

A photograph of a rural landscape. In the foreground, a signpost on a metal pole has two signs. The top sign reads "RECREATION GROUND" and the bottom sign reads "COMMUNITY SHOP" with a small logo. To the right, a red telephone booth is partially visible. The background shows green trees and a blue sky with white clouds.

RECREATION
GROUND

COMMUNITY
SHOP

Community Ownership:

A Better form of Business.

Plunkett UK's annual
state-of-the-sector research.

 **Plunkett UK**

Supporting rural community-owned businesses

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Executive summary



Size of the sector

In 2023:

- The sector grew by **3.8%** — the highest single year of growth since 2019;
- This consisted of **35** new community-owned businesses opening during the year and 6 closures;
- Of the new openings in 2023, **8** had received funding from the UK Community Ownership Fund to support the community buyout;
- There were a total of **797** community-owned businesses trading across the UK;
- The long-term survival rate now stands at **94%** despite a difficult trading period (92% in 2022).

Five key messages from the research:

1. Despite facing challenging trading conditions **34% of community-owned businesses were able to invest surpluses to support local community action, and 24% made donations to charity;**
2. The impacts of the cost of living and inflation remain a concern for community-owned businesses, however **53% of community-owned businesses are confident or very confident that their situation will improve in the next 12 months;**
3. **85% of businesses have been negatively impacted by rising energy bills** in the last 12 months, and 58% of the network believe that grant funding to invest in energy saving and efficiency measures would benefit their business;
4. **29% of businesses have been negatively impacted by rising staffing costs,** however, in recognition of their commitment to fair and equitable employment opportunities **60% of the network pay the Real Living Wage or higher;**
5. Community shares continue to leverage significant 'other' investment in the sector. **For every £1 raised via community shares in 2023 groups attracted a further £2.33 from other sources of funding.**



Foreword

I will never tire of celebrating the community ownership movement that is represented in Plunkett's 'Better form of Business' reports, and it is my privilege to provide this year's foreword.

When writing this report what was so apparent is that when the volunteers, at the heart of our sector have access to free advice and support and can also apply for significant grant funding to match their own community fundraising efforts, they can achieve amazing results.

I was delighted to see that last year was the highest single year of growth, in terms of new community-owned businesses since before the pandemic. The role these businesses play at the heart of communities across the nation is truly remarkable and, despite facing significant challenges in the recent past, to see a growing sector, with continuing high long-term success rates, bodes well for the future.

Community-owned pubs remain the fastest growing type of community business in Plunkett's network, which is unsurprising given the well documented challenges and reported closures within the hospitality industry. Pubs are such important assets and it's great that so many people are motivated to mobilise and save them through community ownership.

Beyond the many 'save our pub' campaigns it is, however, so wonderful to see how community-owned pubs are genuinely committed to being 'More than a Pub' to secure their long-term future. Food and drink are of course a part of their business model, but delivering social impact in abundance remains a key driver for their success.

Whilst it's fair to say that the vast majority of community ownership projects that we engage come about in response to a fear of 'losing' something, I'm genuinely excited to see the work Plunkett is progressing to promote the model more proactively too.

The country is facing a housing crisis, and more homes will be built in response to this. It is great therefore to see the concept of creating new community-owned businesses within new developments progressing to promote inclusion and integration amongst new and existing communities. In particular the work Plunkett has been doing with Thakeham, and the community at Woodgate, in respect of setting up a community shop (learning from an existing network of over 400 shops elsewhere) could provide a great blueprint for others to learn from nationwide.

My final reflections on this year's report are seeing the volume of people involved with this movement. Whether in a volunteering or employment capacity, or as community shareholders or fundraisers, this genuinely is a sector with a diverse community at its heart. Businesses that are owned by, run by and run for the benefit of local people are a fantastic example of how to build sustainable, thriving and inclusive places where everyone is welcome.

Long may the success of the community-owned business sector continue.

Chris Cowcher

Member of the Plunkett UK
Senior Leadership Team
and author of this year's report.



Introduction

About this publication

'A Better Form of Business' is a series of research reports on community-owned businesses that has been completed annually by Plunkett UK since 2011.

The reports offer evidence on the size, characteristics, and performance of the community-owned business sector, that has been supported by Plunkett, and includes trends and assessment of the social, economic and environmental impact across the UK.

Reports from previous years and other research by Plunkett can be found in the reports section of our website: www.plunkett.co.uk/reports

The purpose of the research is to:

- Assess the health of the current trading business network;
- Inform and inspire new, developing and existing community-owned businesses;
- Shape Plunkett's own strategic implementation of training and support;
- Establish an evidence base for Plunkett's advocacy work, to achieve better funding, legislation and policy for the benefit of community-owned businesses across all four UK nations.

The 2024 report

The community-owned business sector continues to demonstrate its robustness, with Plunkett's end of year figures showing a 94% success rate across all business types. The model has a longevity which benefits communities for multiple generations.

As the report will show, 2023 was the highest single year of growth since 2019 and before the Covid-19 pandemic. This growth coincides with the launch of Plunkett's universal community-owned business service, as well as the availability of grant funding, such as the UK Community Ownership Fund to support community buyouts. Eight of the businesses supported by Plunkett that opened in 2023 also received funding from the UK Community Ownership Fund. This demonstrates that when a sector is backed by advice, support and funding, as well as being able to raise significant start-up capital themselves this impactful form of business can become established in communities UK-wide.

Whilst it is positive to see continued growth, in both the level of interest in setting up a community-owned business and also in the rate of new openings, it is important to review any apparent vulnerabilities that the network may currently be experiencing, and compile the appropriate evidence required to identify and advocate for solutions which will protect and maintain the diverse network of community-owned businesses currently trading UK-wide.

Having faced years of significant challenges, with the Covid-19 pandemic and then rising energy costs and other inflationary cost pressures, this year's Better Business report has considered what impact these crises have had on the community-owned business network.



What is a community-owned business?

Plunkett UK has promoted the community ownership model for over 100 years because of its track record for delivering better businesses for people, communities, the economy, and the environment.

A community-owned businesses, in the context of Plunkett's work and therefore the contents of this report, are defined as businesses that are owned and controlled by community members, who each have an equal and democratic say in how the business is run. They can be any type of business ranging from village shops, pubs and cafés, through to woodlands, fisheries and farms.

Membership (made up of community shareholders) of a community-owned business is voluntary, affordable, and open to all, and is the mechanism for ensuring local people have a genuine say in how the business is run. This is what gives community-owned businesses longevity, as member control and input ensure the business is continually adapting and serving the needs of its members and wider community.

Once in community ownership, an elected committee or board will continue to represent the wider membership and determine how the business is managed. The committee will either delegate the day-to-day management of the business to a team of paid staff and/or volunteers or sub-let to a tenant who will operate the business within a framework set by the community.

In the majority of cases, community-owned businesses go above and beyond to provide a wide range of additional services – becoming 'more than...' a shop, or a pub for example. As businesses that are owned by, run by and run for the benefit of their community they become a hive of community and voluntary activity; they offer space for meetings, clubs and societies; they enrich the local cultural scene; they actively promote inclusion and look out for those most vulnerable in society; they support the local economy and infrastructure by investing profits in and fundraising for other community projects; and they play an active role in addressing isolation and loneliness through the creation of social and volunteering opportunities.



Cwmdu Inn
Carmarthenshire

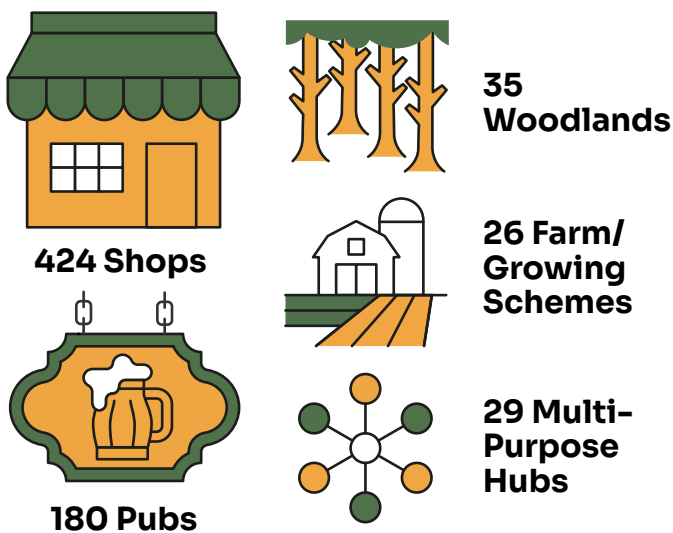
Section 1 Sector size and growth

By the end of 2023 Plunkett's records indicated that there were 797 trading community-owned businesses in England, Scotland, Northern Ireland and Wales.

Given Plunkett's predominantly rural focus, the majority of the network supported by the charity can be found in these areas. Plunkett records indicate that (at the end of 2023) there were 686 businesses trading in rural communities and 111 in urban, and more built-up areas.

Types of community-owned business

The top five types of community-owned businesses in Plunkett UK's records are:



There are a variety of other kinds of business in Plunkett's records, such as:

- Cafés;
- Breweries and distilleries;
- Bakeries;
- Markets;
- Sport and recreation;
- Tourism;
- Arts and crafts;
- Cinema, and theatre;
- Health, care, and wellbeing.

New openings in 2023

35 new community-owned businesses opened in 2023, which is in line with the 10-year average for number of openings per year but is a marked increase on the previous 3 years' figures.

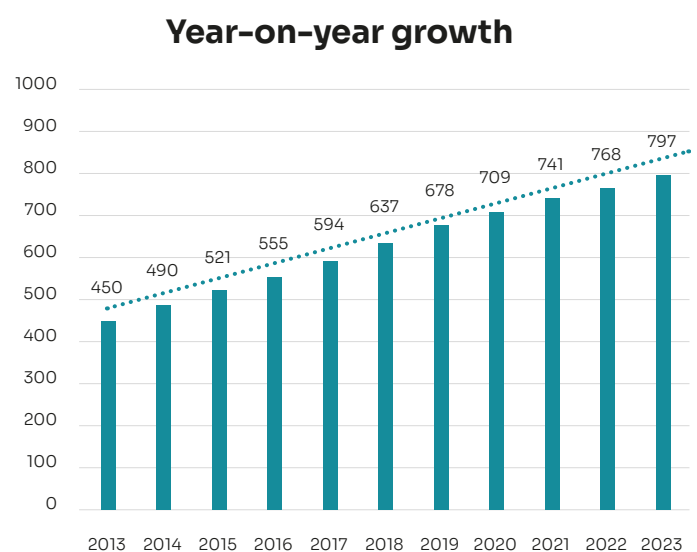
8 of the new openings recorded by Plunkett UK received grant funding from the UK Community Ownership Fund, a £150m fund run by the UK Government that supports community groups in England, Scotland, Wales and Northern Ireland to take ownership of assets and amenities at risk of being lost.

The sector grew by 3.8% last year, which is the single largest annual growth recorded since 2019 and before the Covid-19 pandemic.

Of the new openings:

- 18 were pubs (51%);
- 15 were shops (43%).

▼ **Figure 1 (below):** Graph which shows the annual growth of community-owned businesses over the last 10 years.





Interest levels: New start groups

In 2023, alongside providing support to already trading businesses, Plunkett received 258 enquiries about setting up a new community-owned business, this included:

- 125 enquiries about setting up a community pub (48% of enquiries);
- 47 enquiries about setting up a community shop (18%);
- 20 enquiries about setting up a multi-purpose community hub (8%);
- 66 enquiries about setting up a range of 'other' forms of community-owned business (26%).

Alongside pubs, shops and hubs there was also a broad range of other kinds of business enquiry, such as music related facilities, horticulture initiatives, community cafés and businesses related to tourism.

Most community-owned business projects are led by local residents responding to the potential loss of a service, business or asset within their community or wanting to bring back a much-missed service. However, during 2023 Plunkett continued to work with a number of place-making organisations to promote the inclusion of the community ownership model within new housing developments. Related to this ambition Plunkett continued to support residents at Woodgate, a development of 619 homes by Thakeham near Pease Pottage, in Sussex to create a community-owned shop at the heart of their new community.

Geographical distribution

The highest number of community-owned businesses can be found in England in the South West, East and South East regions.

Depending on the type of business, there are different levels of distribution across the UK. For example, the highest numbers of community shops can be found in the South West of England, whereas the highest number of community pubs can be found in the South East of England.

The data also shows that there may also be a "cluster effect" in some areas, where the presence of a community-owned business inspires others to establish one nearby. Cultural, historical and social factors may also play a role in motivations for setting up a community-owned business.

In North West Wales, for example, there is a cluster of community pubs. Among these pubs there is a strong desire to promote Welsh language and culture, and community-owned pubs play a key role in hosting live arts and music events, as well as a space for speakers and learners of Welsh to meet socially.

Another example of what can motivate the establishment of a community-owned business can be seen in Scotland, where a large part of the network can be found in 'Remote' or 'Very Remote' rural areas. Here they are actively reducing the risks posed by rural isolation. Operating in areas, which are often sparsely populated, the existence of a community-owned business enables residents to continue accessing goods and services local to where they live.

Section 1 Continued

English regions/ UK nations	Record count	% of all trading businesses	No. of new businesses in 2023	% growth	No. of new enquiries in 2023	% of total enquiries
East England	95	12%	1	1%	30	12%
East Midlands	46	6%	1	2%	18	7%
London	10	1%	1	10%	7	3%
North East	16	2%	3	19%	10	4%
Northern Ireland	7	1%	1	14%	1	0%
North West	58	7%	2	3%	27	10%
Scotland	87	11%	8	9%	29	11%
South East	144	18%	4	3%	33	13%
South West	184	23%	6	3%	48	19%
Wales	57	7%	5	9%	20	8%
West Midlands	55	7%	1	2%	19	7%
Yorkshire & Humber	38	5%	2	5%	16	6%
Total	797	100%	35	4%	258	100%

▲ **Figure 2 (above):** Table showing the regional distribution of community-owned businesses, alongside the enquiry rates for new groups in 2023.

Closures

Six community-owned businesses closed in 2023, which is slightly higher than in previous years.

Of those businesses that closed four were community-owned shops but there does not appear to be a consistent cause resulting in the closures. Contributing factors cited included diminishing community support, volunteer fatigue and financial pressures.

Plunkett offers advice to trading community-owned businesses, as the development journey does not stop once a group reaches the point of “trading”. It is important that businesses are supported and enabled to continually innovate and adapt their services, continuing to meet community needs which can contribute to longer-term sustainability.

Survival rates

Despite the reported closures in 2023, the long-term survival rate, which considers the all-time business birth and death rates for all types of community-owned businesses included on Plunkett records, remains high at 94%. This shows that whilst 2023 saw an above average rate of closures, all-time figures show that very few community-owned businesses have closed.

Furthermore, understanding that the first 5 years of trade can be challenging for many businesses, Plunkett has assessed the current 5-year success rate for all community-owned businesses, where we have 5 years’ worth of opening and closing data (up to openings from 2018). This shows an average of 97.5%, five-year success rate.



Community shares supporting the movement

The resilience and overall success of community-owned businesses is in large part because of the number of people who are involved as members (shareholders), committee members, customers, staff and volunteers – very often a combination of all these roles. This is very much a people-powered movement.

Community-owned businesses often utilise the community shares model as a way of raising significant amounts of patient finance, as well as a mechanism for building their supporter membership (shareholders).

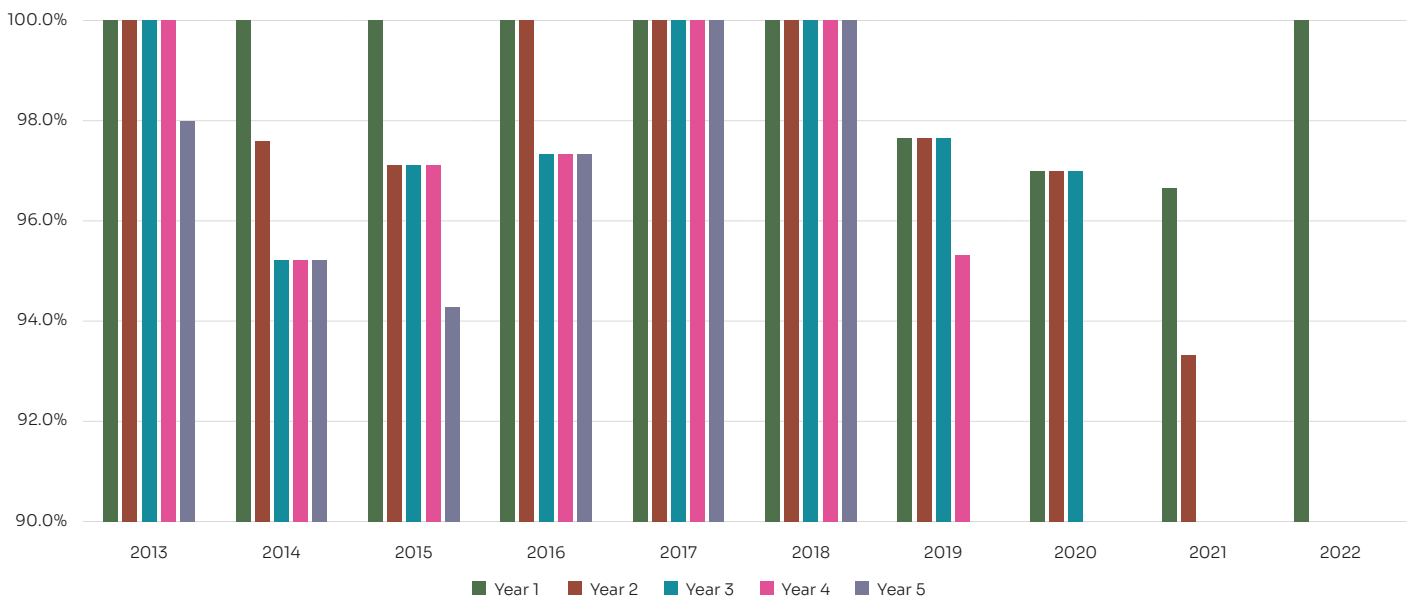
In 2023, 4,660 people invested £3.9m in community shares to support the opening of the 35 businesses. The amount of funding raised via community shares, was also used to match other forms of investments totalling £5.3m from grants and loans.

In total, all-time records show that community-owned businesses supported by Plunkett have raised a total of £55m from 122,000 community share investors.



▼ **Figure 3 (below):** Graph show the total % of businesses on annual basis and their recorded 5-year success rate.

Community-owned business 5 year success rate



Section 2 People and governance

Legal structure

One of the first decisions a community group makes when setting up a community-owned business is its legal structure.

As trading businesses that employ staff, manage volunteers and enter into contracts and financial agreements, they need to be constituted so that the individuals running the business have ‘limited liability’, and to ensure they are compliant with legal necessities such as tax, insurance, trading standards and employment rights.

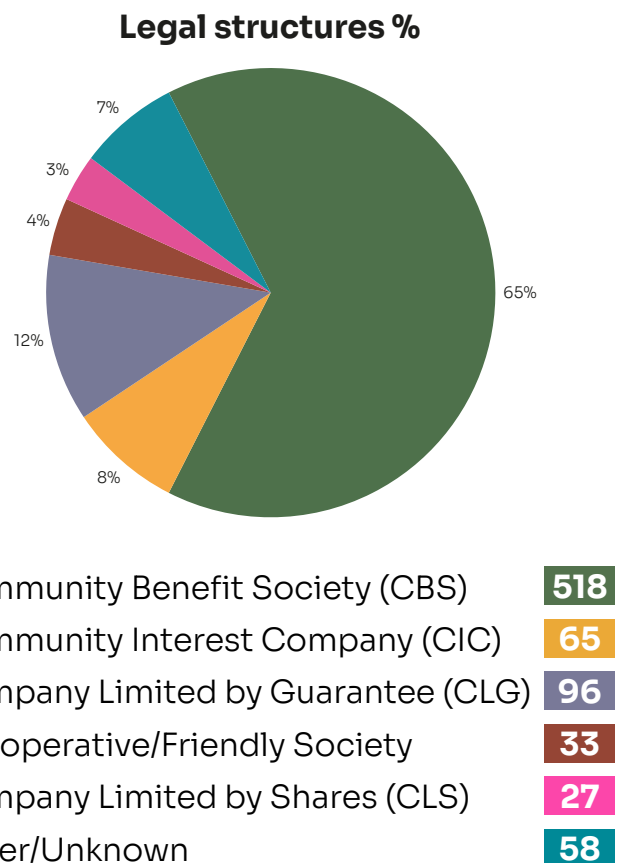
Plunkett recommends that community-owned businesses adopt legal structures that enable genuine community ownership with equal and democratic control. This would include:

- Open and voluntary membership;
- A management committee drawn from its membership;
- A clearly defined community (of place or interest) whereby members have a genuine say in how the business is run, preferably with “one member, one vote”;
- Ideally, there should be an asset lock²;
- Trading, which should form the majority part of the income, should meet the community’s identified needs;
- A commitment to re-investing profits for the benefit of the local community.

Legal structures which allow for this include Community Benefit Societies (CBS), Co-operative Societies, Companies Limited by Guarantee, and Community Interest Companies (CIC) and may also include a Private Company Limited by Shares if the above criteria can be established.

Plunkett promotes the Community Benefit Society as the model which most closely aligns with our definition of a community-owned business. As part of our support service, Plunkett offers a complete set of model rules for a CBS which have been pre-registered with the FCA.

▼ **Figure 4 (below):** A pie chart which illustrates the total legal structure breakdown of community-owned businesses trading at the end of 2023:



² An ‘asset lock’ is a legal promise stating that any assets (money, equipment, land or buildings) owned by the community organisation are protected and there is no opportunity for individuals to make any personal financial gains should the organisation close or merge, or its assets be sold.



Shareholders, employees and volunteers

Note: Plunkett reporting on shareholder, employee and volunteer numbers relies on information collected through surveys and financial returns, publicly available through the Financial Conduct Authority and Companies House.

Currently, good-sized data samples only exist for community shops and community pubs, owing to the fact that these are the most common forms of business type supported by Plunkett.

Community shops

Shareholders

Based on Plunkett's 424 community shop records as of July 2024:

- **The average number of shareholders per shop is 142;**
 - **51% of community shops have between 51-200 shareholders;**
 - **34% of community shops have over 200 shareholders;**
- Based on 424 community shops trading at the end of 2023, we estimate there are approximately **78,000 shareholders who have invested in community shops** to date.

Based on the available information from the financial returns of 148 shops, and Plunkett's records as of July 2024:

- **The average amount of share capital per shop is £30,654;**
- Based on 424 community shops trading at the end of 2023, we estimate shareholders have invested an average of £167.50 per person, raising a total of **£13m**.

Employees

Based on available financial returns and Plunkett records:

- On average, **community shops offer 4 employment roles** (both full- and part-time roles);
- The average **total wage expenditure** for 99 managed community shops **in 2023 was approximately £42,727;**
- It is estimated that through creating 1,340 FTE employment opportunities, the community shops sector **generates £14.3m in community wealth building through local wages;**
- According to our 2024 survey responses, around **18%** of roles provided within community shops are for young people.

Volunteers

- **On average, community shops have 28 volunteers who help on a regular basis** (based on Plunkett records);
- Given that **97% of community shops have volunteers**, a rough estimate for the whole sector would produce a total of **over 11,500 volunteers supporting community shops across the UK.**



Bledington Community Shop
Gloucestershire

Section 2 Continued

Community pubs

Shareholders

According to the available information from the financial returns of 162 pubs, and Plunkett records as of July 2024:

- **The average number of shareholders per pub is 228;**
 - **39% of community pubs have between 51-200 shareholders;**
 - **47% of community pubs have over 200 shareholders;**
- If the above average were taken as a rough estimate for the whole community pub sector, we would estimate that **over 41,000 shareholders have invested in community pubs** to date.

Based on the available information from 162 pubs, according to financial records and Plunkett records as of July 2024:

- **The average amount of share capital per pub is £212,014;**
- If the above average were taken as a rough estimate for the whole sector, we would estimate that **over £38m has been raised to set up community pubs** to date.



The Harrow
Stockbury, Kent

Employees

Based on available financial returns and Plunkett records*:

- On average community pubs **create 11 FTE positions** (including a mix of full- and part-time roles);
- The average total wage expenditure for community pubs **in 2023 was approximately £125,000;**
- It is estimated that through creating 1,000 FTE employment opportunities, the community shops sector **generates £6.5m in community wealth building through local wages.**

Volunteers

- **On average, community pubs have 19 volunteers who help on a regular basis** (note that is more often the case that community pubs require volunteer work at the outset of the project, for renovation and refurbishment works, at which time larger numbers may have been involved than in the day-to-day running of the pub);
- Plunkett data suggests that **93% of community pubs have regular volunteers.** Although the sample size for the actual number of regular (e.g. weekly) volunteers is small, an estimated total would be **around 3,500 volunteers** for all community pubs.



‘Other’ types of community-owned business

Whilst there is not a large enough sample size of data to produce the same level of detailed insight, as provided for community-owned shops and pubs, the survey conducted as part of this year’s ‘Better form of Business’ research can provide an overview of the total number of employees and volunteers that are supporting the wider community-owned business sector.

Employees

Using the 150 survey responses, which indicated that their community-owned business had paid staff, it is possible to estimate that the average number of full- and part-time staff per business is as follows across all ‘other’ business types:

- 1.15 full-time employee;
- 4.4 part-time employees;
- In total, this is 221 full-time and 845 part-time roles being provided by ‘other’ types of community-owned businesses supported by Plunkett.

Volunteers

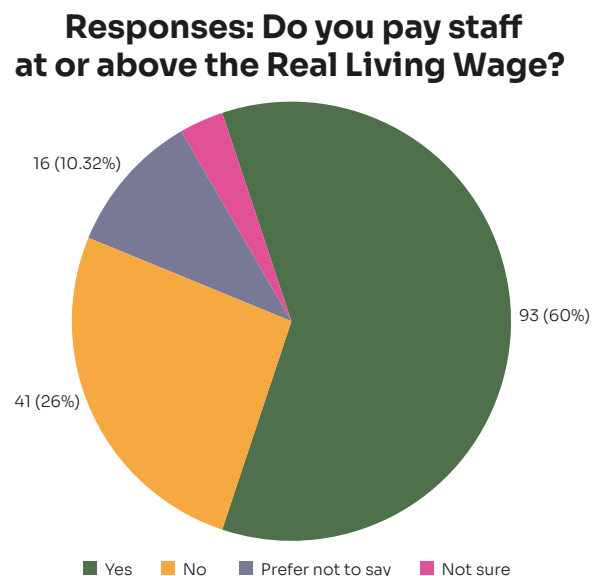
Using the 165 survey responses, which indicated that their community-owned business was supported by volunteers, it is possible to estimate that the average number of volunteers is as follows across all ‘other’ business types:

- 23.3 volunteers per business;
- In total, this is 4,474 volunteers supporting ‘other’ types of community-owned businesses that are not community shops or pubs.

Paying the Real Living Wage

The survey conducted as part of this year’s ‘Better form of Business’ research asked respondents (from all types of community-owned business whether they pay their staff at or above the Real Living Wage, as determined by the Living Wage Foundation.

▼ **Figure 5 (below):** Pie chart showing the survey responses to the Real Living Wage question



The chart shows that **60%** of community-owned businesses that responded to the survey, pay the Real Living Wage or higher. When looking more specifically at business types it shows that 51% of pubs, 63% of shops and 59% of ‘other’ businesses pay the Real Living Wage.

Interestingly a higher percentage (**64%**) of businesses under 2 years of age pay the Real Living Wage, when compared with **more mature businesses (59%)** that are over 10 years old.

Section 3 Confidence and concerns

% of community-owned businesses that completed the survey by region



▲ **Figure 6 (above):** A table showing the regional breakdown of responses.

As part of the process of developing the ‘Better form of Business’ report, Plunkett surveys all community-owned businesses to get their views on issues which are impacting their operations. The survey is sent to businesses recorded on Plunkett’s records as ‘trading’ at the time of being issued. This survey was promoted in Spring 2024 and before the General Election.

Overview of survey response rate

The survey received 186 responses from which equates to 23.4% of the businesses on Plunkett’s records. For contextualizing the answers, the following figures show the regional/national response rates and the breakdown of the type of business responding.

The graphs on this page demonstrate the survey was responded to by an equal distribution of business models and geography - so it reflects a national mood and is not focused on a particular business type or geographic area.

Confidence assessment

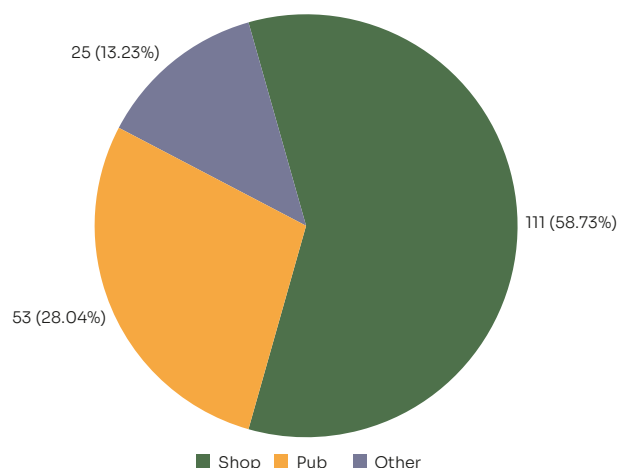
Short term

46% of businesses that responded to the survey believe that their current financial situation will remain the same. Whilst 22% of the survey respondents indicated that they believe that their finances will improve, 15% are expecting the situation to get worse.

When reviewing answers from new businesses, positively 50% expect the situation to improve compared to just 19% of businesses over 2 years old.

▼ **Figure 7 (below):** A chart showing the breakdown of responses from community-owned pubs, shops and ‘other’ types of businesses on Plunkett’s records.

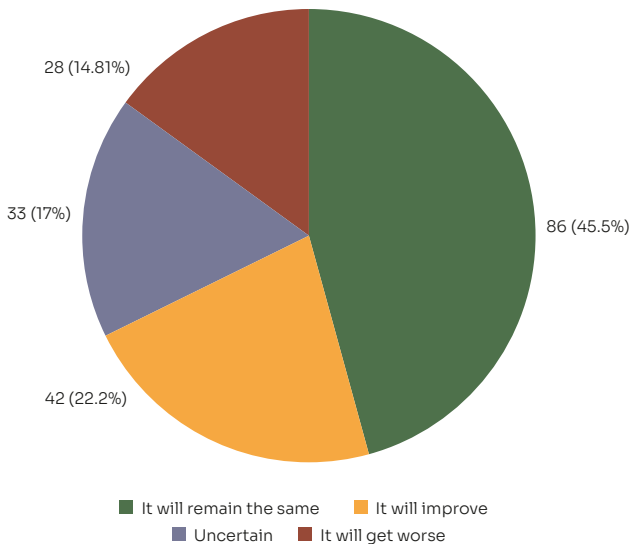
Responses: By enterprise type





▼ **Figure 8 (below):** Pie chart showing the short-term confidence levels.

Responses: In the next 6 months, do you expect the financial situation of your business to change?



Based on their management model:

- Of businesses with paid staff and no volunteers 38% expect it to improve, with only 15% expecting it to get worse;
- Of businesses with paid staff and volunteers only 19% expect it to improve with 17% expecting it to get worse with similar figures ‘for volunteer only’ business of 19% and 14% respectively.

These statistics indicate that those businesses that have paid staff are more optimistic about the future at the moment. Whilst it is widely acknowledged that the community-owned business network is reliant on a strong volunteer pool, it might appear surprising that businesses solely staffed by volunteers are not more optimistic.

However, it is reflective of previously reported concern that the network has struggled at times to recruit the next generation of volunteers and this may be impacting their outlook when responding to the survey.

For Shops 21% believe things will improve, and 14% see things getting worse.

For Pubs it’s 30% “improve” and 11% “get worse”.

For ‘Other’ types of business it’s 12% “improve” and 20% “get worse”.

Longer term

53% of community-owned businesses surveyed are confident or very confident about the next 12 months.

37% are concerned or very concerned; overall this drops to 30% for businesses under 2 years old and rises to 41% for businesses over 10 years old.

44% of businesses with paid staff (with or without volunteer support) are concerned or very concerned.

Pubs are 31% concerned or very concerned, compared to shops at 36%.

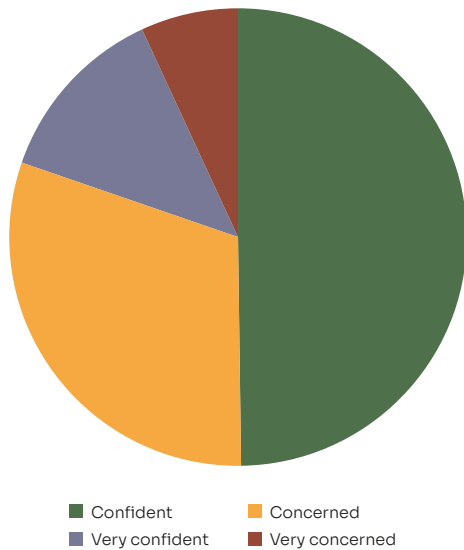
Community-owned businesses that own their premises are 34% concerned or very concerned.

Community-owned business that lease a premise are 43% concerned or very concerned.

Section 3 Continued

▼ **Figure 9 (below):** Pie chart showing the longer-term confidence levels.

Responses: Looking to the next 12 months, how do you feel about the future success of your community business?



Looking ahead

Community-owned businesses were asked what their primary concerns over the next 12 months.

Whilst some responses were very specific and related to individual operations, the majority of businesses appear to be primarily concerned about sustaining and improving the profitability of their services.

To ensure that an appropriate support and advisory services are in place for the network, community-owned businesses were asked to identify what would be most useful to the network over the next 12 months.

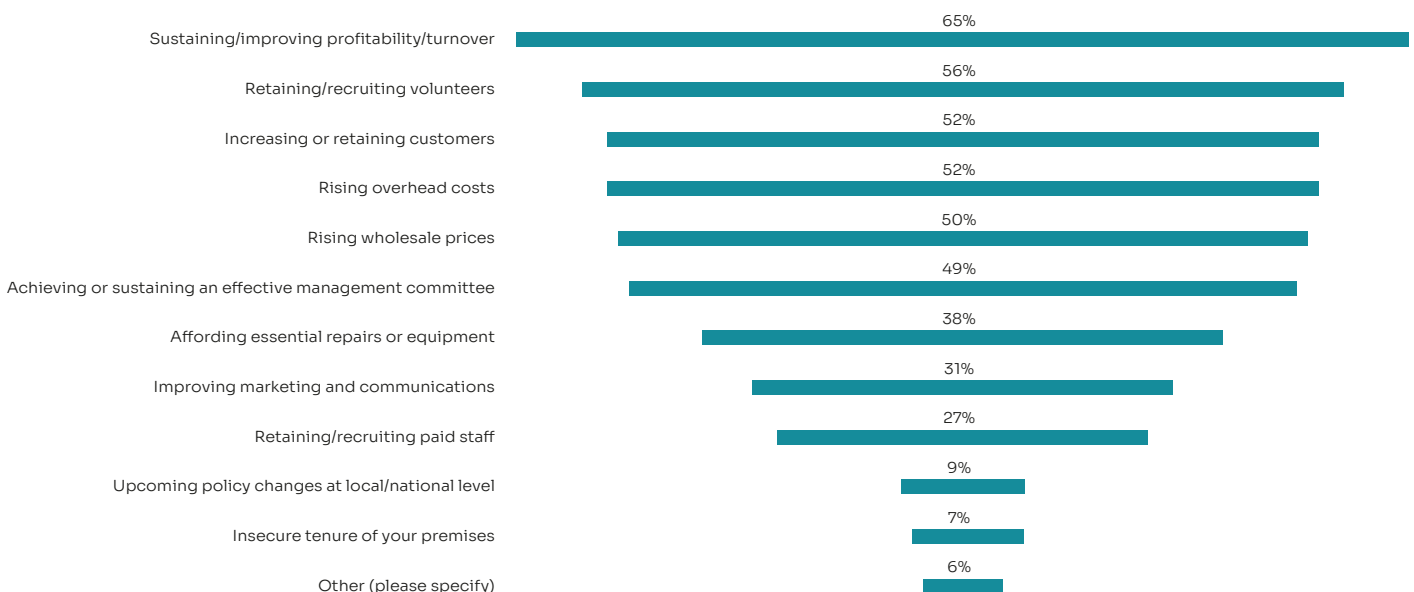
Energy efficiency and reducing running costs are very clearly a priority for the network, given the requests for funding and audits related to such improvements.

▼ **Figure 10 (below):**

► **Figure 11 (opposite):**

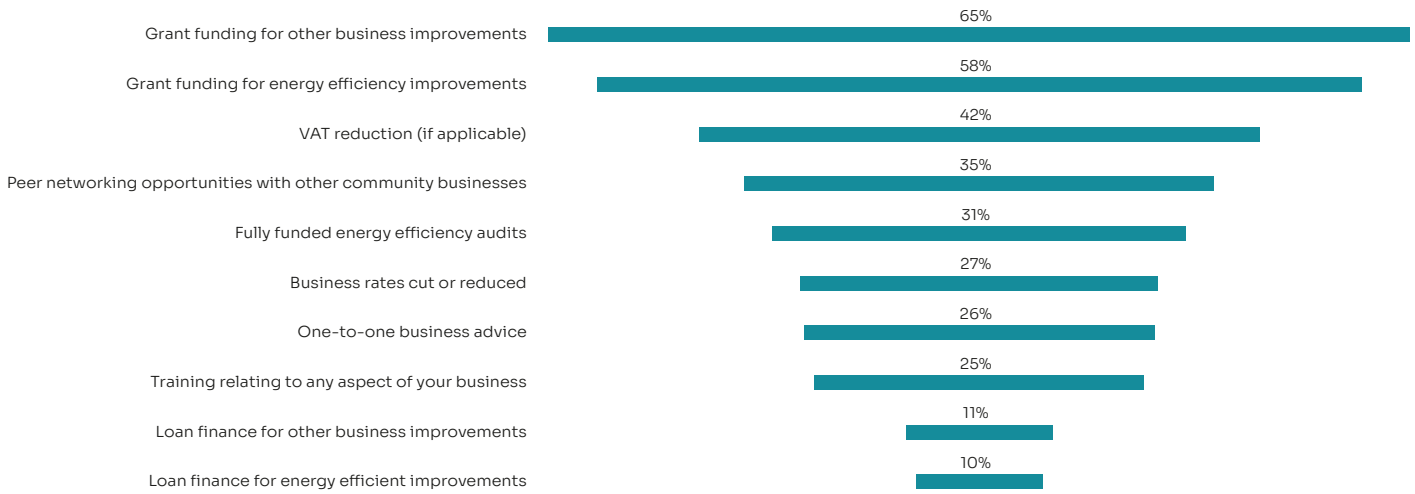
These tables provide an overview of the answers provided.

Looking to the next 12 months, which of the following are/will be a major concern for your community business?





What support would benefit your business?



Chopwell Regeneration Group
Tyne and Wear

Section 4 Financial assessment

This section provides an overview of the financial performance of community shops and community pubs in 2023. The commentary will focus on these two business types, as they are the most common types of businesses that have been supported by Plunkett and can produce a substantial enough sample size to make general observations about the health of these businesses.

To understand the profitability and turnover of community shops and pubs, we gathered financial returns, which are publicly available through the Financial Conduct Authority (FCA) and Companies House. The data in this report is drawn from returns filed for financial years ending in 2023, unless otherwise specified.

Profitability is assessed before accounting for depreciation and excludes sources of funding such as donations or grants, to show underlying profitability from the business.

Turnover figures in this study include all income for the community-owned business, such as core shop trading and related activities such as a café or post office services. It does, however, exclude grants and donations for better comparison. In practice, community-owned business operations are also supported by volunteers, donations and fundraising.

Community Shops

Turnover and profitability

The number of full financial records for the reporting period that have been checked is 148 (representing around a third of the community shops sector). The table below shows the averages for 2022, noting that there was wide variation.

Average turnover	£202,275
Average expenditure	£199,040
Average profit/loss.....	£3,235

There is not necessarily a direct correlation between turnover and profitability. Most community shops had a modest surplus, at around 5% of turnover.

Additional information

Based on the sample of available financial returns:

- 22 shops (15%) were in receipt of grants at an average of £31,395;
- 11 shops (8%) made donations. The average amount was £1,581 per shop;
- The average amount paid for repairs and renewals was £2,625 (range from £4,915 and £39);
- Average rent paid £4,091 (range from £1 to £10,288);
- Average utilities paid £5,616;
- 2 shops paid shareholders interest at an average of £14,700.



Community pubs

The number of full financial records for the reporting period that have been checked is 70 (representing around 40% of the community pubs sector).

The table below shows the average turnover, expenditure, and profit/loss for 2023, noting that there was wide variation, and that only figures for managed community pubs are given (as information about the performance of pub tenants' businesses is unavailable). As the majority of community pubs are businesses that have opened in the last five years, and often require high setup and purchase costs, it is not altogether surprising that they have higher indebtedness compared to community shops. In such cases, grants and other forms of finance will often support these businesses in their early stages.

From the 70 records available for 2023:

- 34 (49%) made a profit;
- 36 (51%) made a loss.

Average turnover	£198,083
Average expenditure	£192,298
Average profit/loss.....	-£5,785

Additional information

Based on the sample of available financial returns:

- 49 pubs were in receipt of grants or donations at an average of £15,000 (total of over £700,000);
- 5 pubs showed donations to charity or community projects averaging £1,500;
- 11 pub groups paid interested to share holders averaging £9,000 per pub;
- Tenanted pubs received on average £34,000 in rent (sample size 6).

Use of profits

From the 186 survey responses from all types of community-owned business, it is encouraging to see that the majority of community-owned businesses made a profit in 2023 and that 1 in 5 respondents were able to donate profits to local projects.

▼ **Figure 12 (below):** Illustration of how community-owned businesses distributed or reinvested any profits made in 2023.

In 2023, did you use any profits from your business to fund the following?



Call to action

Plunkett UK seeks to represent the interest of community-owned businesses as part of the policy and advocacy work completed by the charity.

With a primary ambition to secure a supportive legislative and funding environment in which the sector will flourish, Plunkett also makes the case for access to advice and support to help grow the network and support already trading businesses.

As a result of the 'Better form of Business' research, Plunkett will include the following specific 'asks' in our ongoing external affairs work:

- **Support energy efficiency measures for trading businesses** through funding premises audits, removing VAT on energy saving materials and incentivising action through access to a range of financial support.
- **Reduce the overall burden of business rates on those trading from 'physical premises'** and reform the system for those operating with an online only presence.
- **Support the growing sector with a 'Community Right to Buy' assets of value to local people**, Plunkett will work with the new Government to implement such a 'right' in England and support calls for similar rights in Wales and Northern Ireland.
- **Seek clarity on the future of the Community Ownership Fund**, given that the funding has supported significant growth in the number of community-owned businesses it is important that momentum is not lost.

If you want to know more about our advocacy work or would like to work with Plunkett to produce other research which represents the growing community-owned business network, please get in touch via data@plunkett.co.uk



The committee celebrate the opening of The Travellers Rest, Skeeby, Yorkshire



Acknowledgements

The ‘Better form of Business’ research would not be possible without the support and engagement of the community-owned business network. Their time in responding to surveys and helping to clarify content is vital in the production of this work.

The Plunkett team, consisting of both staff and the adviser network help to ensure that a representative sample of the sector is engaged with the work and support the review of data which forms of the evidence base for this report.

MyCake are an organisation which provides financial benchmarking data for third sector organisations. The latest ‘Better form of Business’ report datasets have been compiled in partnership with MyCake.



THAKEHAM

Thakeham, as referenced in the report, are a close partner that Plunkett UK continues to work with, to pioneer a new approach for incorporating community-owned businesses within new housing developments. This ‘proactive’ creation of new businesses could be transformative for future sector growth and become a powerful resource to support local integration and promote inclusivity in a new community context.

Methodology

In 2024, Plunkett UK completed research on the current state of the community-owned business sector by means of a national online survey (with 186 responses), collection of financial data from 219 publicly available annual returns filed with the FCA and Companies House (71 from community-owned pubs, and 148 from shops), and analysis of Plunkett UK’s own records (primarily relating to rural community-owned businesses).

The data in this report is based on the number and status of community-owned businesses on Plunkett’s records that were trading at the end of 2023.



Houghton and Wyton Shop
Buckinghamshire
Image: Duncan Smith

Plunkett UK is the only organisation dedicated to supporting rural community-owned businesses UK-wide and currently represents over 750 trading community-owned businesses and a further 300 in the process of setting up. At a practical level, our dedicated and expert team:

- Raise awareness of the community-owned business model through proactive press, media and campaigns;
- Provide practical support to help new community-owned businesses set up and existing ones to thrive via specialist business advice, training, webinars and toolkits;
- Create a supportive environment for community-owned businesses to operate, via membership, networking, research and advocating with government, think tanks and funders.

We operate an accessible and inclusive service for community-owned businesses which is free of charge. No eligible communities are ever turned away. We achieve this by working collaboratively with a wide range of partners from across the community, charity and corporate sectors who share our values.

Plunkett UK is the operating name of Plunkett Foundation, a company limited by guarantee (No. 00213235) and charity registered in Scotland, England & Wales.

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Join the movement

If you share our vision for a vibrant rural economy with community-owned businesses at its heart, why not join Plunkett as a member?

plunkett.co.uk/become-a-member

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