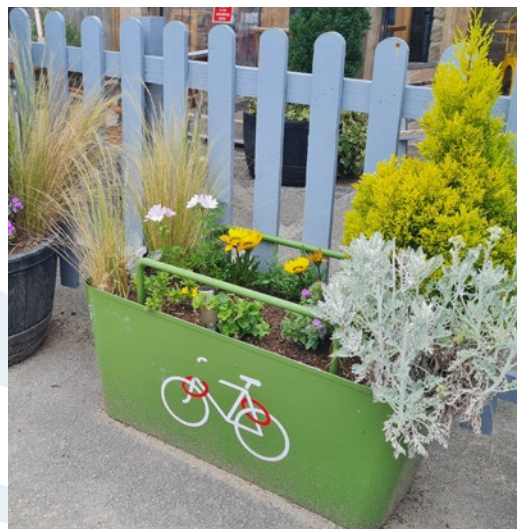




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COMMUNITY OWNERSHIP:

A BETTER FORM OF BUSINESS



Summary

In 2023, Plunkett Foundation completed research on the current state of the community business sector by means of a national online survey (with 141 responses), collection of financial data from publicly available annual returns filed with the FCA and Companies House, and analysis of Plunkett Foundation's own records (primarily relating to rural community businesses).

State of the Sector

In 2022:

- 768 community businesses trading across the UK
- 92% long-term survival rate – few have ceased to trade once open
- 27 new community businesses opened, growing the sector by 3%
- Community pubs were the fastest growing type of business
- 297 communities enquired about setting up a new community business

Key messages:

1. Inflation and rising costs have significantly impacted community businesses, particularly as small businesses commonly based in rural areas.

- 91% said that inflation, rising prices and staff wages has negatively impacted their business, and 82% were affected by rising energy bills
- Around 1 in 3 community businesses are concerned about the next 12 months

2. Despite financial pressures, community businesses continue to put people first, by providing essential services, fair employment and inclusive opportunities.

- Two thirds are absorbing price rises to maintain affordability of products and services for their community
- Over 50% have given staff a "cost of living" pay rise
- 31% offer volunteering roles, and 14% offer employment to people with a disability or long-term health condition
- More than half of community businesses employ young people

3. Community businesses are proactive about improving their energy efficiency and there is appetite to do more, but they face multiple barriers.

- 58% have already installed energy saving measures, and 49% are considering installing new measures
- 96% took some form of climate action last year, such as sustainable food production and local sourcing
- The most frequently cited obstacles to improving energy resilience were: difficulties due to cost, location (often rural, sometimes with listed status or in a conservation area), or leasing their premises

Contents

Summary	2	Creating inclusive opportunities	25
Introduction	4	Financial Performance in 2022	26
What is a community business?	6	Community Shops	26
Sector size and growth	7	Community pubs	28
Types of community business	8	Use of profits	29
New activity	10	Confidence & Future Outlook	30
Geographical distribution	10	Further reading	33
Cost of living crisis	12		
Energy & climate	17		
People and governance	20		
Legal structure	20		
Management model	21		
Tenure of premises	22		
Shareholders, employees and volunteers	22		
Community shops	23		
Community pubs	24		

Introduction

About this publication

'A Better Form of Business' is a series of research reports on community-owned businesses that have been completed annually by the Plunkett Foundation since 2011. The reports offer evidence on the needs and health of the community business sector, trends in growth and services, and the important social, economic and environmental impact that community businesses create across the UK.

Reports from previous years and other research by the Plunkett Foundation can be found in the reports section of our website:

www.plunkett.co.uk/reports



■ *The Gold Cafe Bookshop, Christ Church Kensington Liverpool.*

The purpose of the research is to:

- Help existing community businesses benchmark their business against others in the sector
- Inform and inspire new, developing and existing community businesses
- Shape Plunkett's own strategic implementation of training and support
- Establish an evidence base for our advocacy work, to achieve better funding, legislation and policy for the benefit of community businesses across all four UK nations.

The 2023 report

The key themes of this year's report are:

- Impact of the cost of living crisis
- Creating equitable and inclusive opportunities
- Energy, sustainability, and climate action.

In previous years, two separate 'Better Form of Business' reports were produced annually on the two most common types of community business supported by Plunkett: shops and pubs. However, in 2023 we decided to open the survey to all enterprise types, to give greater visibility to all kinds of community business and the positive impact they have.

We discussed these plans with our members, and based on their feedback we understand that they see great value in being able to access information (such as financial benchmarking) that is specific to the type of business that they operate. Therefore, where there is noticeable variation between enterprise types responding to survey, we have noted this in the report. For the financial data, we have included information for community-owned shops and pubs, but are currently not able to produce a large enough sample size for other enterprises to offer a meaningful commentary or benchmark.



■ *Eden-Rose Coppice Sudbury, East of England, promotes outdoor therapy and wellbeing.*

Methodology

While compiling this report, Plunkett Foundation undertook a stringent process of data validation to ensure that historic records were as up to date as possible. The data was gathered from:

- Plunkett Foundation records that have been monitoring and recording all community business activity in the UK
- Statutory data sourced from the Financial Conduct Authority and Companies House
- A survey with 141 responses via electronic questionnaire. The survey was open to all types of community businesses in all four UK nations.

The data in this report is based on the number and status of community businesses on Plunkett Foundation's records that were trading at the end of 2022. Community businesses will occasionally transition to private ownership, at which point they cease to be recorded as community-owned. However, their historical data is retained within the record as they have still been saved and preserved by their communities, no matter who is running them several years later.

Plunkett Foundation records of community businesses result primarily from enquiries and contact from community groups seeking support to set up or improve a community business. Since our inception in 1919, our charitable focus has been on rural areas (although we do support urban areas where capacity and funding allows). Therefore, this research relates primarily to community businesses that meet Plunkett's eligibility criteria for support. Plunkett works in partnership with many other organisations across the UK, which produce their own research on the community and cooperative sector. We recommend that readers of this report consult these other sources of information for a more complete picture of the state of the social economy throughout the UK. Details of other research and further reading can be found at the end of this report.

What is a community business?

Since 1919, the Plunkett Foundation has been helping communities to take control of assets and services that are important to them, to enable them to deliver wider social, economic, and environmental benefits.

A community business is just that – it is a business owned and controlled by people from within the community for community benefit. Any type of business can be community-owned – we have helped set up over 750 across the UK, among them pubs, shops, farms, woodlands, bakeries, breweries, hubs and cafes.

Community businesses are owned by their members (also known as shareholders) and are run democratically, often on the basis of "one-member-one-vote". Membership is voluntary, affordable, and open to all in a community, and is the mechanism for ensuring local people have a genuine say in how the business is run.

This is what gives community businesses longevity, as member control and input ensures 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 volunteers, or sublet to a tenant who will operate the business within a framework set by the community.

In the majority of cases, community businesses go above and beyond to provide a wide range of additional services: they become a hive of community and voluntary activity; they offer space for meetings, clubs and societies; they enrich the local cultural scene by promoting live music, arts events, and sports; 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.



■ Fordhall Organic Farm has been running successfully under community ownership since 2006, with 8,000 shareholders. They farm sustainably and bring multiple additional benefits to the community, such as activities for people with a range of disabilities.

Sector size and growth

According to Plunkett Foundation records:

- By the end of 2022, there were **768 trading community businesses** across the UK
- **27 new community businesses** opened in 2022
- **The sector grew by 3%** last year

Community pubs are currently the fastest growing type of business, making up 60% of new openings in 2022. The number of community pubs increased by 10% in 2022 with 14 new openings.

- There were **7 reported closures** of community businesses in 2022
- The **long-term survival rate** for all types of community business remains high at **92%**

The number of closures of community businesses in 2022 was marginally higher than in previous years, but remains low (on average, only 5 businesses have closed per year since 2018). The long-term survival rate of all community businesses remains high, with very few businesses having closed after opening under community ownership.

The after-effects of the pandemic, rising energy bills, and the inflation of food prices and staff wages have yet to result in a significant increase in reported closures of community businesses. These circumstances have, however, put significant strain on many businesses' finances, as well as on their committee, staff and volunteer teams' morale and wellbeing.

Groups in development have also been affected by rising set-up costs, although the number of new businesses opening remains healthy. The number of new openings in 2022 is somewhat lower than the five-year average (2018-2022), which is 33.

FIGURE 1
GROWTH OF THE COMMUNITY BUSINESS SECTOR



Source: Plunkett Foundation records, July 2023.

Types of community business

The top five types of community businesses on Plunkett Foundation's records are:



▲ Ty'n Llan community pub also set up a shop, decorated with artwork by local schoolchildren.

There are a variety of other kinds of business, such as:

- Cafes
- Breweries and distilleries
- Bakeries
- Markets
- Sport and recreation
- Tourism
- Arts, crafts, cinema, and theatre
- Health, care, and wellbeing

The above figures are drawn from Plunkett Foundation records. As yet, there is no comprehensive report that covers all types of community business. For example, Community Energy England, Community Energy Scotland, and Community Energy Wales can offer more information about the community energy sector.

More than a...

Assets that are owned by communities often offer ‘more than a...’ core service, they tend to become multi-service hubs providing multiple benefits to residents. Being community-owned also means that these businesses are welcoming, caring and inclusive spaces. In rural areas they are also often the only social space available locally. For example, community shops are not “just” a place to buy essentials and community pubs offer more than just food and drink.

“In our community shop we offer a welcoming space and a friendly face. It is noticeable that some customers come in daily, buying just one or two items but clearly wanting to stop and chat.”

Kirkoswald Community Shop, Cumbria



“The shop acts as both a meeting place and a place to trigger support.”

New Galloway Community Enterprises, Dumfries and Galloway

“Our door is open for anyone to drop in for a sit down and a chat. No expectation of purchase is required. This provides a destination for many and a reason to leave the house. Some of these people have since become friends with volunteers and become volunteers themselves, giving purpose to their day.”

Farnborough Community Shop, Somerset



New activity

In 2022, Plunkett Foundation received **297 enquiries about setting up a new community business**. As in previous years, pubs continue to be the most common type of business in new enquiries, followed by shops and hubs:

- 105 enquiries about setting up a community pub (35% of enquiries in 2022)
- 44 enquiries about setting up a community shop (15% of enquiries in 2022)
- 40 enquiries about setting up a community hub (13% of enquiries in 2022)

Pubs were the most popular enterprise choice across all UK regions. There was a broad range of other kinds of business, such as music, horticulture, cafes and tourism.



■ *Ty'n Llan, a community pub in Llanwrog, North Wales.*

Geographical distribution

The highest number of community businesses can be found in England in the South West, South East and East. This may in part be due to regional and country-specific programmes of support. For example, the More than a Pub programme was only available to communities in England, but its success during 2016-2021 has generated more interest in community pubs in Wales and Scotland. In the East of England, additional support, resources and networking events were made possible by Denbury Homes, boosting numbers in those areas.

The growing pipeline of interest prompted the Scottish Government to fund a programme of support, delivered by Plunkett in partnership with Co-operative Development Scotland and Community Shares Scotland, specifically aimed at supporting community pubs in rural areas. Four new community pubs opened in Scotland in 2022, and a further two have opened so far in 2023.

Depending on the type of enterprise, 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.

An initial scoping piece of research conducted by Scotland's Rural College (SRUC), commissioned by the Plunkett Foundation, found that community shops were the most common form of community business in areas with low population density. This may be explained by a greater need for essential services in remote or very remote rural areas. For example, **just under half (47%) of Scotland's 43 trading community shops are based on islands.**

SRUC researchers also found that in England, community pubs were most likely to be found in areas of higher population density. However, population density is not the only factor in the presence of community businesses. There may also be a "**cluster effect**", where the presence of a community business inspires others to establish one nearby. Cultural, historical and social factors may play a role in motivations for setting up a community 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. **6 of the 16 community pubs in Wales are all based in the same county of Gwynedd**, which is predominantly Welsh-speaking. One of the oldest community pubs in the UK, Tafarn y Fic, is also located in Gwynedd.

In summary, there are several different socio-economic, historical, and cultural factors to consider regarding the distribution of community businesses across the UK, in addition to other factors such as policy, legislation and the presence of targeted support and funding. A summary of **SRUC's research, completed in May 2022, can be found here: www.plunkett.co.uk/growing-the-community-business-network/**. SRUC's research relates only to rural community businesses that have been in contact with or supported by the Plunkett Foundation.



Volunteers helped prepare the Brewers Arms, West Malvern, for opening in 2022.

TABLE 1
GEOGRAPHICAL DISTRIBUTION OF COMMUNITY BUSINESSES AND ENQUIRIES IN 2022

Location	No. of trading businesses	% of all trading businesses	New Openings in 2022	No. of new enquiries received	% of all 2022 new business enquiries
East England	94	12%	6	29	10%
East Midlands	48	6%	2	20	7%
London	9	1%	1	13	4%
North East	11	1%	1	13	4%
North West	57	7%	2	23	8%
Northern Ireland	6	1%	0	1	0%
Scotland	81	11%	4	48	16%
South East	143	19%	0	46	15%
South West	178	23%	7	45	15%
Wales	50	7%	2	19	6%
West Midlands	53	7%	1	28	9%
Yorkshire & Humber	38	5%	2	12	4%
Total	768	100%	27	297	100%

The distribution of new enquiries across UK nations and regions broadly follows the distribution of existing trading businesses. This means that where there are more trading businesses, there tend to be more enquiries. This suggests that there may be an organic "cluster effect" taking place in those areas, where the presence of community businesses inspires new ones to start up.

The exceptions to this in 2022 were South West England, where a large number of businesses are already established, and Scotland. Scotland saw an increase in enquiries in 2022, which follows a growing trend in the last five years. This may have also been due in part to the Scottish community pubs partnership, funded by the Scottish Government, with 13 new community pub projects sending enquiries to Plunkett in 2022.

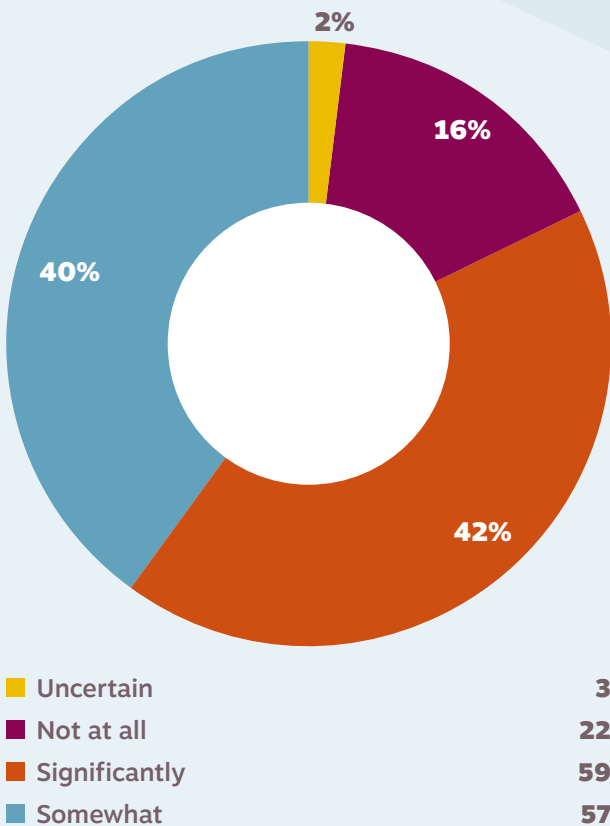
Cost of living crisis

Impact of rising energy bills

From 141 responses to the Plunkett Foundation survey in June 2023:

- **82% of community businesses said that they had been negatively impacted by rising energy bills** (42% significantly; a further 40% to some extent)
- **Only 16% said that their business had not been affected.** Several of those said that the situation would change later in 2023 or in 2024, when their fixed rate tariff comes to end.

FIGURE 2
In the last 12 months, have rising energy bills negatively affected your business's financial situation?



Source: 2023 Plunkett Foundation survey, 141 responses.

A more detailed breakdown of how energy price rises have affected different forms of business can be found below (noting that in some cases the sample size is very small). The tables below show the top enterprise categories responding with "significantly" or "not at all" to the question about the negative impact of energy price rises. In the case of businesses that reported little or no effect, this was often due to lower energy consumption and/or having their own renewable energy supply. Others who were not affected explained that they were on a reasonable fixed rate, but that their contract would come to an end later this year.

Community businesses who were "significantly" affected by rising energy prices

Enterprise type	Count	% of all respondents for that enterprise type
Other*	8	80%
Pub	22	55%
Hub / multi-purpose community centre	3	38%
Shop (i.e. general store)	26	33%
Grand Total	59	42%

* Responses included several cafes, business units let by a CBS, a distillery, a brewery, and two bakeries (one of which is connected to a flour mill).

Community businesses who were "not at all" affected by rising energy prices

Enterprise type	Count	% of all respondents for that enterprise type
Farm	2	100%
Pub	5	13%
Shop (i.e. general store)	15	19%
Total	22	16%

“Our customers seem to respond positively in a crisis. Supporting local seems to have become more important.”

Community farm based in the West Midlands, England

“Our electricity comes from an independent hydro electric system, so we have not been affected by the rising energy prices. Costs of goods etc. has had an impact.”

Very remote rural community pub, Scotland

“We have seen that inflation has affected our business, customers are cautious about spending and weekly price rises are hard to keep track of.”

Community shop based in, North West England

“Our electricity contract expires at the end of September and our energy bill will double in price. As we are currently just breaking even then this will put us back into a loss making situation. All the energy efficiency measures have been taken including installing solar panels and therefore we will have to look for grants while we work to drive up turnover.”

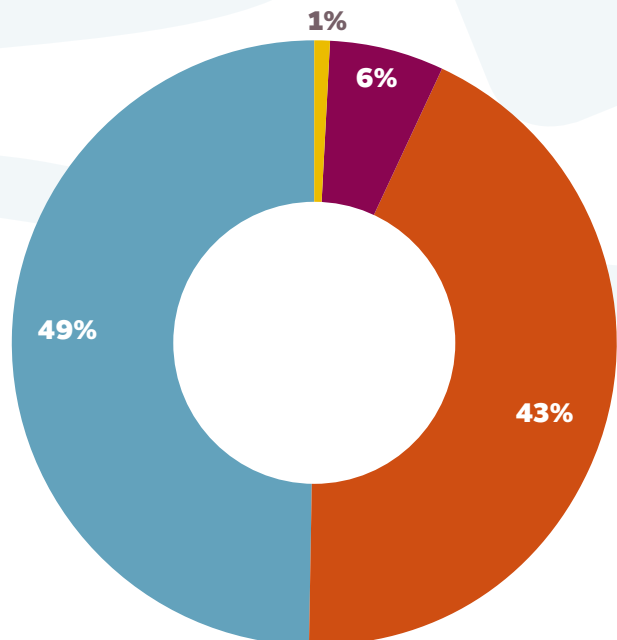
Community shop based in, South West England

Impact of other rising prices, increasing staff wages and inflation

92% of community businesses responding to the survey were affected by inflation and other factors – a higher proportion than those affected by energy bill increases. Of these, 43% reported a significant negative impact, and 49% somewhat negative effects.

There was not a large degree of variation between different enterprise types; meaning that, unsurprisingly, economic factors such as inflation have had wide-ranging impact on the sector.

FIGURE 3
Impact of other factors on business, such as inflation (all enterprise types)



- Uncertain
- Not at all
- Significantly
- Somewhat

Source: 2023 Plunkett Foundation survey, 141 responses.

A comparison with Plunkett Foundation’s survey of its members in November 2022¹ shows that there has been little change in the last 8 months. At that time, 95% of respondents reported being affected by the cost of living crisis (noting that the June 2023 survey had a larger sector-wide audience).

¹ Source: Survey of Plunkett Foundation community business members with 57 responses (November 2022). www.plunkett.co.uk/cost-of-living-crisis-evidencing-the-impact-on-rural-community-business/

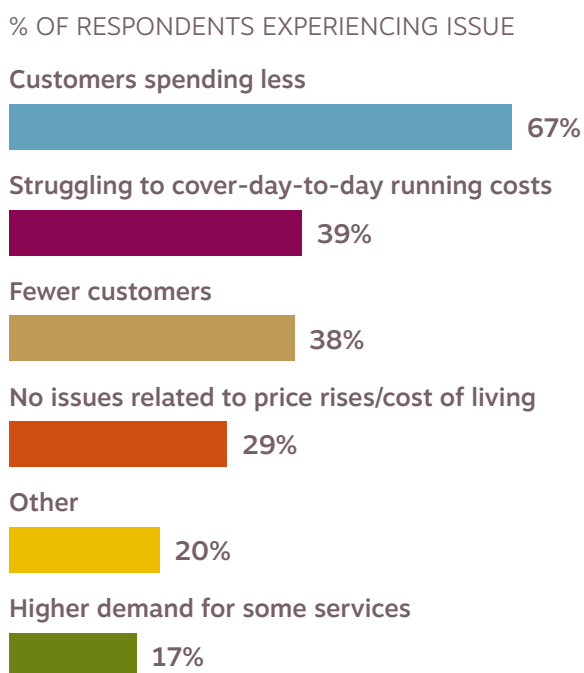
The top issues related to the cost of living crisis selected by the respondents to the June 2023 survey were:

- Customers spending less (48%)
- Difficulty covering day-to-day costs of the business (27%)
- A fall in the number of customers (26%)

It is somewhat reassuring to see that, as locally-rooted businesses, just under half of the respondents were able to retain their customer base. Only 21% of respondents reported no issues specific to the cost of living crisis.

There was some slight variation in the issues reported across different enterprise types, e.g. a relatively greater proportion of community hubs saw an increase in demand for services (noting that these organisations may be the first point of call for frontline responses to the crisis, but that numerous other types of business reported connecting with other local organisations such as food banks to support local initiatives).

FIGURE 4
Since the beginning of 2022, have you experienced any of the following issues related to price rises and the cost of living crisis?



Source: 2023 Plunkett Foundation survey, 141 responses.

For community businesses that had a tenant, or who did not own their premises outright:

- 10% of community businesses that rented their premises were struggling to pay their rent (6 out of 60 respondents)
- 64% of tenanted community businesses reported that their tenants were struggling to pay rent (9 out of 14 respondents)

Note: the above figures represent only a small sample of leased and tenanted community businesses.

"Other" issues identified by respondents were:

- Volatility of prices and the need to monitor them frequently and re-label products
- The need to find alternative products to meet customers' squeezed budgets
- Difficulty recruiting staff (particularly for hospitality businesses. This has been an ongoing issue before and since the pandemic.)
- Suppliers changing prices, order limits or closing
- Reduced profits to replenish cash reserves or reinvest in improvements to the business.



■ A community group has been set up to restore St Madoc's Church on the Pembrokeshire coast, and run a heritage centre.

What support has been useful to community businesses?

In the 2023 survey, we asked community businesses to select up to three forms of support that they found most helpful in 2022. The table below offers an overview of the results.

TABLE 2

	No. of responses	As % of all respondents
Rent payment extensions/reductions (if you rent your premises)	2	-
Energy training/advice (including energy audits)	4	3%
Other support	16	11%
Charitable sector funding	20	14%
Local authority funding (e.g. Warm Spaces grants)	24	17%
Other funding or loan finance	33	23%
Plunkett Foundation business advice/training	38	27%
Did not access support	41	29%
UK Government Energy Bill Relief Scheme	42	30%

Source: 2023 Plunkett Foundation survey, 141 responses.



Volunteers of Clapham Village Store, North Yorkshire, England.

29% of respondents (41) did not access any other support. Some of these may have still received automatic relief through government schemes and meant that they accessed no additional support; but some explicitly mentioned reasons for not being eligible for UK Government Energy Bill Relief. Only 30% of community businesses responding to the survey (the majority of which are based in rural areas) found the scheme helpful. This may be due to the fact that the scheme could not address other financial pressures due to inflation of food prices and staff wages.

After the UK Energy Bill Relief Scheme, the most helpful forms of support were: advice and support provided by the Plunkett Foundation (on a variety of topics relating to business resilience, not just energy); and "other" funding (local CVS funding, donations from community appeals or other community organisations/activities, LEP). Other means of support accessed were: mortgage payment extensions, making use of volunteers, negotiating a reduction in ground rent, signposting to other funding available.

How have community businesses supported their communities during the cost of living crisis?

The table below shows actions that businesses responding to the 2023 survey have taken to support customers, staff, tenants and beneficiaries.

It should be noted that all community businesses are small enterprises and in some cases recently opened. Particularly for those whose profit margins are already squeezed, or who are struggling with staff and volunteer capacity, it is exceptionally difficult to absorb price rises. Respondents commented that it was a difficult balancing act between keeping prices affordable, paying staff fairly and staying in business.

Putting people first

Community ownership means that community businesses are run by and are accountable to the local community. This means that they are run in a way that prioritises people before profit.

The **Old Forge community pub in Knoydart became an accredited Living Wage employer in 2022** as part of their response to the cost of living crisis. Previous Plunkett Foundation research carried out in 2022 found that **70% of managed community pubs and 63% of community shops were paying their staff the Real Living Wage in 2022** (according to the Living Wage Foundation).

“We deliver grocery boxes to those who cannot get to the shop. We send around three-quarters of a ton of food to the food bank each year.”

Ryburgh Village Shop, Norfolk, East of England

ACTIONS TAKEN TO PROTECT CUSTOMERS & STAFF (ALL ENTERPRISE TYPES)

67%

of businesses absorbed price rises where possible to remain affordable for customers

52%

of businesses with paid staff gave employees a min. 5% ‘cost of living’ pay rise

64%

of businesses with tenants offered rent reductions/extensions

Source: 2023 Plunkett Foundation survey, 141 responses, of which 14 had tenants.



▲ The Crook, formerly a pub, has been transformed into a hub and cafe by the Tweedsmuir Community Company.

Energy & climate

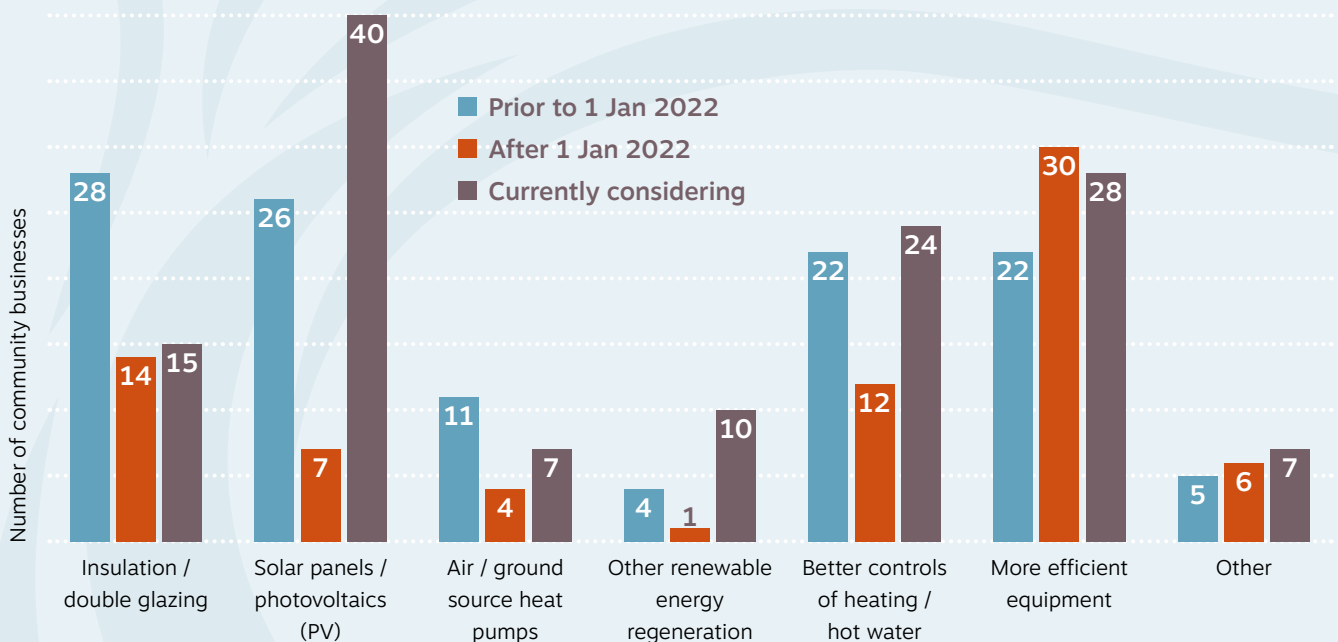
One of the main areas of sustainability that the 2023 survey focussed on was energy. **The majority of survey respondents said that they had installed Energy Saving Measures (ESMs),** such as solar panels/PVs, heat pumps, insulation, or other measures to improve the energy efficiency and environmental sustainability of their premises (noting that 81 respondents own their premises outright, while the other 60 lease it).

There is clearly a strong motivation among community businesses to undertake improvements to their premises:

- **58%** of community businesses have **already installed ESMs**
- **49%** are **currently considering introducing new ESMs**
- **A further 27%** are considering installing them **for the first time** since opening under community ownership.

We also asked in the survey which ESMs respondents had introduced prior to 2022, during 2022, or were currently considering for future installation (see chart below).

FIGURE 5
Energy Saving Measures installed or considered by community businesses



85%

of community businesses responding to the survey have either installed or are currently considering installing energy saving measures

The most popular ESM under consideration by survey respondents is solar panels/photovoltaics - currently being considered by 28% of survey respondents. If this were true for the same proportion of the entire community business sector, that would estimate a potential pipeline of around 200 community-owned businesses looking to install solar panels/PVs (both those that own/lease their premises).

The most common ESMs that had already been introduced were:

- insulation/double glazing (20%)
- solar panels/PV (18%)
- more efficient equipment and better controls of heating and hot water (both 16%).

The results above do not take into account community businesses that are currently in development, who may install ESMs as part of retrofitting/refurbishment works prior to opening. Some survey respondents who were based in a new build or a converted building commented that they explored a range of ESMs prior to opening. These measures were frequently financed through grant funding.

The **most common ESM to have been introduced in 2022 was "more efficient equipment" (21% of respondents)**. This by far exceeded any other type of ESM. The reason for this may be that, compared to other methods, it is a quicker, easier and lower-cost measure to undertake. It also does not involve a great deal of technical expertise, planning permission, or changes to the premises (which are problematic for community businesses based in listed buildings or conservation areas).

There was a **large difference between the number of businesses considering solar panels/PV, and the number that installed them in 2022**. 28% of respondents are currently considering this measure, but only 5% installed them in 2022. Despite the high level of demand, this is a longer-term and more capital-intensive measure, with additional complications such as planning restrictions and the ownership of the building. The high demand may be related to the fact that, of all the measures listed, it would have the biggest impact on cost and carbon emission reduction for the business.

FIGURE 6
Community business: obstacles to installing ESMs



Note: percentages are based on 122 respondents considering or with installed esms.

Source: Plunkett Foundation survey June 2023, 141 responses. Note: respondents could select more than one option. The above chart shows the number of respondents as well as the percentage of respondents selecting that option.

When asked about the barriers to installing ESMs, most survey respondents gave more than one reason. The most common reason was due to the building itself or the location (bearing in mind that the majority of respondents are based in rural areas). This may be to do with the accessibility of the site or building, the age of the premises, etc. In "other", several respondents noted issues such as planning restrictions, listed status or being situated in a conservation area.

The most frequently cited obstacles were:

- Difficulties due to location (often rural) and building (e.g. age) (43%)
- Not being able to afford ESMs (39%)
- Not owning the premises (34% of all respondents; 68% of respondents who lease their premises).

Other issues that were mentioned were related to tenure and affordability, such as being based in a "temporary" structure such as a portable cabin (to minimise costs), justifying the return on investment, or securing their lease for the future.

Other activities in light of the climate and ecological crisis

136 community businesses responding to the survey had undertaken some form of environmental action in 2022. These took a variety of forms which differed widely across different types of business.

- **96% of community businesses that responded to the survey took some form of environmental action in 2022**
- **Over half of community businesses are tackling the climate crisis in multiple ways: 54% of all respondents took more than one action; 22% took more than two**
- **The most common type of action was "sourcing locally", by 72% of respondents**

The localisation of the supply chain is unsurprisingly a common theme among businesses that are locally rooted and that are owned by a wide range of people from the local area. Accountability for environmental impact, combined with a motivation to support the local economy, means that community ownership is a business model with sustainability at its heart. A range of actions were reported by respondents (see Table 3).

TABLE 3
Community Business and Environmental Action

Activity	No. of community businesses	As % of all respondents
Growing / producing food in a sustainable way	17	12%
Sourcing and distributing local produce	101	72%
Managing and reducing waste within your business (e.g. reducing packaging)	62	44%
Improving the natural environment (e.g. planting for wildlife)	26	18%
Running / hosting activities relating to sustainability (e.g. repair cafes)	13	9%
Infrastructure to enable active or sustainable travel (rental bikes, EV chargers)	9	6%
Growing schemes/education about sustainable food	11	8%
Other	16	11%

Note: actions and measures varied according to the type of business e.g. reducing waste and packaging was more of a priority for businesses that sell products and hospitality services directly to consumers.



▣ Normandy Village Shop and Cafe, South East England is based in a new build, funded by Surrey Council and community shares. The design is forward-thinking, with heat recovery and solar panels.

The survey only asked questions about direct forms of environmental action, but it should be noted that the existence of a community business can also have indirect benefits for the environment. For example, having access to a service locally, that has been preserved through community ownership, reduces the need for people to travel – and by extension, living costs and carbon emissions. The presence of a business that sources and sells local produce supports other businesses that are

producing food in an ethical and sustainable way. Fundraising for local causes enables schools to set up kitchen gardens and wildlife areas. Opening up access to land for allotments enables people who have limited outdoor space to grow their own food and connect with others who are doing the same, while learning about how food is produced. The list could go on, but these are some of the small ways that many community businesses are taking steps towards larger social and environmental change.

People and governance

Legal structure

One of the first decisions that a community group makes when setting up a community business is on its legal structure. As community businesses are 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 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 members of the community
- The community clearly represented with the majority of members coming from it and having a genuine say in how the business is run, preferably with "one member, one vote"
- Ideally, there should be an asset lock²
- Trading should meet the community's identified needs and represent a long-term commitment
- A commitment to re-investing profits in the local community.

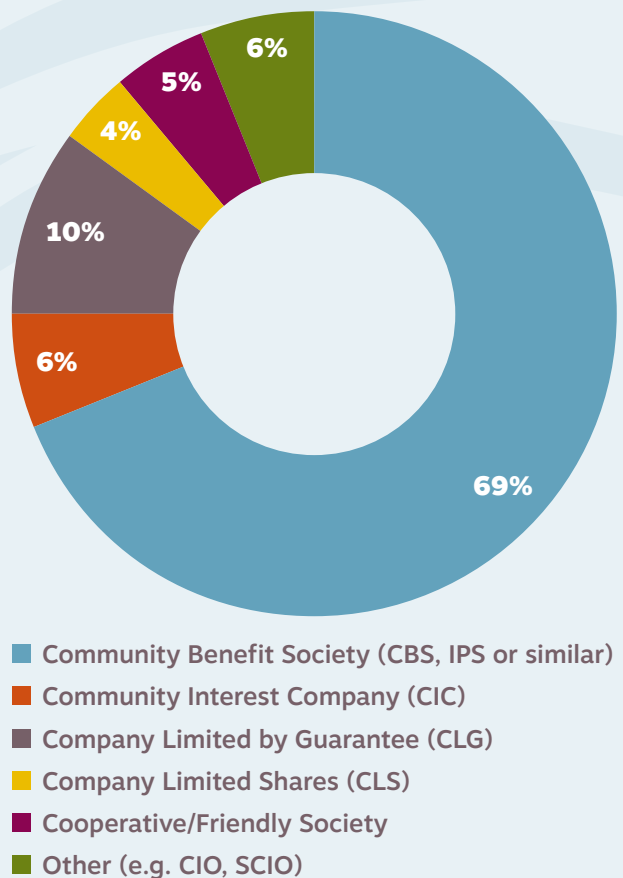
Legal structures which allow for this include: Community Benefit Societies (CBS), Co-operative Societies, Companies Limited by Guarantee, and Community Interest Companies (CIC) and may also include a Private Company Limited by Shares if the above criteria can be established. The Plunkett Foundation offers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

- Across all types of enterprise, **the Community Benefit Society (CBS) was the most popular legal structure**, accounting for approximately **two thirds of community businesses**.

One major reason for the popularity of the CBS model is that under current legislation it is the only legal structure (other than a Co-operative Society) that can issue community shares, so that its members can also become shareholders. Having 'invested' members is one positive means to foster community engagement and support for community enterprises.

Further down the list of popular legal structures, there is some slight variation between enterprise types, e.g. CICs seemed to be more common among shops, whereas a Company Limited by Shares was more commonly chosen by pubs. The proportions of businesses adopting the above legal structures has remained consistent with previous years.

FIGURE 7
Community business: legal structure
FOR ALL ENTERPRISE TYPES



Source: 686 available Plunkett Foundation records, July 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.

Management model

For most kinds of community business, there are effectively two routes to follow in terms of operating the business – the "managed" model (the community appoints a manager, directly employed and accountable to the board or management committee) or the "tenanted" model (the community leases the premises to a tenant and charges rent).

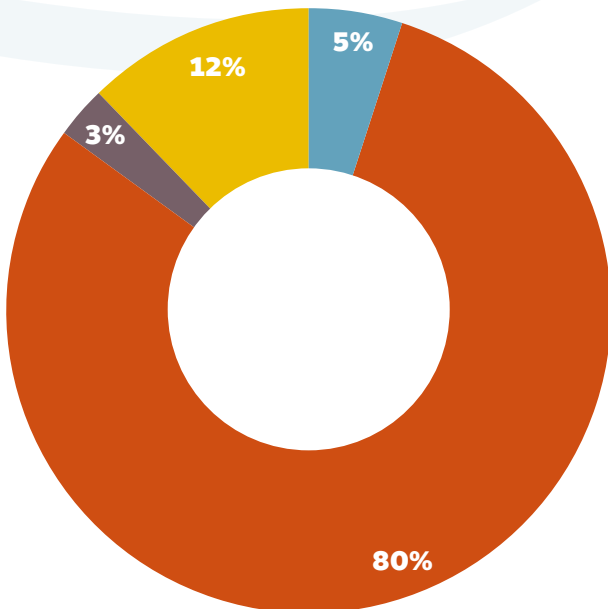
In this section, we focus on the management model of pubs and shops. Other types of business have not been included from this analysis, due to small sample sizes and wide variation in results across different enterprise types (making it difficult to make general statements about these other types of business).

From 557 available Plunkett Foundation records:

- 39% of community pubs are operated by a tenant, compared to just 5% of community shops
- 95% of community shops are managed, compared to 61% of community pubs
- 93% of community pubs and 88% of community shops have paid staff
- 7% of community pubs and 12% of community shops are run solely by volunteers

FIGURE 8

Community shops: management type



- A tenant
- Paid staff (with volunteer support)
- Paid staff (without volunteer support)
- Volunteers (without paid staff)

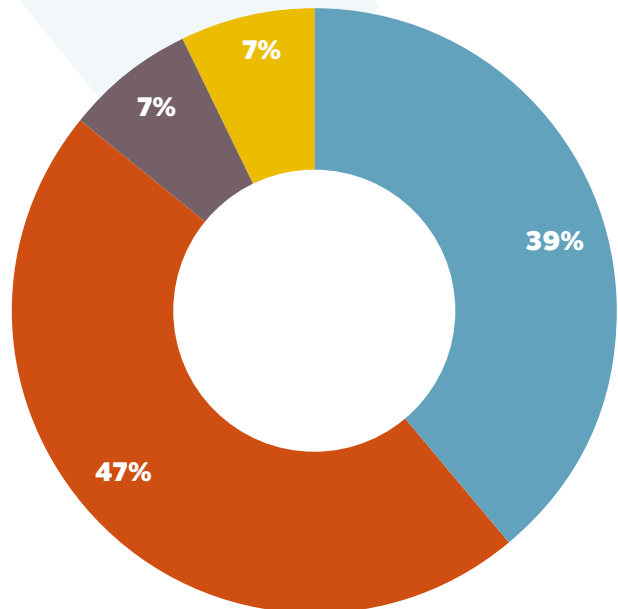
Source: 395 available Plunkett Foundation records.

There are various reasons why a community will opt for a managed or a tenanted role. As the above results show, the number of businesses adopting a management model can vary greatly, depending on the type of enterprise the community is running. These figures may also reflect trends in the wider sector to some extent (for example, it is very common to find tenants in the wider pub sector). There are many other pros and cons, for example:

- The "managed" model gives the committee more control over the way the business is run, because the manager would be employed directly by the community business
- However, this means that the managed model requires more time and effort from members of the committee to run the business. Committee members may not have the confidence or experience to run certain types of business and may therefore value being able to delegate the running of the business to a tenant.

More detailed information about the pros and cons of the managed and tenanted models can be found in the 2022 'Better Form of Business' reports on community pubs and shops.

Community pubs: management type



- A tenant
- Paid staff (with volunteer support)
- Paid staff (without volunteer support)
- Volunteers (without paid staff)

Source: 162 available Plunkett Foundation records.

Tenure of premises

As with the management model, the type of tenure of the premises depends to a large extent on the type of business. The cost or market value of an asset may play a role, as will the availability of freehold as a purchase option. For example, a community pub project is often triggered by the closure, or potential demolition, of a local pub. In these circumstances, outright ownership is often considered the only way to safeguard the asset. In rural areas, there are few other alternatives for running a pub in an alternative premises other than a pub building.

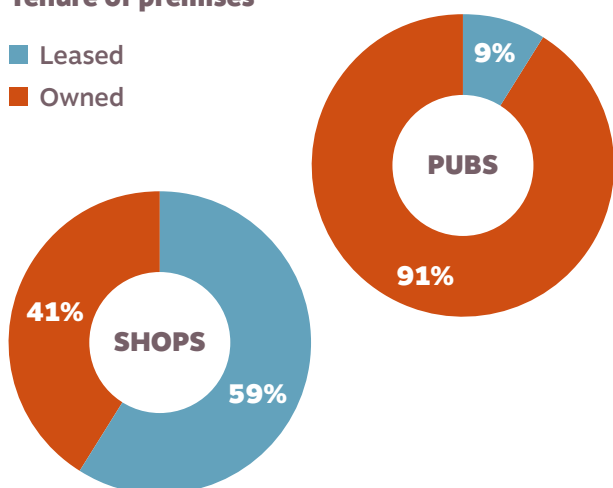
Community shops, on the other hand, operate in a variety of premises, such as new builds, converted buildings, or alternative structures such as portable cabins or co-locating with other community organisations, such as in a village hall or church. This means that a community shop project is not dependent on a specific asset, unlike community pubs.

Purchasing a premises outright will also require more capital upfront compared to taking on a lease. There are a great many factors to consider, and the circumstances depend on each community's capacity, resources, needs and preferences. More information about the pros and cons of ownership/leases can be found in the 2022 ["Better Form of Business" reports](#) on community pubs and shops, available on Plunkett's website.

Due to the wide variation in tenure between enterprise types, we have only included shops and pubs in our observations below, as there is a sufficient sample size for each enterprise type to be able to do this.

FIGURE 9
Tenure of premises

■ Leased
■ Owned



Source: 526 available Plunkett Foundation records, July 2023.

Shareholders, employees and volunteers

Note: Plunkett Foundation 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 enterprise supported by Plunkett. Therefore, this section will be most relevant to community-owned shops and pubs. For other research that covers a wider range of enterprises, please see the "Further reading" section at the end of this report.

Community-owned businesses are membership organisations, the members (predominantly made up of local residents) being the owners of the business. Management committees or boards are elected by the membership to oversee the strategic direction and finances of the business. They also determine how the pub is managed and who manages it.

A principal tenet of a community business is that it exists to serve the people in the area who would be disadvantaged without it, and membership ensures a wide and inclusive participation. Generally, the CBS (Community Benefit Society) structure encourages and promotes the largest membership, with multiple shareholders investing in the business. The CBS model also helps to facilitate inclusive participation in decision-making about the business and use of its profits, with a one-member-one-vote system. No matter whether you have invested £1 or £100, your share entitles you to have a say in how the business is run.

A real motivating factor behind setting up a community business can be the opportunity to create paid, local employment opportunities. In rural areas, these businesses can often be very significant employers in their local area, especially for people who cannot drive or do not own a car. They offer an excellent environment for training, particularly for young people or people who are typically marginalized from the labour market e.g. due to a disability. Community businesses also benefit the local economy by using local suppliers for produce, stock, and services – thereby supporting other local businesses to grow and creating more jobs in the area.

The ability to harness a volunteer workforce is another advantage for a community business, reducing staffing costs, enabling wider participation in the business beyond a small staff team, and enhancing the wellbeing of local residents. The functions supported or run by volunteers vary widely and include fundraising, organising events, assisting with marketing and social media, or directly running services such as shops, cafés, libraries and allotments. Volunteers are drawn from a diverse range of people of all ages and backgrounds in the community, including people who may be experiencing poor health or social isolation.



■ The current manager at Creaton Community Shop in East Midlands, England started out as a volunteer at the shop.

Community shops

Shareholders

Based on the available information from 318 shops, according to financial records and Plunkett Foundation records as of July 2023:

- The **average number of shareholders per shop is 185**
- **52% of community shops have between 51-200 shareholders** (164 shops)
- **35% of community shops have over 200 shareholders** (111 shops)
- If the above average were taken as a rough estimate for the whole community shop sector, we would estimate that over **75,000 shareholders have invested in community shops** to date

Based on the available information from 331 shops, according to financial records and Plunkett Foundation records as of July 2023:

- The **average amount of share capital per shop is £28,000**
- If the above average were taken as a rough estimate for the whole sector, we would estimate that **£11.5m has been raised to set up community shops** to date

³ Tenanted community shops are excluded from these calculations as the full data is unavailable (only information relating to the community-owned business and rental income from tenants is available, not the details of the tenant's own business).

Employees

Based on 113 available financial returns and Plunkett Foundation records³:

- On average, **community shops employ 4-5 people** (both full- and part-time; the 113 shops recorded a total of 516 employees)
- The **average total wage expenditure** for the 99 managed community shops in **2022 was approximately £41,600** (the total amount spent on all staff wages between the 99 shops was £4,118,054)
- If the above figures are taken as estimates for the wider sector, and bearing in mind that around 80% of shops are managed with paid staff, this would mean that community shops could **employ over 1500 people and generate £12m in community wealth building through local wages.**

Volunteers

- **On average, community shops have 31 volunteers who help on a regular basis** (based on 265 Plunkett Foundation records)
- Given that **97% of community shops have volunteers**, a rough estimate for the whole sector would produce a total of **over 12,000 volunteers supporting community shops across the UK**

Benefits of volunteering for wellbeing

“All our staff are volunteers and appreciate their time in the shop talking to customers they might not otherwise see.”

Dalwood Community Shop, Devon

“We have children from a local special needs school attend weekly to experience the retail shop environment and help with specific tasks.”

Westbury Community Shop and Café, Buckinghamshire

“Our volunteers are good at knowing when villagers do not turn up so alert the manager to check if the person[s] are alright.”

Wilstone Community Shop, Hertfordshire

Community pubs

Shareholders

Based on the available information from 147 pubs, according to financial records and Plunkett Foundation records as of July 2023:

- The **average number of shareholders per pub is 229**
- **40% of community pubs have between 51-200 shareholders** (58 pubs)
- **48% of community pubs have over 200 shareholders** (71 pubs)
- If the above average were taken as a rough estimate for the whole community pub sector, we would estimate that over **37,500 shareholders have invested in community pubs** to date

Based on the available information from 149 pubs, according to financial records and Plunkett Foundation records as of July 2023:

- The **average amount of share capital per pub is £216,000**
- If the above average were taken as a rough estimate for the whole sector, we would estimate that **over £35m has been raised to set up community pubs** to date

■ "A local hub-pub, for everyone" - The Travellers Rest, Yorkshire was bought by the community of Skeiby in 2022.



⁴Tenanted community pubs are excluded from these calculations as the full data is unavailable (only information relating to the community-owned business and rental income from tenants is available, not the details of the tenant's own business).

Employees

Based on 37 available financial returns and Plunkett Foundation records for managed community pubs with paid staff⁴:

- On average, **community pubs employ 10-11 people** (both full- and part-time; the 37 pubs recorded a total of 394 employees)
- The **average total wage expenditure** for the 34 managed community pubs in 2022 was **approximately £99,000** (the total amount spent on all staff wages between the 37 pubs was £3,377,371)
- If the above figures are taken as estimates for the wider sector, and bearing in mind that around 61% of pubs are managed with paid staff, this would suggest that community pubs could **employ around 3900 people and generate over £9.1m in community wealth building through local wages.**

Volunteers

- **On average, community pubs have 23 volunteers who help on a regular basis** (based on 24 available Plunkett Foundation records, noting however that it 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 Foundation 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.

Creating inclusive opportunities

From the outset, community-owned businesses are committed to creating inclusive and welcoming spaces for local people. We asked respondents to the 2023 survey how they were creating better places to live for people in their neighbourhoods.

For community businesses offering paid employment (97 respondents):⁵

- 14% offered employment for people with a disability or long-term health condition
- 33% offered employment to people for whom it was their first paid job
- 53% offer employment to young people (aged 16-25)

An additional 9 community businesses (1%) offered employment to people who had previously been long-term unemployed.

For community businesses with volunteers (132 respondents):⁵

- Around 1 in 3 offered volunteering opportunities to young people (33% for ages 18-25 and 37% for volunteers younger than 18)
- 31% offered volunteer opportunities for people with additional support needs, or who have a disability and/or long-term health condition

Aside from inclusive employment and volunteering opportunities, **51% of community businesses responding to the survey said that they offered other specific support or activities for people who might be experiencing social exclusion.**

This included a broad range of people, such as (but not limited to) people who lived alone, were retired, recently bereaved, or had experienced discrimination or abuse because of their age, gender, race, ethnicity, or sexual orientation.



■ *Bosavern Community Farm is also supports volunteers from all walks of life, many of whom have suffered trauma, anxiety, bereavement or loneliness.*

Some examples from the survey include:

- The Eden-Rose Community Coppice, a community woodland based in Sudbury, Ipswich that accepts people on probation sentences into their team of volunteers
- The Craufurd Arms Community Pub in Maidstone hosts monthly meetings for autism awareness
- As part of its refurbishment, the Blue Bell community pub in Stoke Ferry, Norfolk, became a more accessible venue by installing a semi-automatic door, hearing loop, wheelchair accessible part of bar and toilet, baby changing facilities, braille signage, and dedicated parking space for visitors with limited mobility
- The pub tenants at the Sorrell Horse in Shottisham, Suffolk, offer employment to prisoners from the local open prison
- The Brewers Arms in West Malvern is a community pub that offers free hire of the annex to local groups offering community support services.

⁵ Note: respondents could select more than one option to the above questions.

Financial Performance in 2022

This section will give an overview of the financial performance of community shops and community pubs in 2022. The commentary will focus on these two enterprise types, as they are the most common types of enterprise in the sector 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 2022, unless otherwise specified.

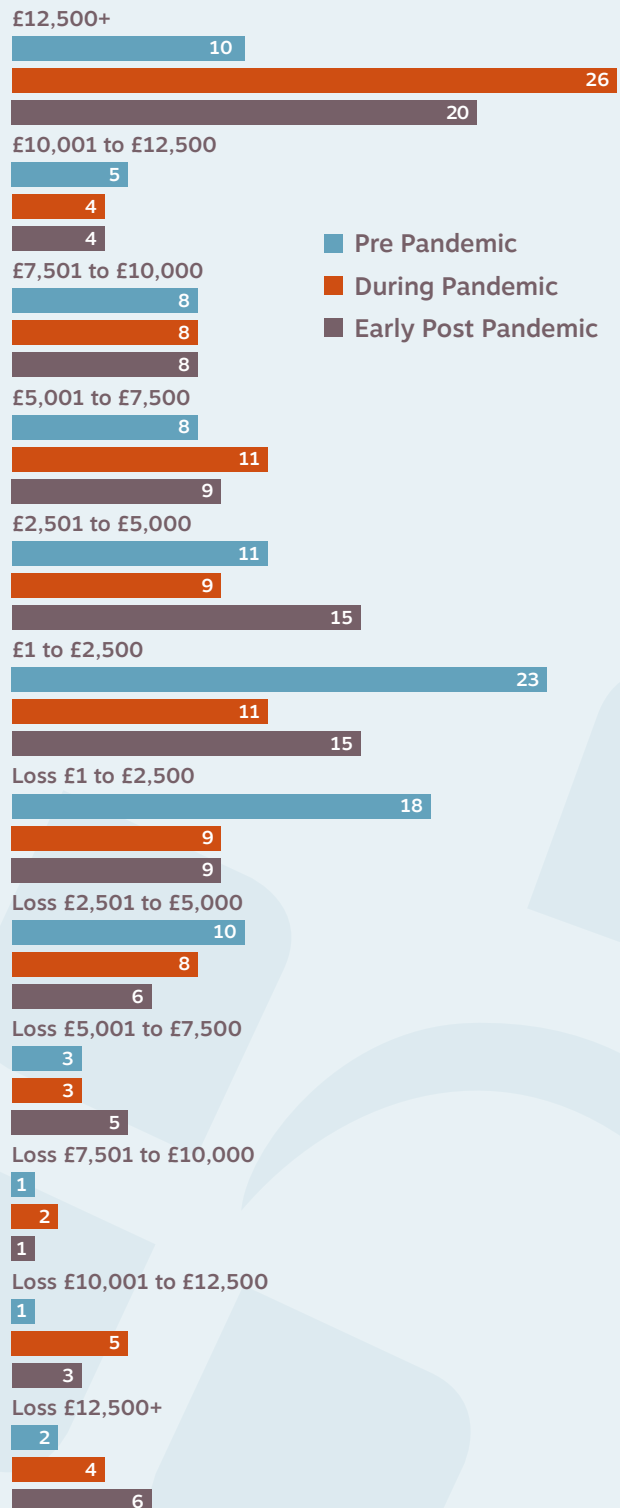
Profitability is assessed before accounting for depreciation, and excludes sources of funding such as donations or grants, to show underlying profitability from the business.

Turnover figures in this study include all income for the community 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 businesses may also sustain themselves through a variety of means such as volunteers, donations and fundraising.

▣ The terms "Pre Pandemic", "During Pandemic" and "Early Post Pandemic" refer to the periods of January 2018 – 31 March 2020, 1st April 2020 – December 2021, and January – December 2022 respectively. Source: financial returns publicly available from the FCA and Companies House.

FIGURE 10
Community shops: changes in surplus over time

% OF COMMUNITY SHOPS





■ The rising cost of running refrigerators is a concern for many community businesses - but in villages like Dunshalt, Fife, with no other shop, they provide vital access to fresh food and reduce the need to travel

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	Average expenditure	Average profit/loss
£206,137	£201,488	£4,649

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

Prior to the pandemic, records from 184 financial returns dated from the beginning of 2018 to March 2020 showed that most community shops made a modest profit or a modest loss. The impact of the pandemic was mixed. A large number of community shops saw an increase in trade, which for some may have led to increased surplus. For others, additional costs such as purchasing PPE or protective screens, meant that the increase in trade was not enough to generate an overall increase in surplus. Other community shops based in tourist hotspots experienced a fall in trade in some cases. Community shops who relied on their cafes for profitability had to close them, resulting in reduced profits. Hence, the pandemic saw a greater polarization of community shops in terms of their profitability.

In 2022, this polarization has remained to some extent, but there seems to have been a shift back towards the lower brackets of surplus, and an increase in the number of community shops in the largest loss bracket. Again, this reflects the mixed situation of community shops across different geographies, demographics, management models and tenures. It is difficult to make generalizations at this stage in a rapidly changing economic climate. It should be noted that the financial records submitted to the FCA and Companies House are for the previous financial year, and therefore the chart does not present a real-time picture of the financial status of community shops.

Additional information

Based on the sample of available financial returns:

- 87 shops (62%) were in receipt of grants or donations, at an average of £7067 per shop
- 43 shops (30%) made donations. The average amount donated was £2,513 with wide variation
- The average amount paid for repairs and renewals was £2,176 (with a range from £15,800 to £68).
- The average amount of rent paid by community shops was £4,052 (from £1 to £20,004), based on 71 financial returns where this information was available.
- The average amount of rent paid to community shops by tenants was £16,137 (with wide variation).

Community pubs

Turnover and profitability

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

The table below shows the average turnover, expenditure, and profit/loss for 2022, 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.

Average turnover	Average expenditure	Average profit/loss
£268,524	£281,309	-£12,785*

From the 70 records available:

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

TABLE 4

	Managed Pubs	Tenanted Pubs*
Pre-pandemic (Jan 2018 - Mar 2020)	£294,000	£31,000
During Pandemic (Apr 2020 - Dec 2021)	£115,000 (39% of pre-pandemic levels)	£20,500 (66% of pre-pandemic levels)
Early "post-pandemic" (Jan - Dec 2022)	£269,000 (91% of pre-pandemic levels)	£28,000 (91% of pre-pandemic levels)

*Note: the turnover shown here for tenanted pubs is from rent paid by pub tenants, and is not the turnover of the pub tenants' business.

TABLE 5

	Managed Pubs (% of pub returns showing a surplus)	Tenanted Pubs (% of pub returns showing a surplus)*
Pre-pandemic (Jan 2018 - Mar 2020, 23 records)	70%	77%
During Pandemic (Apr 2020 - Dec 2021, 21 records)	62%	48%
Early "post-pandemic" (Jan - Dec 2022, 14 records)	35%	76%

*Note: returns for tenanted pubs will be offset by any borrowing or mortgage charges to the community.

Managed pub records have shown a significant level of deficit in their accounts, and turnover has not yet fully recovered to pre-pandemic levels.

Turnover for tenanted pubs has been included in the table above, as the decreased levels seen in 2020 through to 2022 are potentially supporting evidence for the rent reductions offered by community-owned pubs in times of crisis to their tenants.

Additional information

Based on the sample of available financial returns:

- All pubs were in receipt of grants or donations, at an average of £7,067 per pub (a sign that the community pub sector has attracted support in recent years)
- 11 pubs (16%) made donations. The average amount donated was £3,030 (with a wide range from £12,000 to £100)
- The average amount paid for repairs and renewals was £9,060
- Only 12 of the pubs with records available leased their premises, for which they paid on average £10,699 (with wide variation)
- The average amount of rental income from pub tenants was £23,679, with wide variation
- On average, community pubs received £14,600 in grants and donations, with wide variation.

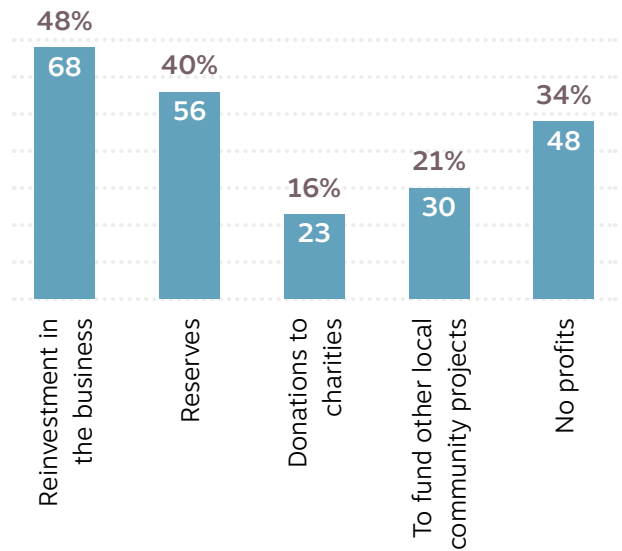
Use of profits

From the 141 survey responses from all types of community business, it is encouraging to see that the majority of community businesses made a profit in 2022 and that 1 in 5 respondents were able to donate profits to local projects.

“We recently launched our GlenWyvis Goodwill Fund which is targeted to benefit deserving causes in the local community: a) to foster the culture and heritage of Ross-shire; b) to help fund educational opportunities for those who need special help; and c) to support local entrepreneurship.”

Glenwyvis Distillery, Dingwall, Scotland

FIGURE 11
Use of profits (all types of business)



Source: Plunkett Foundation survey June 2023, 141 responses.

Note: respondents could select more than one option. The above chart displays the number of respondents selecting that option as well as the percentage of all respondents selecting that option.

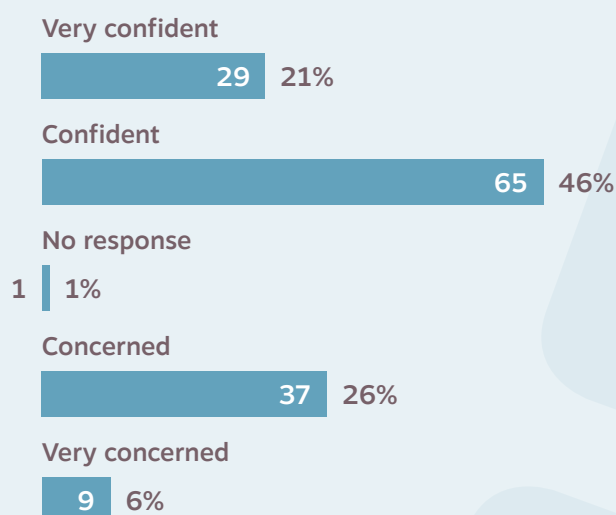


Confidence & Future Outlook

In the survey, community businesses were asked how they felt about the next 12 months. It is encouraging to see that the majority of community businesses responding to the survey felt confident, in spite of current pressures on the UK economy as well as ongoing issues such as recruitment in the hospitality sector.

FIGURE 12
Confidence: all types of business

141 RESPONSES



Source: Plunkett Foundation survey June 2023, 141 responses (1 respondent did not answer this question, but percentages are given as a portion of all 141 responses).

However, the 2023 survey saw the highest level of concern among community businesses since the surveys began asking this question in 2019. The survey results show that for all types of business:

- 32% were concerned or very concerned
- 67% were confident or very confident

It is unusual to see so many community businesses expressing concern about the future.

In previous years, levels of concern have mostly remained below 20%, even during periods of disruption during the pandemic (see Table 6).

The two exceptions to this are the 2020 survey conducted just after the outset of the first national lockdown, which found that 59% of community pubs were concerned; and the 2022 survey, which found that 25% of community shops were concerned. Community shops tend to have narrower profit margins compared with community pubs, so this could explain why a higher proportion of them were already reporting concern in 2022 at the outset of current ongoing financial pressures. However, since 2022, community pubs' confidence has also dropped significantly.

When broken down by enterprise type, the survey results appear to show a higher level of concern (36%) within the 22 other businesses representing a variety of enterprise types (cafes, hubs, breweries etc.). As this is the first year we have surveyed this part of the sector, and this is a relatively small number of businesses. Therefore, it is difficult to make any generalisation from 2023 the survey results. The concern may reflect the different operating circumstances of these businesses e.g. high levels of energy consumption required in food and drink production, as well as rising wholesale prices and difficulties with hospitality staff recruitment. It could also relate to other factors, such as levels of grant dependence, but further investigation would be required to corroborate this.

What the survey did show is that **all community businesses, regardless of the type of enterprise they run, require ongoing support throughout this crisis.** The type of support that respondents found valuable is explored earlier in this report in the section "Cost of Living Crisis".

TABLE 6
LEVEL OF CONCERN AMONG COMMUNITY BUSINESSES, 2019-2022

	2019	2020	2021	2022	2023
% of pubs concerned	17%	59%	16%	15%	27%
% of shops concerned	14%	7%	3%	25%	24%
% of "other" types of businesses (not surveyed prior to 2023. 22 responses received in 2023.)					36%

Year of survey (takes place in April).

Source: Plunkett Foundation survey June 2023, from 141 responses.



■ The Bosavern Community Farm distributes veg boxes and has set up a local network to promote sustainable food production

Causes for concern

What the greatest cause for concern was among community businesses? According to the 141 responses we received:

- **91% of respondents said that inflation, rising prices and staff wages has negatively impacted their business**
- Whereas **82% saying that rising energy bills had impacted their businesses.**

Little has changed since the Cost of Living survey of Plunkett Foundation members that was carried out in November 2022. There was not much variation in the responses between different types of enterprise (shops, pubs etc.). Some businesses had not experienced rising energy costs, for example because their building was already generating renewable energy, or because they were still on a reasonable fixed rate tariff. However, regardless of their energy situation, all businesses have been affected to some extent by rising prices and accompanying inflation.

TABLE 7

In the last 12 months, have rising energy bills negatively affected your business's financial situation?

	No. of community businesses	% of all respondents (141 responses)
Not at all	22	16%
Significantly	59	42%
Somewhat	57	40%
Uncertain	3	2%

TABLE 8

In the last 12 months, have other economic factors such as inflation, rising prices and staff wages negatively affected your business's financial situation?

	No. of community businesses	% of all respondents (141 responses)
Not at all	9	6%
Significantly	61	43%
Somewhat	69	49%
Uncertain	2	1%

FIGURE 13

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



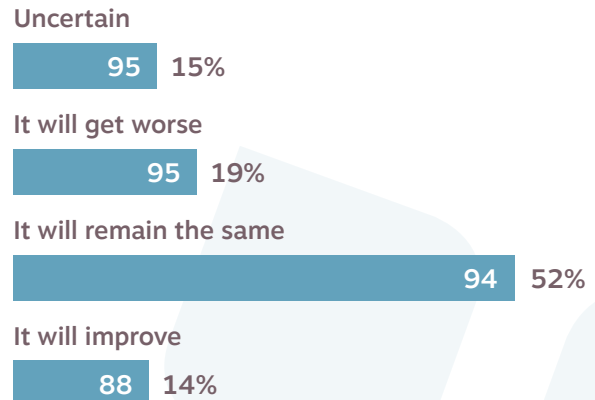
Source: Plunkett Foundation survey June 2023, 141 responses. Note: respondents could select more than one option.

There's a great deal of uncertainty about whether things will change over the next 6 months. Only 14% of businesses said that they thought their situation would improve.

When asked whether they thought that being community-owned gave their business more resilience in the face of the current crisis, 58% said they thought it did. This may in part explain the ongoing confidence and resilience of the sector, but it indicates that there is uncertainty for many community businesses. The cost of living crisis has impacted all SMEs, community businesses included.

FIGURE 14

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



Source: Plunkett Foundation survey June 2023, 141 responses. (1 respondent did not answer this question. Percentages are of the whole sample of 141.)



Further reading

All of Plunkett Foundation's research, including previous years of the 'Better Form of Business' reports, can be found on our website:

www.plunkett.co.uk/reports

Other research by the Plunkett Foundation:

2022 Impact Report,
Plunkett Foundation (March 2023).

Young People in Community Business,
Plunkett Foundation (June 2023).

"We need a Right to Buy, not to try":
How more urban communities can take ownership
of their pub,
Plunkett Foundation (May 2022).

"Growing the Community Business Network UK-
wide",
*prepared by SRUC and commissioned by Plunkett
Foundation (March 2022).*

Further reading on community ownership and community business:

Community Energy Scotland, Community Energy England, and Community Energy Wales (2022).
Community Energy State of the Sector UK Report 2022.

Community Land Trust Network (2023).
State of the Community Land Trust Sector 2023.

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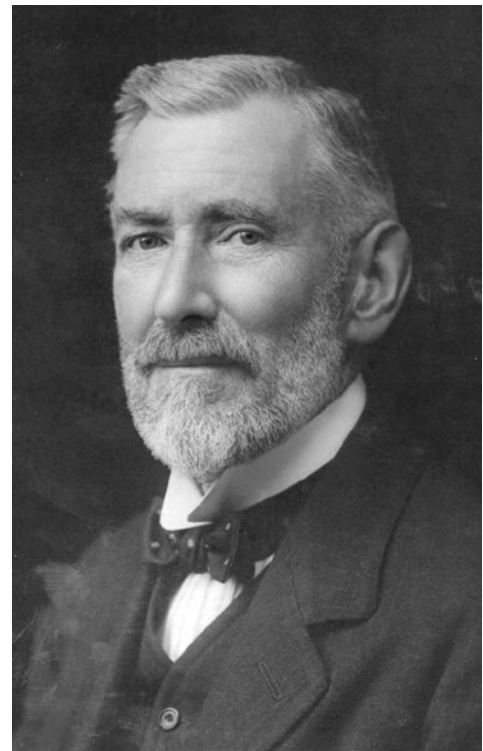


About Plunkett Foundation






Plunkett Foundation is a national charity with a vision for resilient, thriving and inclusive rural communities. To achieve this, we support people in rural areas to set up and run a wide range of businesses which are genuinely owned by local communities, whereby members have equal and democratic control. Today, we represent over 750 community businesses throughout the UK, from shops and pubs through to woodlands, farms and fisheries.

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

www.plunkett.co.uk/become-a-member



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Plunkett Foundation
Units 2-3
The Quadrangle
Banbury Road
Woodstock
OX20 1LH

01993 630022

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