

**COMMISSIONER:** POWER TO CHANGE

**COUNTRIES:** UK

**YEARS OF STUDY:** 2020, 2021

**PROJECTS:** BRIGHT IDEAS PROGRAMME AND COMMUNITY BUSINESS FUND

**Power to Change** (PtC) is an English independent trust which was set up in 2015 with a £150m endowment from **The National Lottery Community Fund (NLCF)**. They support community businesses to start, develop, and grow their enterprises. They plan to stimulate social change by amplifying the efforts of community businesses to tackle some of society's biggest challenges such as climate change and digital transformation.

Power to Change worked with Bath SDR to better understand the impact of their programmes in 2020 and 2021. In 2020, Bath SDR interviewed 14 individuals from different **community businesses** who had received support from their **Community Business Fund (CBF)** programme. The CBF programme was started in 2016 and works to provide UK community businesses, from a range of sectors, with investment funding and development support to improve their **capacity and impact**. CBF investments range between £50,000-£300,000 and grantees can apply for funds to cover capital and/or revenue costs.

In 2021, PtC and Bath SDR interviewed a further 24 community business representatives, researching the role of capacity building in the development of community businesses as part of PtC's **Bright Ideas Programme**. Over three years, Bright Ideas 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. These community businesses are provided with 1-1 business development support, grant funding from £1,000-£15,000 and peer-learning opportunities.

## WHY QUIP:

Power to Change commissioned these two QuIP studies to gather research on the role capacity building plays in the development of community businesses and their part within this. PtC understands that the support they provide through their programmes is only a **part of the wider network** of support that community businesses access. QuIP was able to help PtC better understand not only their impact but where community businesses access other support and how that support affected their organisational development. Understanding the **drivers of change** both internal and external to these community businesses was important for PtC to understand their own positionality and role in driving positive change for the organisations they aim to help.

The findings of the 2020 QuIP study can be found in the [Power to Change Impact Report](#).

## APPROACH:

The first QuIP study planned to interview 24 community organisations involved in the Community Business Fund (CBF) programme but due to the first Covid-19 lockdown only 14 interviews were conducted. However, useful insights were still found. The subsequent study in 2021 managed to interview 24 community business representatives, using online video calls. The businesses were selected on the following criteria:

- **Their involvement in PtC programmes.** Both studies solely interviewed organisations that had been involved in the programme being evaluated. The 2021 study also selected organisations based on whether they had received peer brokerage support, with the sample split evenly between those who had and hadn't received this support.
- **Their size, based on the level of income.** Both studies interviewed a range of small, medium and large income organisations.
- **The level of deprivation in the area the organisation worked in,** measured according to the Indices of Multiple Deprivation average IMD rating. In the first study most of the organisations worked in regions with an average IMD rating of less than 2 and therefore were less deprived. In the second study the levels of deprivation were more varied.

Data was collected through **semi-structured interviews** with stakeholders/beneficiaries, conducted by independent researchers. The researchers knew that PtC had commissioned the research and were aware of programme activities so there was little blindfolding involved, but the open-ended and goal-free questions focused on **outcomes**, rather than inputs, enabling respondents to discuss a wide range of changes, and their perceived drivers. This approach allows QuIP to collect credible evidence on perceptions of change over a set period of time and across a series of relevant domains, providing a much richer and broader understanding of any causal mechanisms at play.

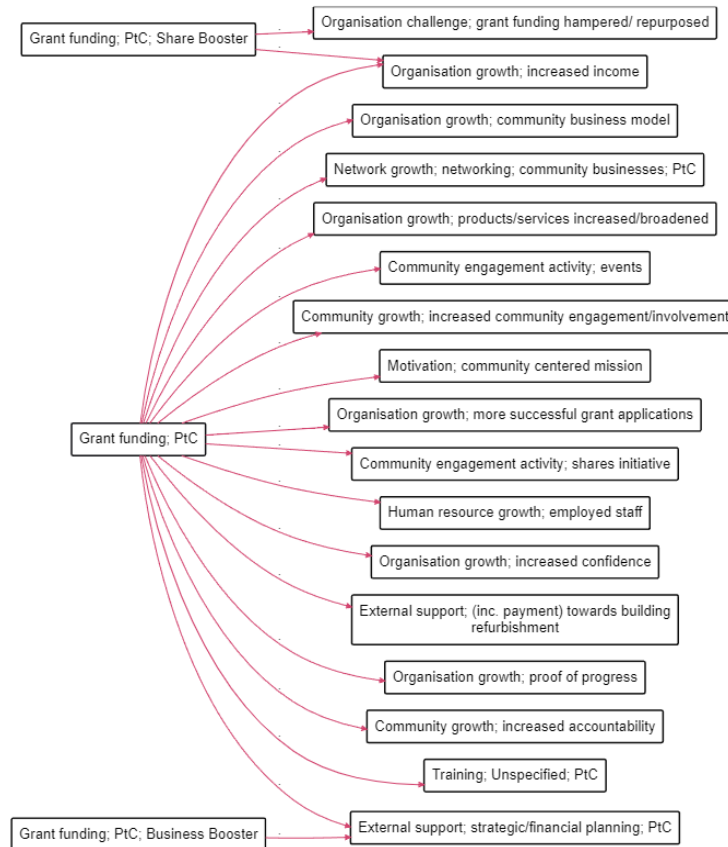
The domains for these studies were as follows:

- People and skills
- Governance and leadership
- Income generation
- Coping with challenges and opportunities (2020 only)
- Community engagement (2020 only)
- Assets (2021 only)
- Covid-19 (2021 only)

## FINDINGS:

Bath SDR coded and analysed the data using the [Causal Map](#) online software. Using QuIP's systematic and transparent approach to qualitative data analysis the analyst identified stories of change reported by respondents, referred to as **causal claims**. These claims then generate causal maps which can then be filtered to better understand patterns and trends. In both studies beneficiaries were largely positive about the support received from PtC. It was found that **business advice** enabled organisations to strengthen their **capacity to plan and make strategic decisions** for the future. **Grant funding** increased both **income and confidence** and helped organisations to acquire and develop assets. **PtC networking support** encouraged organisations to learn from each other, **inspiring new ideas**.

The map below shows the outcomes explicitly attributed to the grant funding from Power to Change in the 2020 study.



The grant funding from PtC 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 “proof of progress” to interested stakeholders.

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 morale, build their reputation and support within the community, and obtain additional funding.

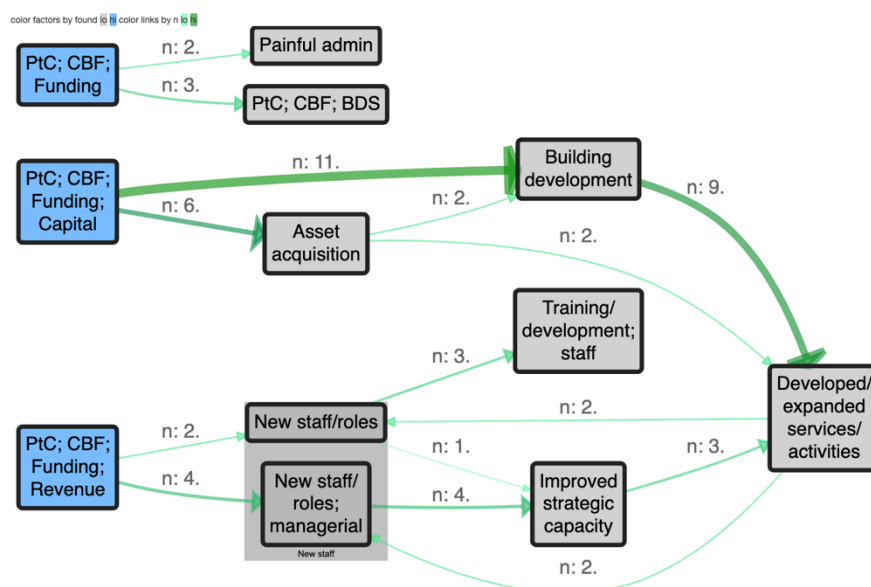
[Funding] from PtC Bright Ideas Fund was important as it raised morale among the original members of the group and facilitated the group to leverage other funds [...] the availability of funding (from PtC, crowd-funding, etc) allowed the group to challenge the “island mentality” of some as it demonstrated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

Respondents also received valuable business support, grant funding, and training from other organisations, including the EU and the local authority.

Four respondents explicitly mentioned that PtC 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 some internal resistance initially, but since had been persuaded that the group learned a lot from the networking experience.



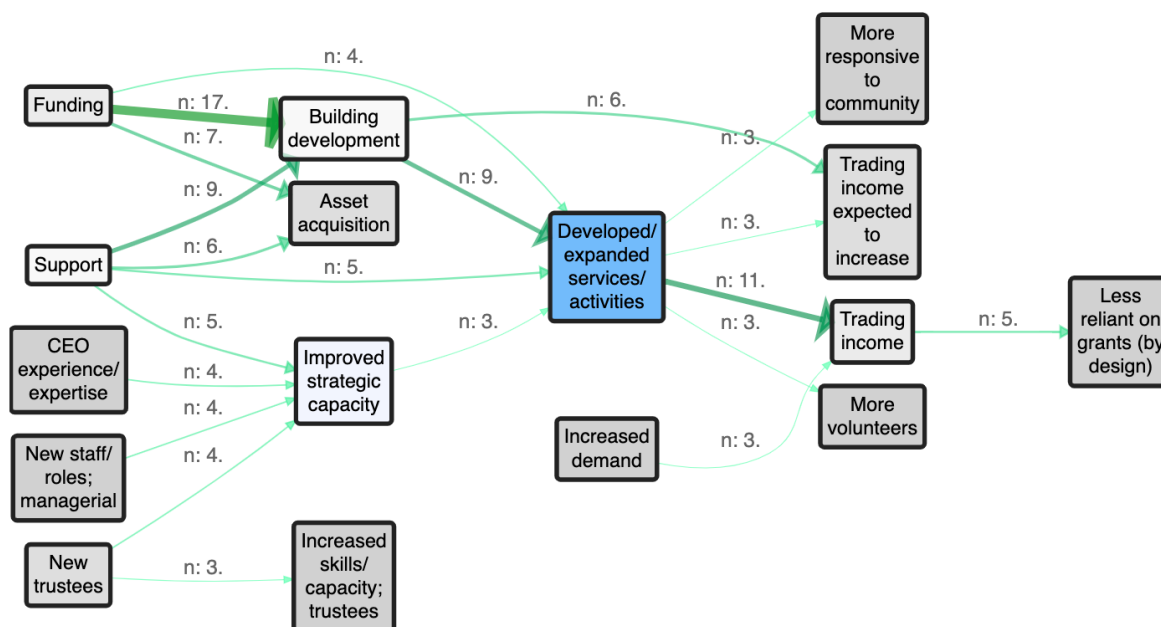
In the 2021 study, interviewees linked grant funding (from PtC, the local authority, and others) to a number of positive outcomes, including asset acquisition/development and staff growth, ultimately leading to the expansion of services and an increase in trading income. The map below is from the 2021 report focusing on the Community Business Fund programme, looking specifically at the reported impacts of different PtC grant funding.



Most causal claims related to PtC funding cited the CBF programme and in particular the capital grants which enabled organisations to acquire and develop assets. Larger organisations were slightly more likely to reference capital funding. Whilst the capital funding was more frequently cited as a driver of change, a small number of sources did reference revenue funding from PtC's CBF enabling them to take on new staff, including at a managerial level.

At a personnel level they were able with the grant from PtC to employ 2 paid members of staff and 3 mentors for the service users. This enabled them to move the site forward more quickly as the paid staff were able to manage the redevelopment of the site.

External support/advice and internal expertise through capacity from new and experienced staff were key to changes in services. The map below visualises the most frequently reported consequences of community businesses developing their offer, including increases in trading income - both actualised and anticipated (in which the expected increase was interrupted by Covid-19).



In the 2021 study it was clear that Covid-19 presented community businesses with new challenges, however sources also reflected positively about how they had adapted their services and ways of working. Social distancing and travel restrictions were key factors in reducing income, but for a few organisations the sense of community spirit, increased demand, and/or adapted services helped to bolster their income from trading.