to the business development support provided by Org Z, respondents also mentioned **other sources** of advice for strategic and financial planning.

These other sources include (respondent count):

- consultant (2)
- local council (1)
- accountant (1)
- Community Land Trust (1)
- e-learning from ProHelp (1)

Some respondents shared how Org Z played an important role within their **overall network** of support, even if they weren't the primary provider of funds or capacity building.

Whilst the advice in these cases was not provided by Org Z, the evidence presented here does reinforce CD's theory of change as **the link between support with business planning and organisational growth/increase capacity** has been repeatedly stated by respondents.



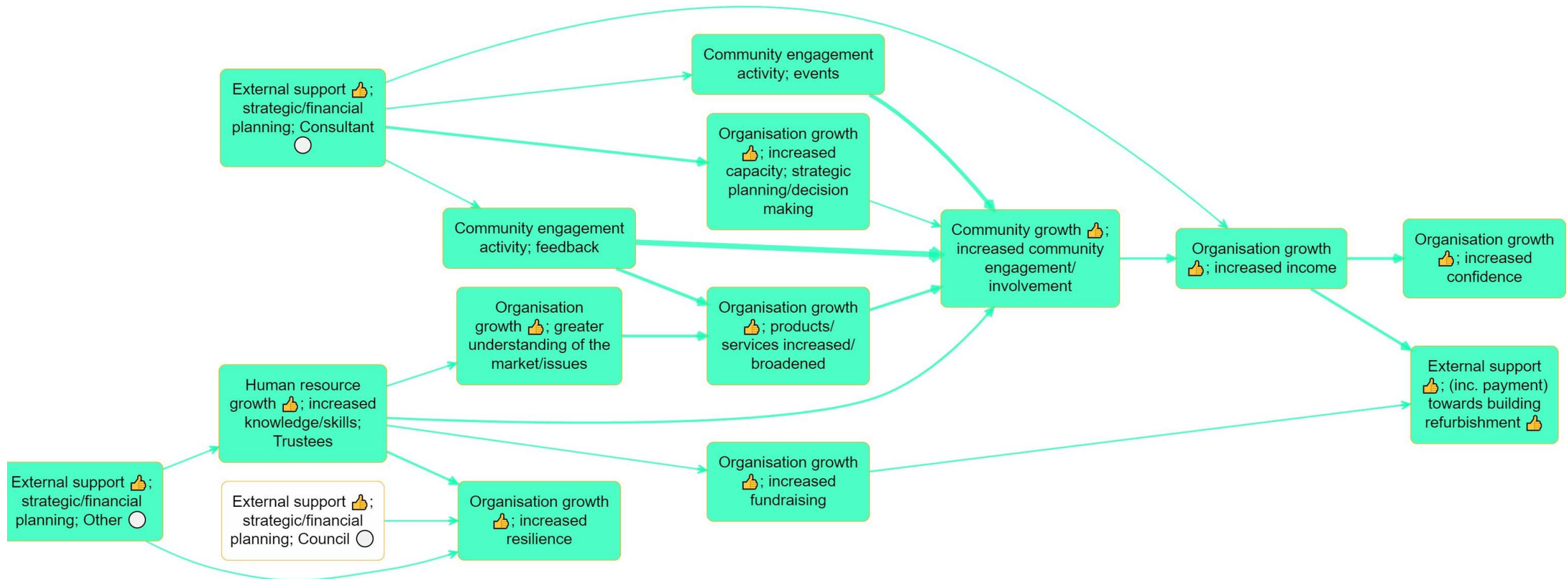
Business development support attributed to others

Causal map showing primary outcomes related to non-Org Z business planning support



Business development support attributed to others

Causal map showing all outcome paths driven by non-Org Z business planning support





Grant funding *explicitly* attributed to Org Z

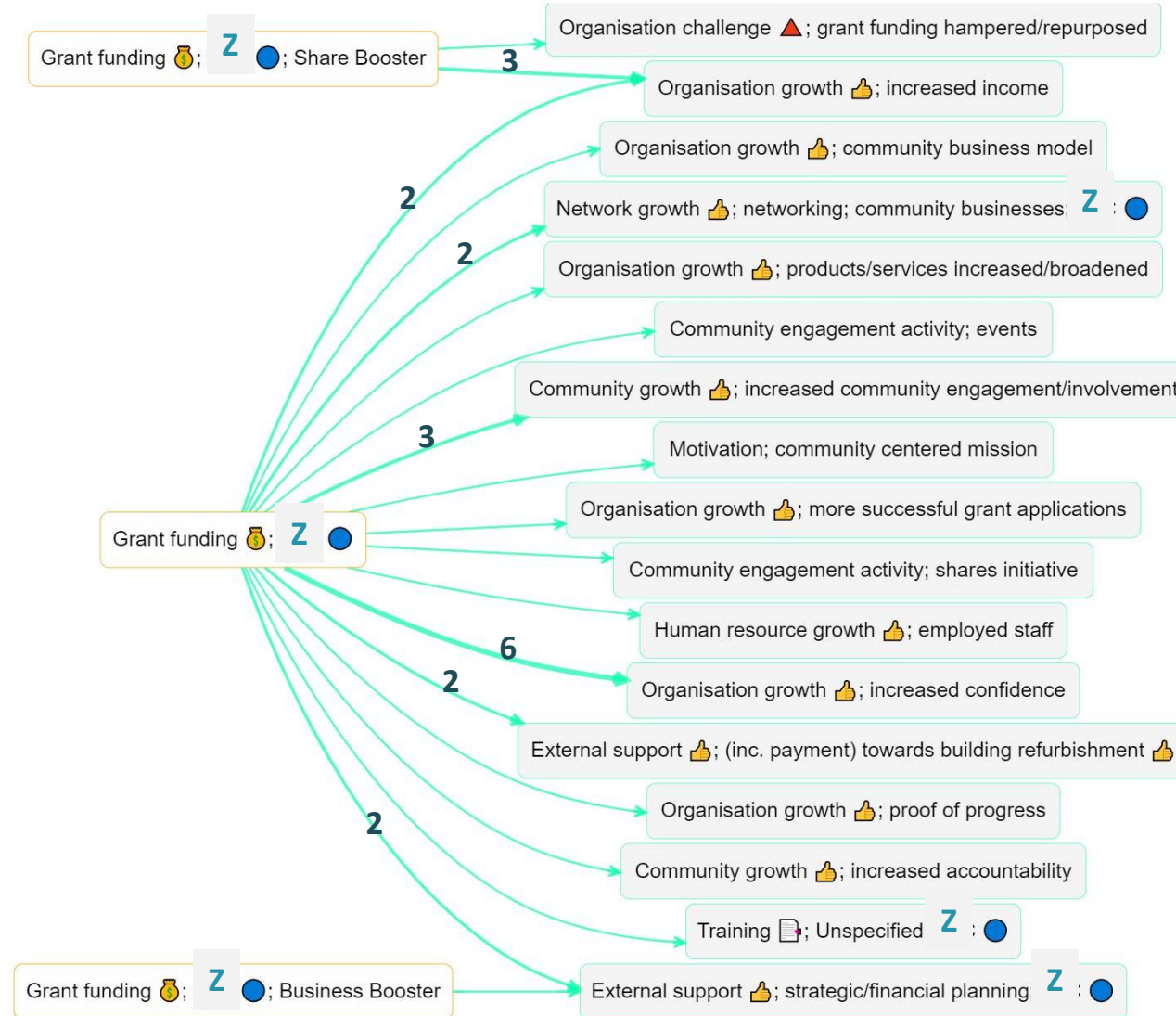
There is strong evidence that demonstrates the **positive effects** of Org Z's **grant funding**. Overall, nine respondents reported that they had received grant funding from Org Z. There were 32 citations of the Org Z funding across these respondents' accounts, which indicates the grant was frequently cited as a driver of change in their narratives.

Lower income organisations were slightly more likely to mention this as a driver of change. Some of these respondents specifically referenced the grant as the **[another Org Z programme]** from Org Z.

As shown in the causal map overleaf, overwhelmingly the grant funding was reported as leading to positive outcomes, however there was one slightly more negative account detailing how the grant funding had perhaps not been used to best effect (see p.27 for more details).

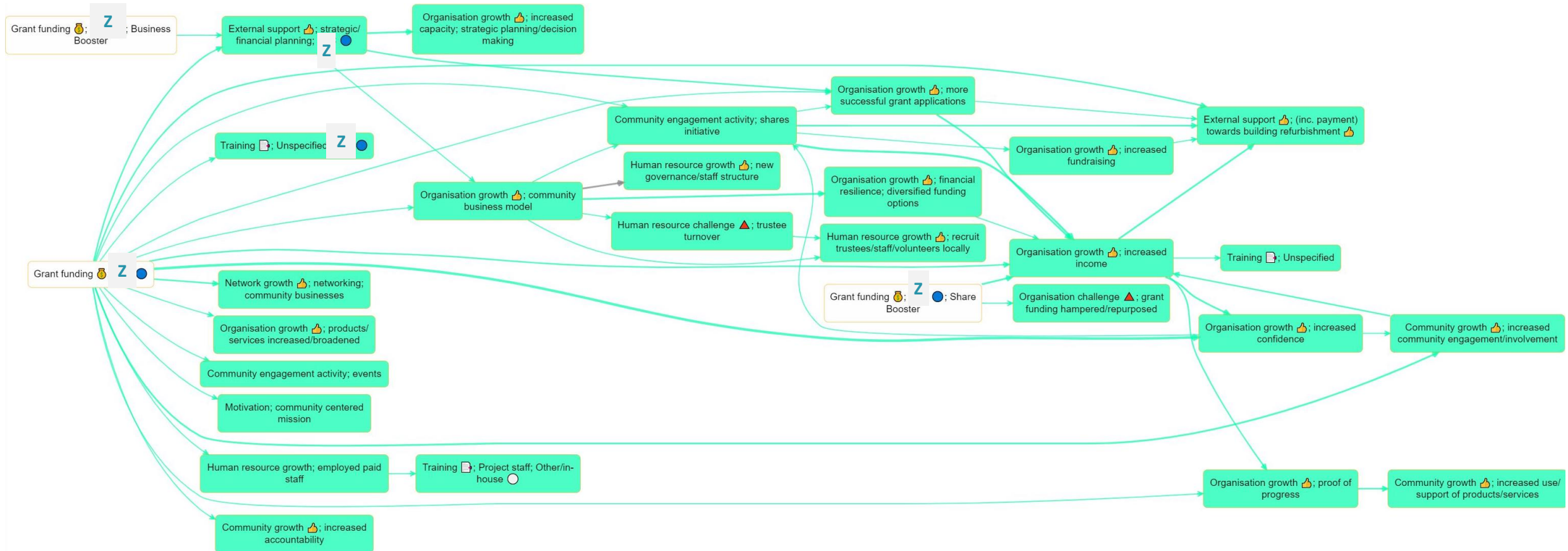
Grant funding *explicitly* attributed to Org Z

Causal map showing primary outcomes driven by Org Z grants



Grant funding *explicitly* attributed to Org Z

Causal map showing all outcome paths driven by Org Z grants





Positive outcomes from Org Z's grant funding

The grant funding from Org Z was linked to positive outcomes in the areas of capacity and skills, community engagement, networking, human resources, and of course, income.

Importantly, for a few organisations, the grant funding seemed to **increase confidence** and **motivation**, providing credibility to their cause (“proof of progress”) to sceptics, supporters, and even themselves.

These narratives suggest that grantees benefit not only from the financial gain, but also from the **recognition** that their idea is worth investing in. This acknowledgement serves to boost their own morale, build their reputation and support within the community, and obtain additional funding.

NS-31: [Funding] from Org Z Capacity Development Fund, which was important as it raised morale among the original members of the group and facilitated the group to leverage other funds [...] the availability of funding (from Org Z, crowd-funding, etc) allowed the group to challenge the “island mentality” of some [...] as it demonstrated that “somebody is interested as people want to invest in us”. [...]

DL-22: The causation, in her mind, flows from the idea that the CD funding gave them a “purpose” [i.e. its articulation] that they had to deliver on [...] Securing this funding from Org Z left the group able to credibly claim that it was bringing in additional sources of money into the area.



Positive outcomes from Org Z's grant funding

Three respondents, all from lower income organisations, linked the grant funding to increased **community engagement/involvement**.

NS-26: Provision of two tranches of funding through the Capacity Development Fund (for consultancy, visits, training and community engagement)

Two respondents specifically mentioned that the income helped towards the purchase or refurbishment of a space or building. The importance of these physical assets to the business and to the community is apparent across the wider narratives.

NS-24: The approach of the group to community engagement has changed and our source notes specifically that this was resourced by Org Z's CD, he recalls I used a lot of the CD to improve the way we do community engagements. [E.g. village fair, family BBQ events, plans to create a promo video).

NS-31: Following the success of the Capacity Development application, the group sought out expertise in crowd-funding. A successful crowd-funding action raised £69k as a share sale. Org Z's Fund generated the same again pound-for-pound. The group purchased the pier for £100k.



Unintended effects of Org Z's grant funding

The negative story of change related to Org Z's grant funding is an unfortunate chain of events hinged on a misunderstanding about the grant offer's time-limit.

Although the organisation did receive and spend the grant, the respondent's perspective was that due to a hurried disbursement, the **funds were not used to best effect**.

This instance highlights the **importance of clear and effective communication** around funding obligations and deadlines, to avoid misinterpretation or confusion leading to unintended consequences.

NS-24: In addition, it became clear that there was an imperative to spend the CD funds. Our source notes that this arose from some confusion on his part about the end-date for permissible spend. This turned out to be earlier than he had understood it would be. He thinks this might have been more clearly stated in the documentation [letter of offer]. The group did spend the CD grant-aid on time. [The sense of this is that the spend had been rushed and this led to purchases that might not have had the utility that would otherwise, with more time, have been possible].



Grant funding attributed to others

Org Z were not the only grant funding sources mentioned by respondents.

- 9 respondents reported grant funding from **other organisations/charities**
- 3 reported **EU funding**
- 2 reported **council funding**

As before, the lower income organisations were also citing alternative (non-Org Z) grant sources more frequently.

Similarly to the Org Z funding, other sources of grant income were linked to growth in capacity, income, and community engagement. There was evidence of the funds being used to employ new staff or train existing trustees.

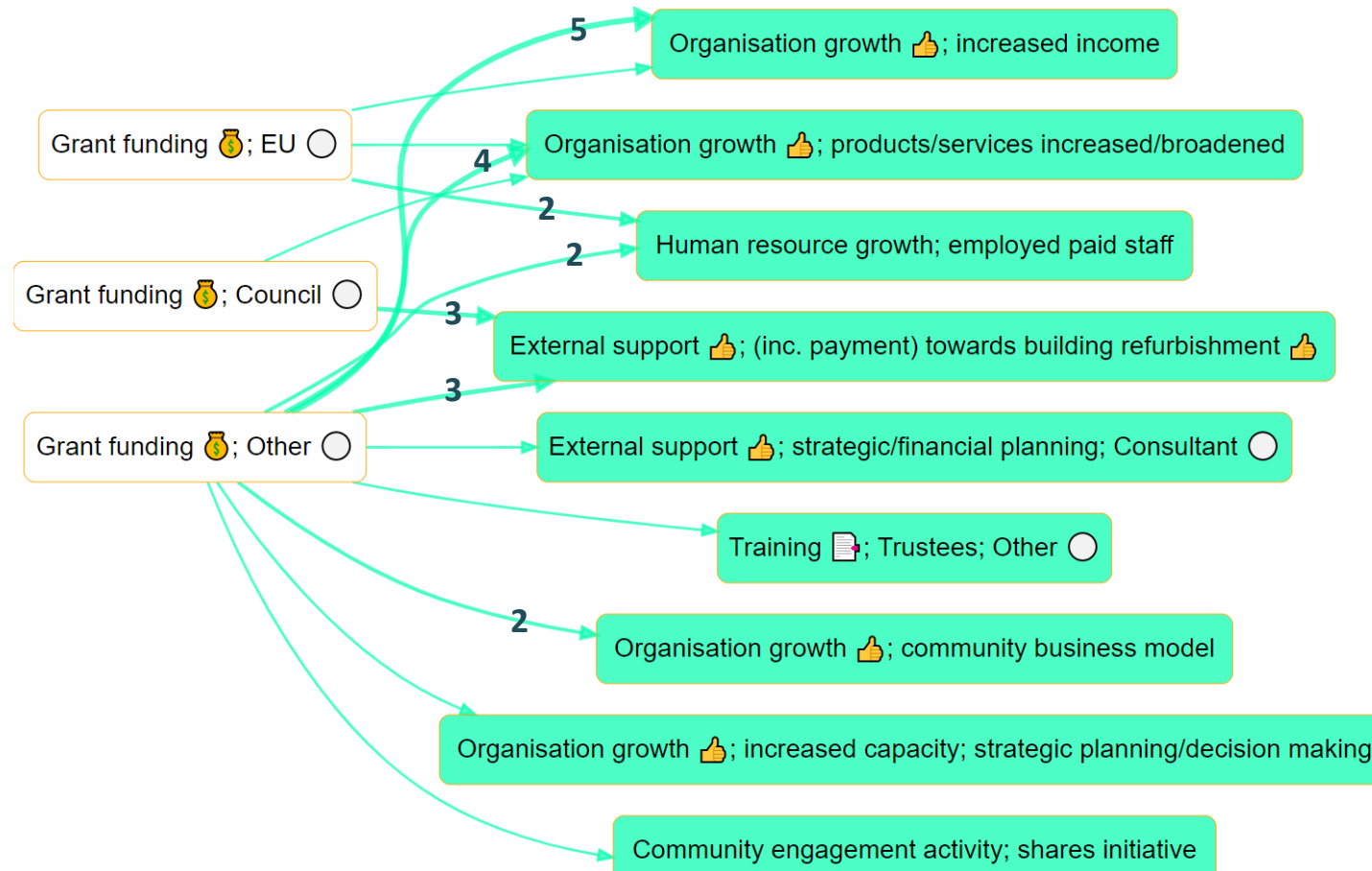
Some mid-higher income organisations explained how they were pro-actively moving towards becoming less reliant on grant funding – a positive outcome for sustainability long term.

NM-35: They have accessed grants from Local Authorities and from Org Z to support paid staff for the shop, but the grants are drying up now and they want to focus on being sufficiently profit making to be viable in the longer term.



Grant funding attributed to others

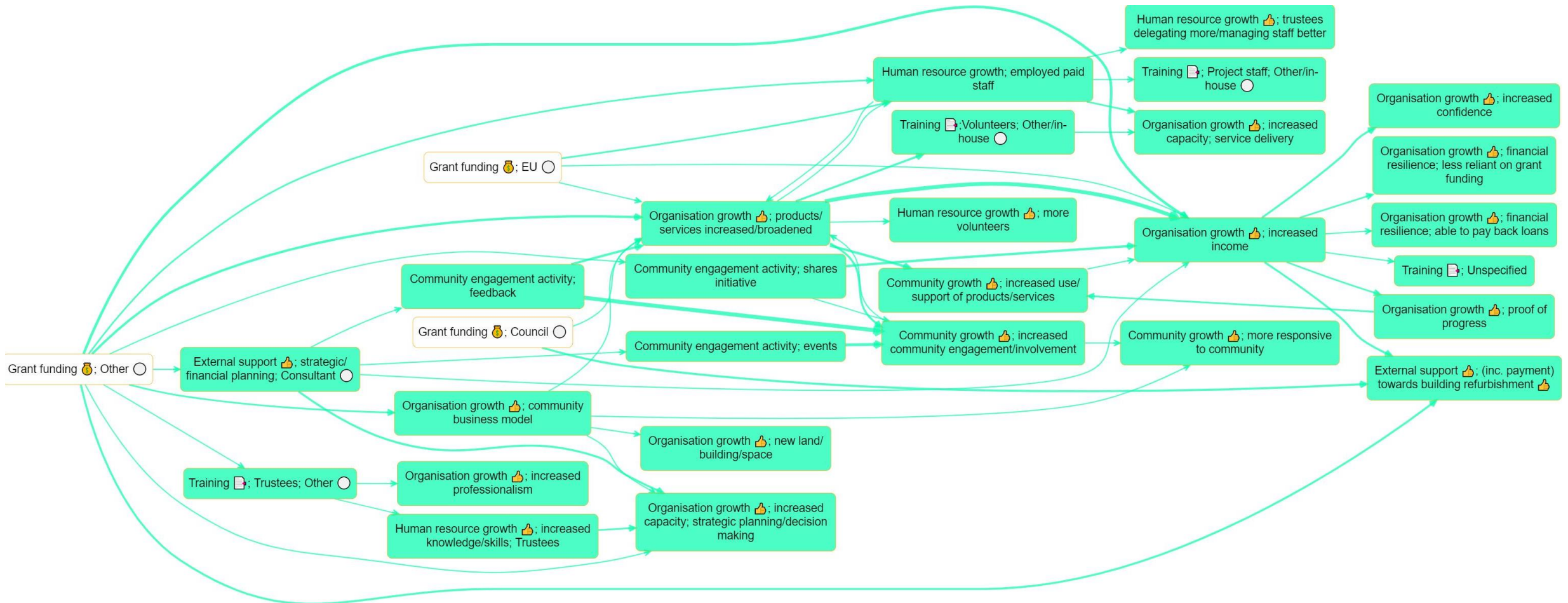
Causal map showing primary outcomes driven by other funding sources





Grant funding attributed to others

Causal map showing all outcome paths driven by other funding sources





Networking support *explicitly* attributed to Org Z

Four respondents explicitly mentioned that Org Z and their partners had supported their **growth in networking with other community businesses** through funding and facilitation.

Most commonly, respondents shared that this networking had **inspired them**, “open[ing] their eyes to what could be achieved” and also “learning from others mistakes”.

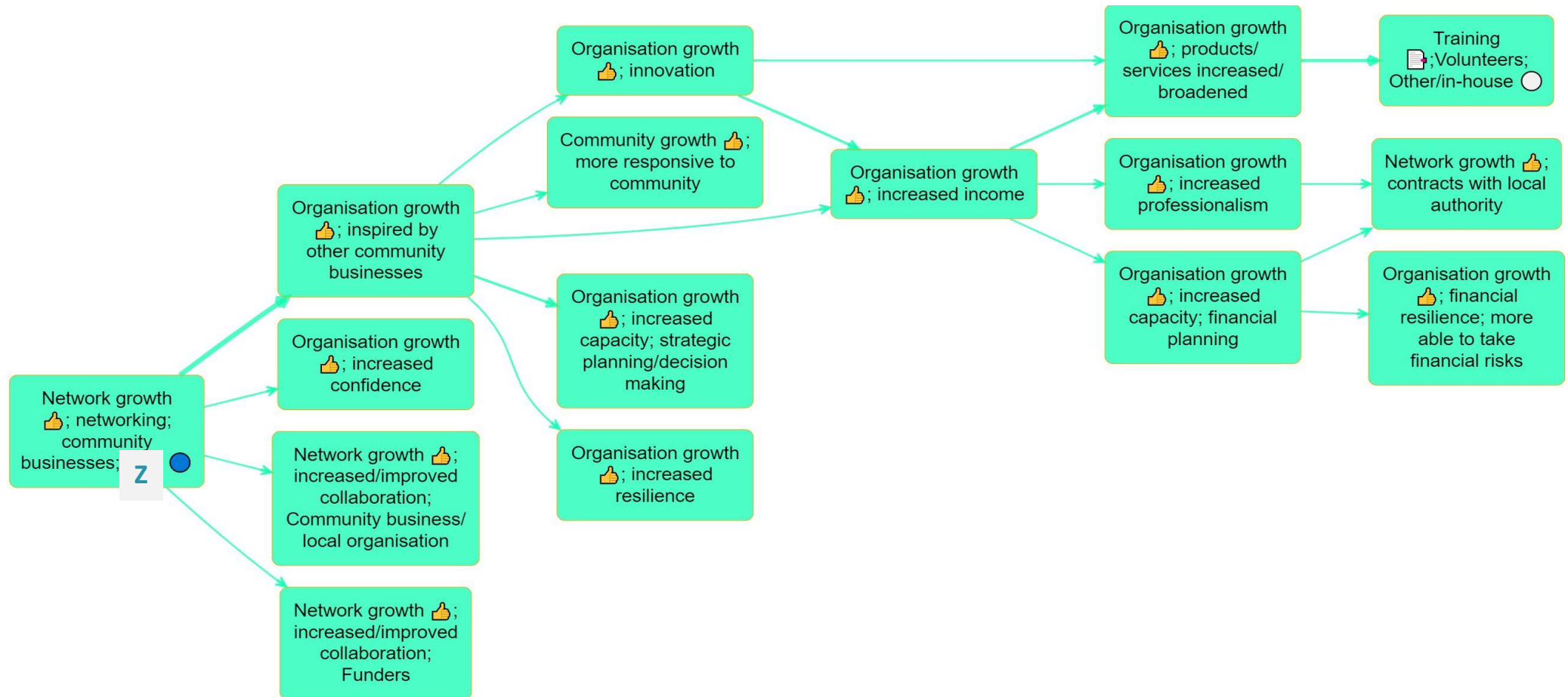
One respondent reported about how there was some internal resistance initially, but once persuaded the group learnt a lot from the networking experience.

NS-24: Our source traces the modest changes of the group in responding to challenge / securing opportunity to the site visits he persuaded the other members of the group to take part in. This required that he overcame some resistance on their part. The identified the sites to visit following input from the [named partner organisation], who arranged the first visits. [...] Our source is convinced that the site visits facilitated important exchange[s] of information that helped people to see beyond their own experience.

NL-46: networking and building links with other social enterprises and community businesses, especially through Org Z. They have as Trustees had a change in attitude from meeting and seeing other social enterprises and community businesses running side by side activities for social good with trading activity to support their social aims.

Networking support *explicitly* attributed to Org Z

Causal map showing all outcome paths driven by Org Z-facilitated networking





Networking attributed to others

In addition to the networking funded and facilitated by Org Z, a few respondents mentioned increased networking through **personal contacts** and **other organisations**. It may be that the latter were indeed assisted by Org Z, but this wasn't made explicit in the narrative.

Connections with “peer projects” and “community campaigns” were reported as providing inspiration and shared learning, as well as increasing skills and capacity. A few respondents shared how individuals in their organisation had connected with local personal contacts (including a councillor, an engineer, and “like-minded people”) to recruit others, innovate to solve problems, and increase community engagement.

These findings support the CD theory of change as they show how networking with others can lead to **learning, development,** and further **collaboration**.

NM-35: They are also learning from other community shops around the country, and this allows them to learn from their experience also - enabling them to learn from their challenges and opportunities.

NM-38: An opportunity they have taken up since they took on their new structure, particularly the charitable status, is engaging with local networks and organisations that promote volunteer development. They have recruited and engaged with the rest of the voluntary sector in a more structured way than previously - so that they could build the capacity of volunteers.

NS-31: He reports that the source of the new skills that the group has acquired lay in “having looked at other peer projects [as they are] all on-line”.



Factors driving increased income

All 14 respondents mentioned **increased income** in their narrative.

This growth in income was most commonly influenced **by developments in products and services**, closely followed by **grant funding** from various sources. As shown in the previous causal maps, some of these driving factors, such as successful grant applications and community engagement, were themselves driven by grant funding or business development support.

Factors influencing increased income (1+ frequency count)

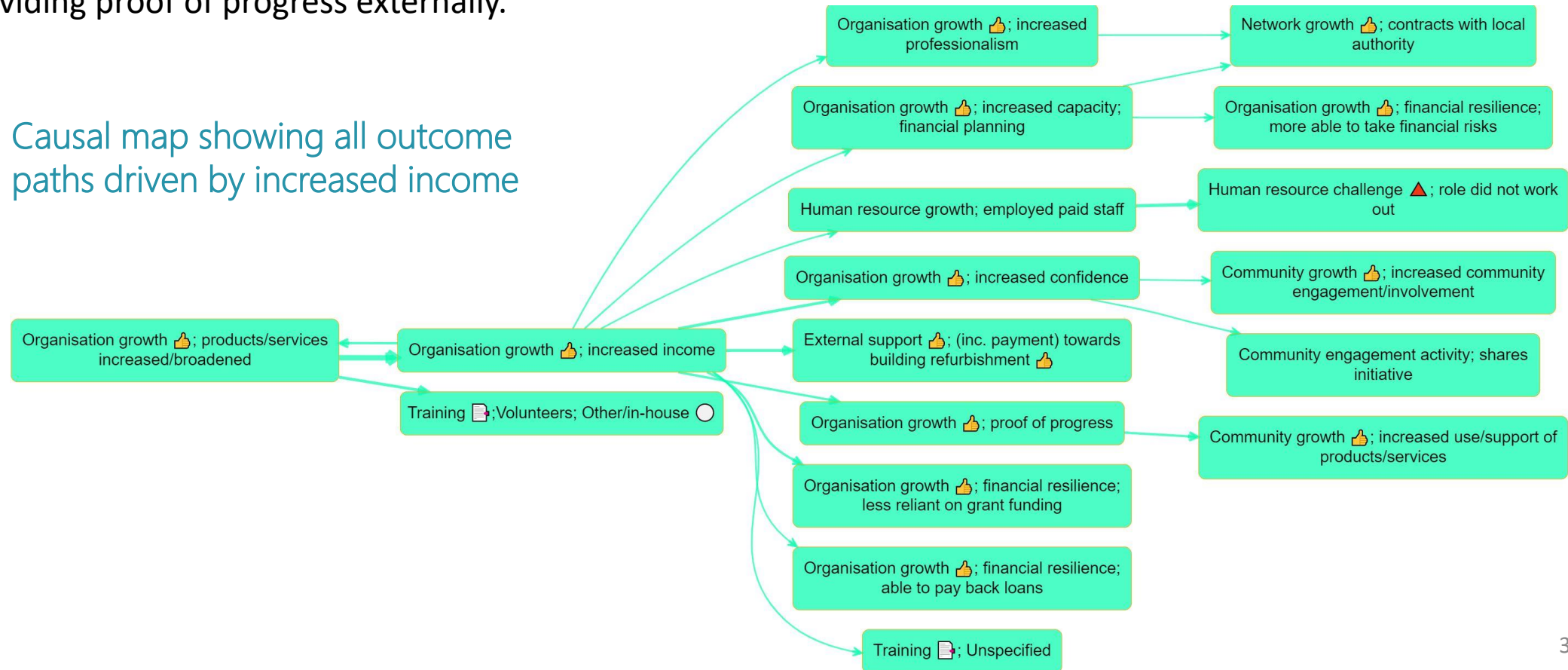




Factors driven by increased income

Increased income was itself an influencing factor for **organisational** growth, particularly in terms of broadening services, recruiting and training staff, and overall professional capacity. There was also an interesting link between income and self-confidence, as growing financially contributed to increased confidence internally and providing proof of progress externally.

Causal map showing all outcome paths driven by increased income





Factors related to the **community shares initiative**

Six of the respondents interviewed reported that their organisations had run a successful community shares initiative. This factor influenced both **income** and **community engagement**.

In addition to the financial benefits of this endeavour, there were other positive outcomes at the **community level**. Running a shares initiative was linked to more and better community engagement, as well as a growing profile and increased accountability.

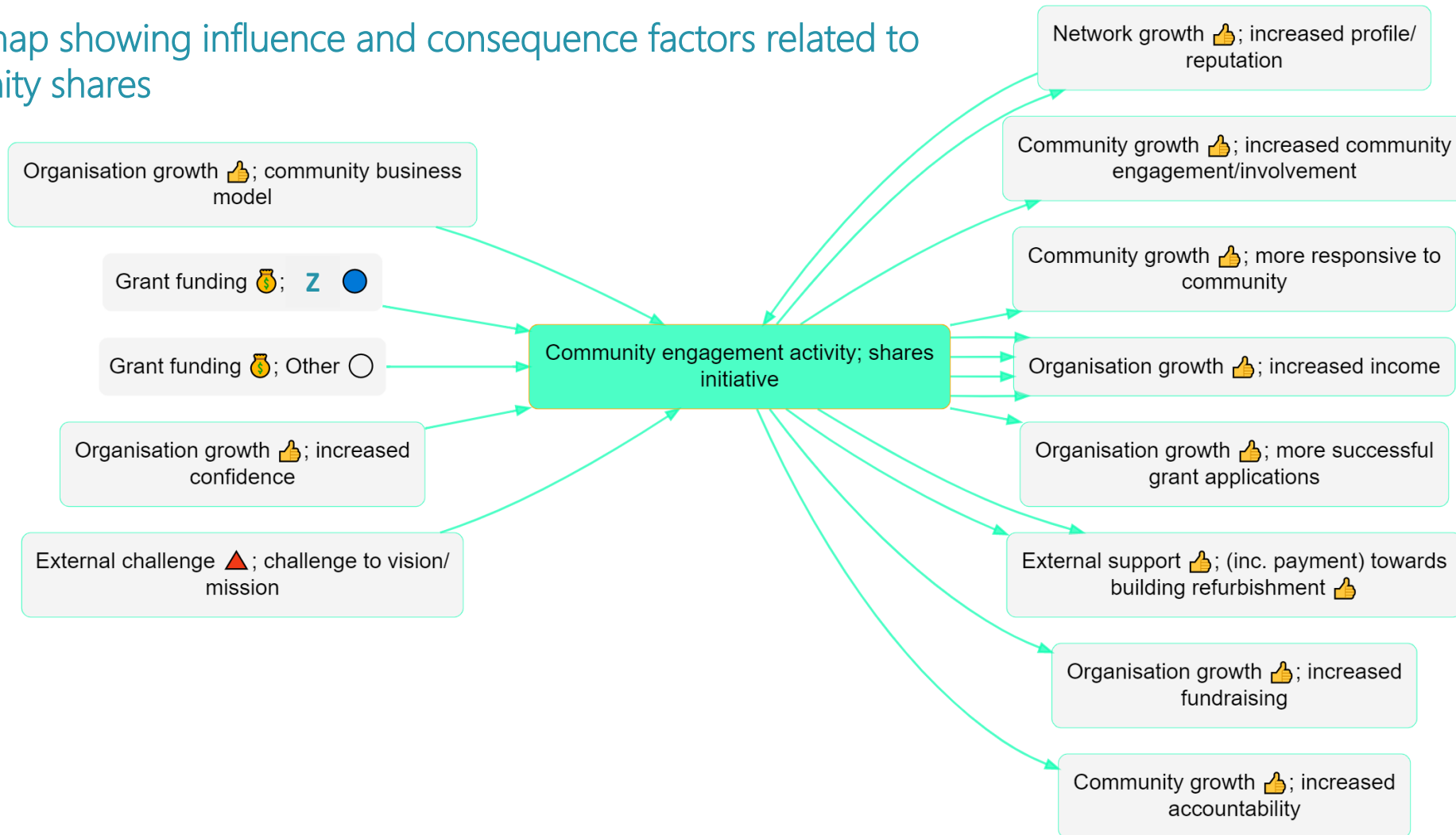
DL-22: In addition to the increased grant aid seeking capacity (the ability to apply and succeed with more grant applications as a registered charity), [...] it gave impetus to the buy a brick initiative, which to date has produced around £4.5k, and encouraged local donations of circa £3k.

DM-15: Securing community support was the major challenge the group has faced and the evidence for its success is the uptake of the share offer. In addition, the community share offer provided a useful social media story that raised interest in the project more broadly as well as generating income.



Factors related to the community shares initiative

Causal map showing influence and consequence factors related to community shares





Factors related to broadened services and products

Overall, 12 respondents reported that their products or services had increased, improved, or broadened in some way. As already mentioned, a key factor influencing service growth was **increased income**.

Other important influential factors (mentioned by at least three respondents) included:

- community centered mission
- feedback from the community
- increased demand due to a) lack of local services and b) effective community engagement
- grant funding
- access/ownership of a new building/space
- training for volunteers

As to be hoped and expected, this growth of services in turn led to an increase in income for these organisations.

DS-5: They have increased the opening hours and are now open every day of the week. They have seen an increased demand for services from the local community, and regular swimmers wanted daily sessions. They have introduced more sessions for women only, popular as its an area with a large BAME community. [...] These were things the local community said they wanted in feedback.

Respondents also mentioned other positive outcomes such as increased support and use of services and increased community engagement and involvement.

There was a strong sense of organisations acting upon opportunities as they arose, **testing and trialling** new products and services to see whether the community would engage and whether the activity would be profitable and sustainable.



Factors related to reduced/stopped products/services

Overall four respondents reported that their organisations had reduced or **stopped some products or services** during the recall period. Essentially, these organisations ceased certain activities where the benefits were no longer considered worth the costs involved.

One respondent shared how their organisation was learning through trial and error that some of their activities were too resource-intensive to sustain.

However, for another organisation the story is somewhat more complicated; they couldn't *start* certain intended activities due to facing challenges of 'exclusion and relegation'. The organisation was unable to get products and services off the ground as hoped due to the fact that they were excluded from becoming the leaseholders of a particular building and were relegated to tenant status instead.

NL-40: They have tried and dropped some activities such as table top sales - there was too much organisation to little return.

NM-38: We're gradually learning there is too much effort to income or output in some of the activities the volunteers want to put on.

NL-41: They are also looking to drop an unprofitable aspect of the business which is the e bay sales.

NS-26: The reason why the group is not in a position, as originally intended, to generate additional rental income is that it has been effectively prevented from becoming the leaseholder who would sublet the space to other tenants.



Factors related to organisational growth (knowledge and skills)

Half of the respondents claimed that there had been an **increase of knowledge and skills** within their organisation, whether for the trustees and directors, staff, or volunteers.

Development of skills and knowledge were mostly driven by learning through experience and necessity, bringing on board new trustees or staff, and through training. This human resource growth particularly led to increased **capacity** and **confidence**.

NL-46: The project manager has taken 3 courses in the last 3 years, committing to training for 10-15 days each year. This has really helped him up his knowledge and networks to try and test ideas out.

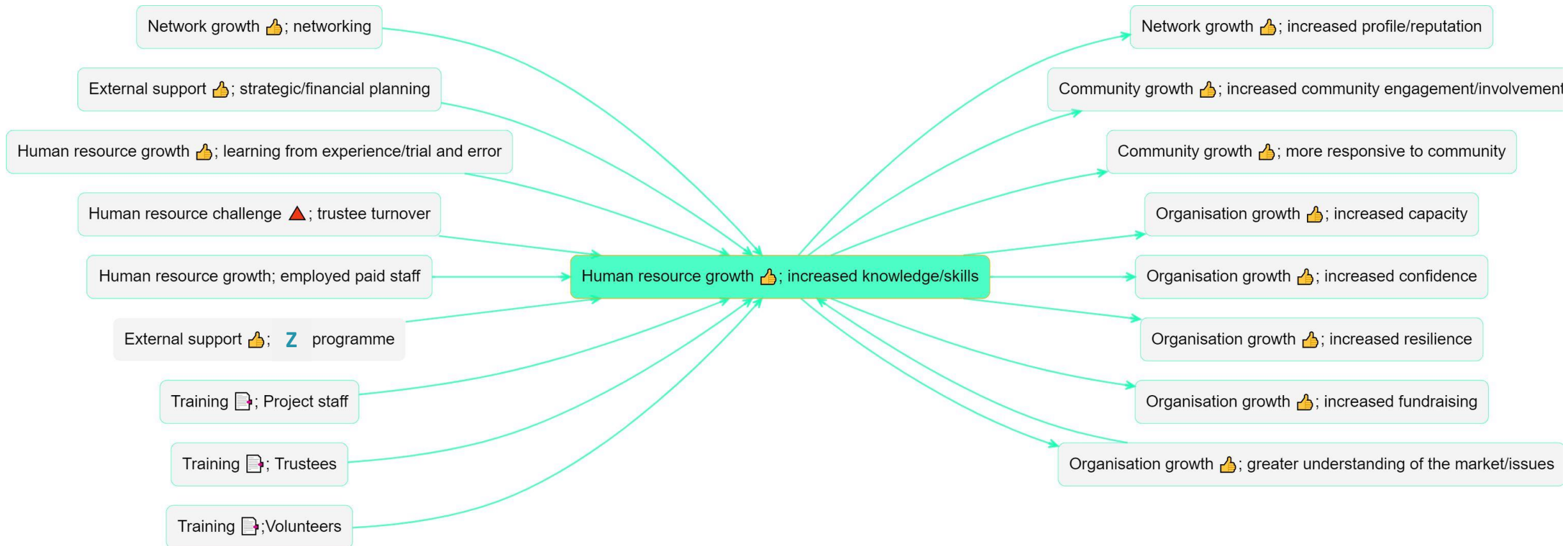
DS-1: We were able to take part in the Org Z's fellowship programme and this has helped us with skills & techniques to grow our trading.

NM-35: The skills of the trustees have changed over time as new needs have arisen.



Factors related to organisational growth (knowledge and skills)

Causal map showing factors related to knowledge/skills





Factors related to increased capacity

As noted earlier, the business development support from Org Z and others helped to **increase the capacity** of these community businesses.

Other factors, such as **learning from experience**, increased knowledge and skills and **inspiration from other businesses**, were also cited as strengthening their capacity to plan and make decisions strategically.

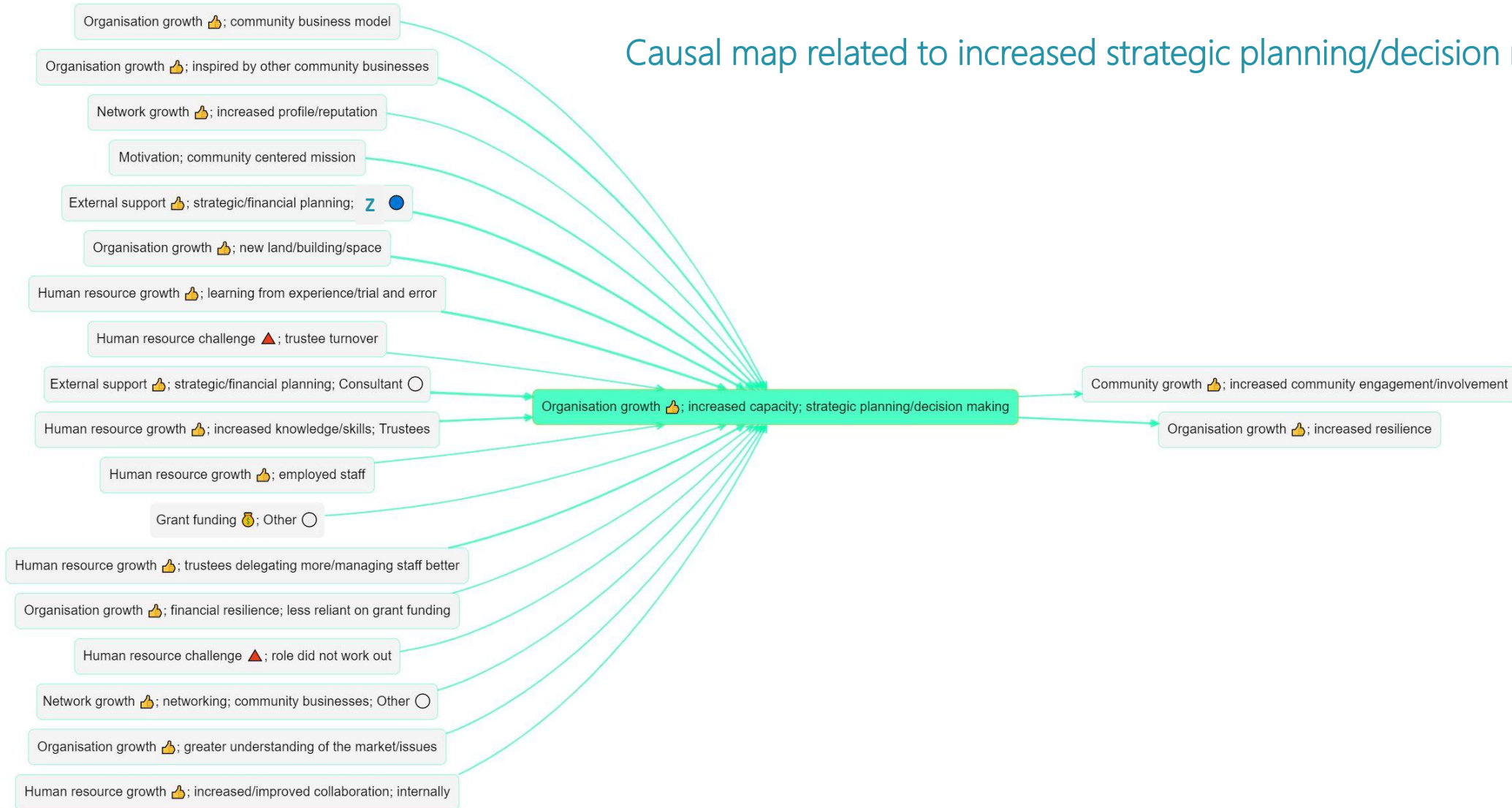
DM-13: The improvement in the organisation's strategic capacity to plan ahead is, for our source, associated with more contacts with the community land trust agencies, his better understanding of the issues, and that the new members on the Board bring relevant skills to this.

NM-35: Instead of micromanaging, the Trustees have delegated more to the paid staff and volunteers, allowing them to focus on more strategic decision making.



Factors related to increased capacity

Causal map related to increased strategic planning/decision making





Factors related to increased confidence and resilience

Various factors were cited as increasing the **confidence** and **resilience** of organisations.

Resilience refers to situations where respondents reported that their organisations were better equipped to deal with and manage challenges.

Confidence and resilience were both affected by internal learning growth and lobbying in the community. The most common drivers of **confidence** and **resilience** - **Org Z funding** and increased capacity for **strategic planning and decision making**, respectively - provide support for the CD theory of change.

DS-1: Learning through experience and through the support they have received from consultants and bid writers, and small gains that has helped them keep motivated and feel there is a positive future.

NS-31: The appraisal of the application recognised there was something there that was important, valuable. This successful application gave the group a boost to confidence that changed the group and instilled the perception that there is someone who is willing to help us.



Factors related to increased confidence and resilience

Causal map showing factors related to increased confidence/resilience





Factors related to employing new staff

12 respondents reported that they had **employed new 'staff'**, including trustees, volunteers, and interns, during the recall period. Whilst grant funding was an influential factor in enabling organisations to recruit new employees, other factors such as increased income and broadened services also played a part. More challenging drivers, such as **trustee burnout**, the **lack of time**, and staff **turnover** were also reported as prompting this shift in human resourcing.

NL-40: This is a change from previously as they now have staff to delegate to and they can get more done. The posts are funded through grant funding, including European funds [...] This was to help the trustees to concentrate on other things.

NS-26: Operational management has improved as a result of the recruitment of a (voluntary) volunteer manager.

DS-1: With support from [another organisation] they now employ a project worker/admin 6 hours per week who keep the place ticking over, takes booking etc - they appointed this worker so they had some day to day capacity as the Trustees did not.

Whilst in many cases employing new staff helped develop organisational capacity and skills, in some cases the employment did not work out.

NM-35: The paid staff they hired have not possessed all the skills and abilities needed, particularly related to financial management of the business day to day.

NL-41: They did bring in a CEO in a paid capacity with the three years but this role did not work out or last long. They felt their fingers were burned with this and will be very wary of employing a new person again.



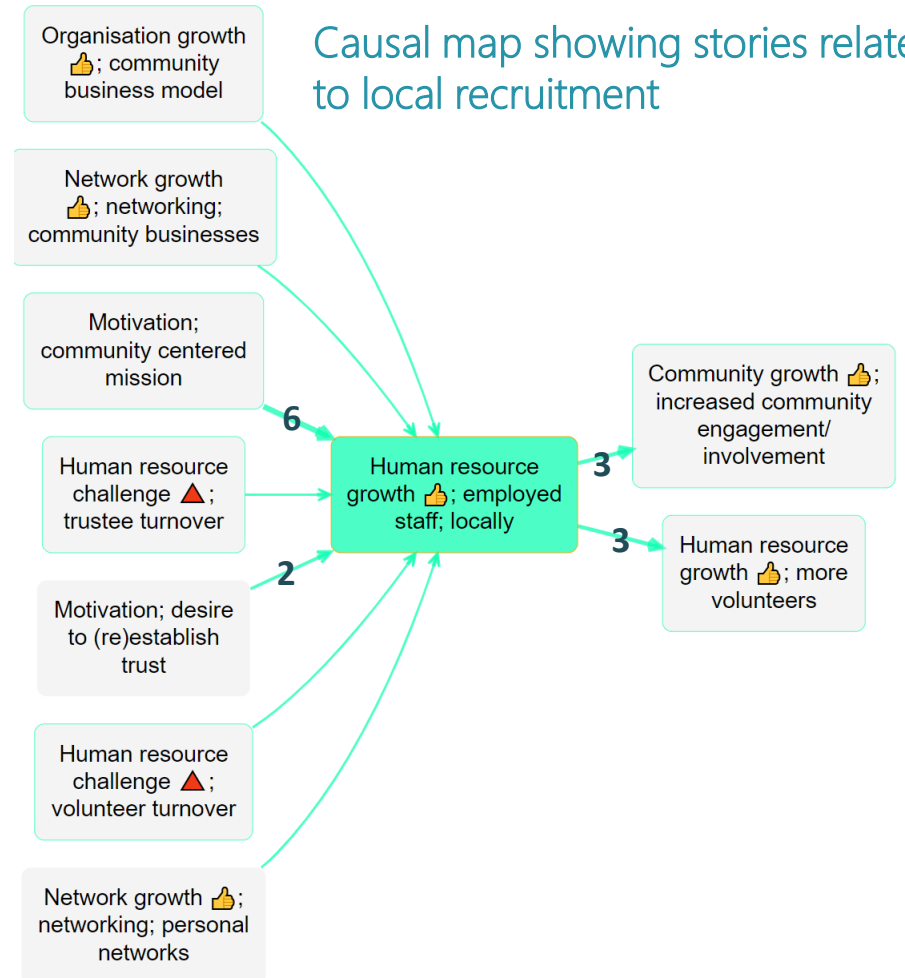
The importance of recruiting locally

There was a key thread in the recruitment narratives about the importance of **employing staff locally**. This was particularly the case for small-medium income organisations.

Often driven by the **community mission** of the organisation, respondents shared how the emphasis on recruiting, at all levels, within the local area helped to **strengthen relationships** and establish **trust** with the local community.

DS-1: Volunteers from the local community come in without skills or experience and learn on the job [...] the local community do not easily accept anyone from outside their own community, and keeping it local helps build trust. [...] There are now more Trustees working on a voluntary basis, as they recruited more to make sure the local community were represented on the Trustee board, so that the local community could feel the building and the charity is an asset to the community itself.

Causal map showing stories related to local recruitment





Factors related to increased community engagement

Community engagement and involvement with the businesses is key. 13 respondents said that local **communities were more engaged and involved** with their organisations.

The main driver of change was **receiving feedback** from the community (through research, meetings, consultations, etc).

Other influential factors included:

- community events and activities
- grant funding
- networking and collaboration
- growing profile and reputation
- local recruitment
- challenge to vision and mission

Increased engagement and involvement was both an influence and consequence factor of broadening services and increased income.

DM-13: Engagement with the local community has become more practical and face-to-face. This is, in part, related to the recruitment of someone with social / market research skills in interviewing and in part the adoption of a more active stance, e.g., setting up information stalls at local markets.

NS-31: Members awareness of the need “to bring local community with them” flowed in part from the emergence of the rival purist faction. In response to the issue, the group took action to bolster its local rootedness: it started and continues to have regular Monday coffee morning rotated around local pubs; quarterly parish meetings open to the public; an issue of (currently) 385 shares to the public; and an active usage of social media.



Factors related to more responsiveness to the community

Closely linked to the previous point, many respondents claimed that the organisations themselves had become **more responsive** to their local community. Responsiveness was driven by similar factors to those influencing community engagement: community feedback, staff capacity and skills, and a localised social mission.

One respondent shared how their organisation had become more responsive due in part to the requirements of their grant funding.

Importantly, more responsiveness was linked directly to increased support from the community. The evidence showed that when the business listened to and responded to the needs of the community, there were mutual benefits for the community and the organisation.

DM-15: The narrative of change here also draws attention to how the greater responsiveness contributes an energy to group practice, reinforcing other mechanisms in play, egg, his own advice. Our source notes that the directors were surprised that circa 100 people attended a public meeting and the expression of support for the direction the group was taking had unanimous support among them through a show of hands.



Factors related to more responsiveness to the community

Causal map showing drivers leading to community responsiveness





The importance of hard work and a focused mission

A common thread across the narratives was the **community centered mission** underpinning the products, services, and activities run by the businesses. In many stories of change, a key underlying influential factor was the missional focus of the organisation to better serve the local community. For many, their raison d'être was responding to the longstanding deprivation in their locality. This was mentioned much more frequently by smaller income organisations.

NL-46: They have aimed to position themselves as the 'Heart of the Community' and the local residents have come to trust them as a local provider with the benefit of the community as its mission. [...] Their ambitions have grown from serving the community to becoming the heart of the community, and aim to move the whole community to a better position in the IMD.

DS-1: The majority of the people joined the Board because they wanted to see the village 'get better' and referred throughout to the highly deprived nature of the area, the social and cultural isolation, industrial decline since the 1980s which has never been addressed.

NM-35: Interviewee as a founder of the business with his wife have a social work background and have a community benefit ethos in their outlook and this was a driving force behind the decision to set the business up in the way they did.

NL-40: Reason that they set out to run community events was to rekindle sense of community.



Key challenges faced by organisations

Despite the evidence of progression for these organisations, all of them reported facing **challenges** which were by no means insignificant. These challenges fall mainly into the following themes (in order of frequency):

- **human resource** challenge (burnout, lack of skills/time, staff turnover, internal disagreements, ageing/voluntary trustees)
- **organisational** challenge (progress on hold, grant funding repurposed, reduced/no return from activities)
- **external** challenge (challenge to vision/mission, strained relationship with the council, bureaucracy, local services stopped/non-existent, increased demand)

Respondents from less deprived localities were more likely to report community engagement and human resource related challenges.

There was some evidence of organisations responding to these **challenges** in a way that enabled **positive outcomes**.

To name a few examples: some organisations responded to the **lack of skills** by providing **training**; others responded to **burnout** by **recruiting** more staff; whilst a few responded to **increased costs** by applying for more **grant funding**.



Ranked organisations

Only nine respondents responded to the section where they were asked to list and rank organisations and programmes which had provided their businesses with support. This part of the questionnaire was mostly conducted offline, after the interview, to give respondents more time to reflect. It is uncertain whether all respondents fully understood the question, particularly as some responses were unclear. Out of respect for respondents' time, especially given the COVID-19 context, missing answers and unclear responses were not followed up on.

What can be gleaned from the responses to this section, is that there are numerous organisations and programmes supporting these community businesses: **44 different organisations/programmes** were named overall, by only nine respondents.

Only 7 out of the 44 organisations/programmes were mentioned by more than one respondent (respondent count):

- Council (5)
- Org Z programme (4)
- Org Z (3)
- [Partner organisation] (3)
- National Lottery (3)
- Capacity Development programme (2)
- [Another trust] (2)

Other organisations fell into the following categories: trusts, funders, charities, and regional/local networks.



Ranked organisations/programmes

Seven respondents (out of the nine who completed this section) listed and ranked Org Z and their partners and/or programmes. Most of these were from smaller income organisations. When Org Z were listed, they were typically ranked quite highly by respondents. Three respondents ranked Org Z or [Org Z programme name] as the most important/impactful organisation/programme they'd worked with or received support from over the recall period.

Ranking	1st	2nd	3rd	4th	5th	6th	7th	8th
Org Z	1	1			1			
CD			1			1		
Partner		1		2				
Other Org Z programme	2		1					1
Partner	1							

Common activities mentioned in relation to these organisations and programmes:



Funding – respondents noted how funding was especially important **early on** in their organisation's life-cycle in order to develop their concept, boost their confidence, and generally get their idea off the ground.

Specific activities funded by these grants included: consultancy, training, networking visits, and community engagement.



Mentoring, advice, and support – respondents explicitly mentioned advice about assets, funding, and developing a business plan.



Summary responses to key research questions

Does the capacity building support funded by Org Z have the expected effect on community businesses?

As discussed, the outcomes driven by CD's capacity building support (business advice, grant funding and networking) were largely positive. In short, the QulP data evidences:

- Org Z **business advice** enabled organisations to **strengthen their capacity** to plan ahead and make strategic decisions for the future;
- Org Z **grant funding** increased both **income** and **confidence**;
- Org Z **networking support** encouraged organisations to learn from each other, **inspiring new ideas**.

Have the interventions had any unanticipated effects, positive or negative?

There were **very few negative stories** related to Org Z interventions; there were only a few cases whereby Org Z were not having the desired effect. For instance, the **business support was considered insufficient** for the size and stage of one organisation, and due to miscommunication **grant funds were not used to best effect** by another organisation.

It was expected and hoped that all respondents would bring up the support they'd received from Org Z at some point during the interview, but this was not always the case as three respondents didn't explicitly mention Org Z interventions in their narratives.



Summary responses to key research questions

What other interventions or factors (internal and external) have affected expected outcomes?

As shown through the causal maps and accompanying narrative summary, **numerous** other factors, unrelated to Org Z, were influencing desired outcomes. In some cases, non-Org Z factors were in fact aligned with Org Z's theory of change (e.g. grant funding or business support provided by **another organisation**).

Internal factors such as **hard-work** and a strong **community mission** were certainly central to the narratives around the growth and development of these businesses.

What drivers of change or patterns can be identified that could inform future programme design?

The internal and external **challenges** articulated by respondents should be reflected on to inform future programme design. Many of these obstacles will be outside of Org Z's direct control, but it is worth considering how businesses can be supported to continue to grapple with and overcome these challenges. The ongoing **COVID-19 pandemic** has certainly brought about new challenges (and exacerbated existing ones) for communities in the UK. However, during lockdown we have also seen remarkable **community spirit** and **cooperation** in action. Org Z could reflect on how best to build on this sense of community morale moving forward.