



**Plunkett
Foundation**

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Growing the Community Business Network UK-wide:

Understanding the 'cold spot' areas where Plunkett Foundation could support more community businesses

Research Summary



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 800 'community businesses' throughout the UK, from shops and pubs through to woodlands, farms and fisheries.

Through our support for community businesses, we have a specific mission to create innovative, impactful and inclusive spaces. We achieve this by helping community businesses to:

- Provide a wider range of services and amenities that communities value and need
- Stimulate the local economy through localised supply chains
- Boost opportunities for employment, training and volunteering
- Offset climate change through commitment to zero carbon values and initiatives
- Harness digital technologies to enhance business performance
- Promote diversity and inclusion by creating a safe and welcoming space for all.

In practical terms, Plunkett raises awareness of the community business model UK-wide and provides business support and training to help these businesses start-up and go on to thrive.

As a membership organisation, we also seek to represent the interests of rural community businesses through research, policy and public affairs.



Background to the Research

Why are there fewer community businesses in some parts of the UK? As part of our ambition to grow the number of community businesses trading across the UK, Plunkett commissioned Scotland's Rural College (SRUC) to undertake independent research that would map the geographical distribution of the community businesses we have supported.

The completed research summarised here is the first step in a long-term project to shape the future delivery of Plunkett's support services to communities across the UK. We want to make sure that our services are accessible in the places where they are needed most.

As part of the research, SRUC used data held by the Plunkett Foundation to undertake a detailed mapping exercise, comparing the distribution of community businesses to socio-economic factors such as population density and deprivation. They also mapped the presence of similar forms of businesses, such as co-operatives and social enterprises. Finally, they completed in-depth interviews with other sector bodies and academics. As Plunkett predominantly supports rural community businesses, the research focused on rural areas.

Community Businesses - Geographical Distribution Across The UK

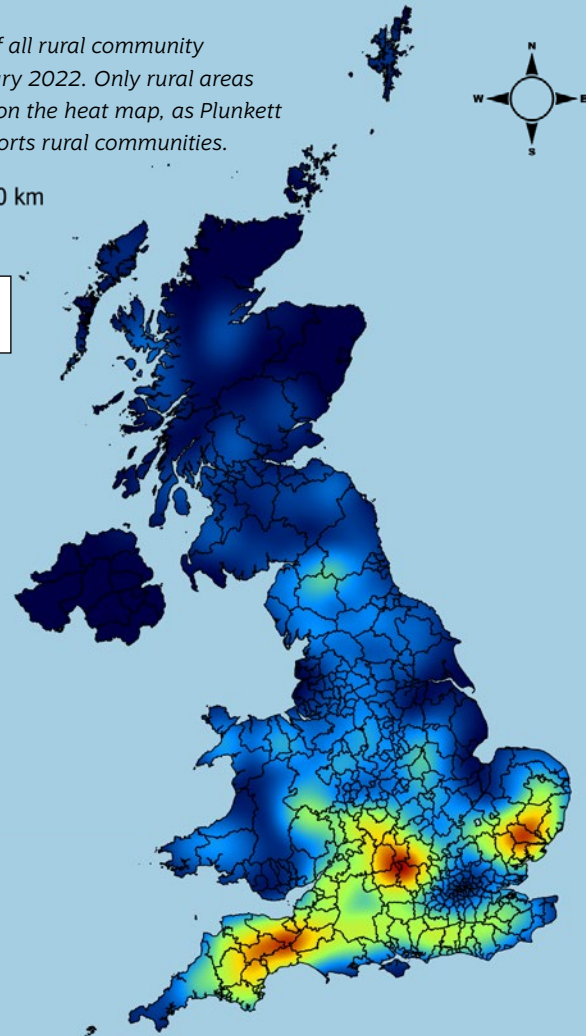
Across the UK the areas with the strongest presence of community businesses are in the South West, South East and East of England. The areas with the fewest community businesses supported by Plunkett can be found in Northern Ireland, Scotland and the North East of England. Generally speaking, coastal areas also have fewer community businesses.

Location	No. of community businesses	% of all trading groups
South West	159	24%
South East	127	19%
East England	80	12%
Scotland	72	11%
West Midlands	48	7%
Wales	47	7%
East Midlands	41	6%
Yorkshire & Humber	31	5%
North West	30	5%
North East	15	2%
Northern Ireland	5	1%
Total	655	100%

Fig. 1: Distribution of all rural community businesses in February 2022. Only rural areas have been included on the heat map, as Plunkett predominantly supports rural communities.

0 100 200 km

Heat map at 50km radius, showing only rural community businesses.



Comments on variation in distribution

- There may be a 'cluster effect' in the 'hot spots' areas, whereby community businesses are more likely to be located near other successful community businesses as they can inspire and learn from one another.
- Country or region-specific funding programmes, such as More than a Pub (England) or Denbury Homes (East of England) have boosted numbers in those areas.
- Community shops are the most common business type in rural areas of lower population density (such as in the South West of England). Community pubs tend to become more prevalent as population density increases (such as in the South East of England).

- Deprivation may affect the ability of communities to successfully set up a community business, due to limited community capacity. SRUC found that there are fewer community businesses in rural areas with the highest multiple deprivation ranking across the UK. This is most marked in England where 1% of Plunkett rural community businesses are in IMD quintile 1 (the most deprived 20% of rural areas) compared to 10% of the rural population¹.

¹ The Index of Multiple Deprivation (IMD) is the official measure of relative deprivation in England. The Index relatively ranks each small area in England from most deprived to least deprived. These ranks can be grouped into quintiles, e.g. IMD quintile 1 will be the most deprived 20% neighbourhoods in the country.

Enabling and Constraining Factors:

The research identified a range of factors that may enable or constrain the growth of the number of community businesses:

Enabling factors	Constraining factors
<ul style="list-style-type: none"> • Community capacity - time, confidence, relevant skills (e.g. finance, legal, etc.) • Assets and resources within the community, including access to capital • A supportive and engaged local community • Local leadership – sometimes the success of a project may rely on one or two community ‘champions’ • External networks to access knowledge, skills, and capital not available locally. (e.g. peer networks, crowd funding) • Other examples of a community business locally and elsewhere from which to learn, share ‘best practice’ ideas and be inspired 	<ul style="list-style-type: none"> • High upfront costs when purchasing and refurbishing businesses and limited time to raise funds • Lack of collective and/or individual capital, capacity, and skills to engage in the processes needed to acquire community land or community businesses • Lack of awareness, knowledge and understanding regarding how to set up a community business • Absence of a supportive or ‘facilitating’ policy, political and/or funding context, e.g. community rights • Lack of resilience due to ageing and sparse populations, which can lead to less willingness to start up new ventures due to lack of access to skilled or young workforce

Presence of community businesses compared to similar forms of enterprise

SRUC mapped the presence of community businesses supported by Plunkett against the presence of co-operatives and social enterprises, based on data provided by Co-operatives UK and Social Enterprise UK. Community businesses tend to be less common than their counterparts, but represent a sizeable portion of the sector in rural areas. The graph shows that Plunkett plays an important, complementary role supporting businesses in rural areas, whereas other organisations have a stronger urban presence.

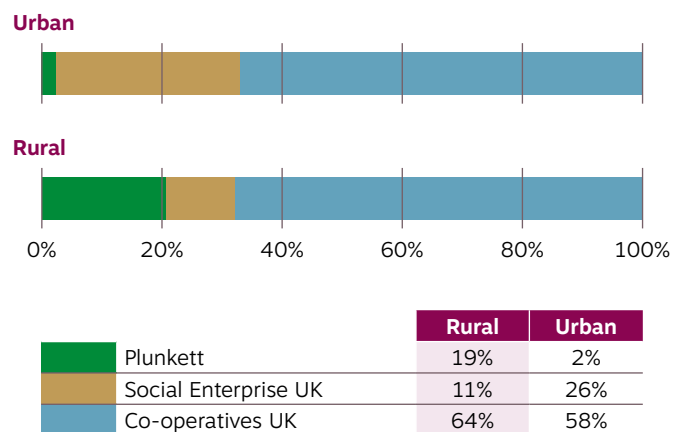


Fig. 2: Percentage distribution of Plunkett, Social Enterprise UK, and Co-operatives UK between urban and rural areas in the UK.

Commitments from the Plunkett Foundation

The research has demonstrated that there is an opportunity to develop community businesses in all four UK nations and supports Plunkett's continued commitment to offer a comprehensive advisory support service to new groups and existing community businesses in England, Scotland, Northern Ireland and Wales.

To achieve this, we commit to acting on the report's recommendations by:

- Improving the accessibility of Plunkett Foundation communications, such as providing more content in other languages
- Completing more targeted engagement work in areas with fewer community businesses, where support is needed
- Providing enhanced pre-project and capacity building support in more deprived areas
- Working in partnership and collaborating with other organisations to support community business projects
- Adding value to, rather than duplicating alternative available support
- Creating new peer learning opportunities.



In the wake of a global pandemic, and in the midst of the growing cost of living and climate crises, community businesses are needed now more than ever to help build a fair and sustainable rural economy that fosters community wellbeing.

Action learning and testing new approaches

The work completed by SRUC is Phase 1 of an ongoing piece of work. The research has helped identify the 'cold spots' and the intention is to now progress this work through working with groups in the identified areas to explore the potential for more community ownership projects in future.

In the report's recommendations, SRUC also set out a number of future research opportunities to further enhance the study, such as understanding how the 'cluster effect' works in practice to inspire more community businesses to set up, and how the different national contexts will impact sector growth as a result of the different organisational and support arrangements.

Plunkett Foundation is currently seeking partners and funders to progress the Phase 2 ambitions of the research. If you would be interested in exploring this opportunity please contact our Policy and Research team via info@plunkett.co.uk

To obtain a full copy of the research conducted by SRUC please email info@plunkett.co.uk