

CO-OPERATIVES UK

INNOVATIONS IN BUSINESS SUPPORT

The Empowering Places model of place-based social purpose business support

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1. EXECUTIVE SUMMARY

To create thriving local economies, communities need a relational business support ecosystem that harnesses the creativity and passion of local people.

The Empowering Places model of place-based business support has been created to enable local community anchor organisations, and commissioners of business support, to find ways of working together. Adopting this model encourages shared approaches to address the issues faced by the communities they serve.

At a time when inequalities are being exacerbated through cost of living increases and other macro economic factors, this model shows how local actors can make a difference in their communities. Through innovative ways of organising and delivering support to small scale enterprises and social purpose businesses, it provides benefits not just to local economies, but creates wider positive impacts in areas such as in health, wellbeing and social inclusion.

Innovative place-based solutions such as the LEGI programme and Bizfizz showed promise, but were ultimately sacrificed in favour of agendas that pursued high growth with little focus on distribution. To avoid the mistakes of the past, commissioners and providers of place-based business support need to find ways to test, learn from and embed solutions which are resilient to future changes in policy and funding drivers.

While there are immediate opportunities to help local organisations allocate funding effectively at a devolved level, there will be winners and losers as national funding streams come online. Those who are passionate about supporting social purpose businesses and locally rooted economic development should not disregard the potential to be involved in shaping the delivery of funding. It would, however, be prudent to seek other collaborative ways to activate the entrepreneurial potential of their communities and help build their influence.

The proven Empowering Places model is designed to take into account the historical context and current challenges facing local providers of support to entrepreneurs and social purpose businesses. It is informed by practice and has been designed to address some of the failures of previous programmes to sustain their impact, and is particularly effective at engaging with people and communities around economic activities that seek to create a fairer and equitable economic, environmental and social future.

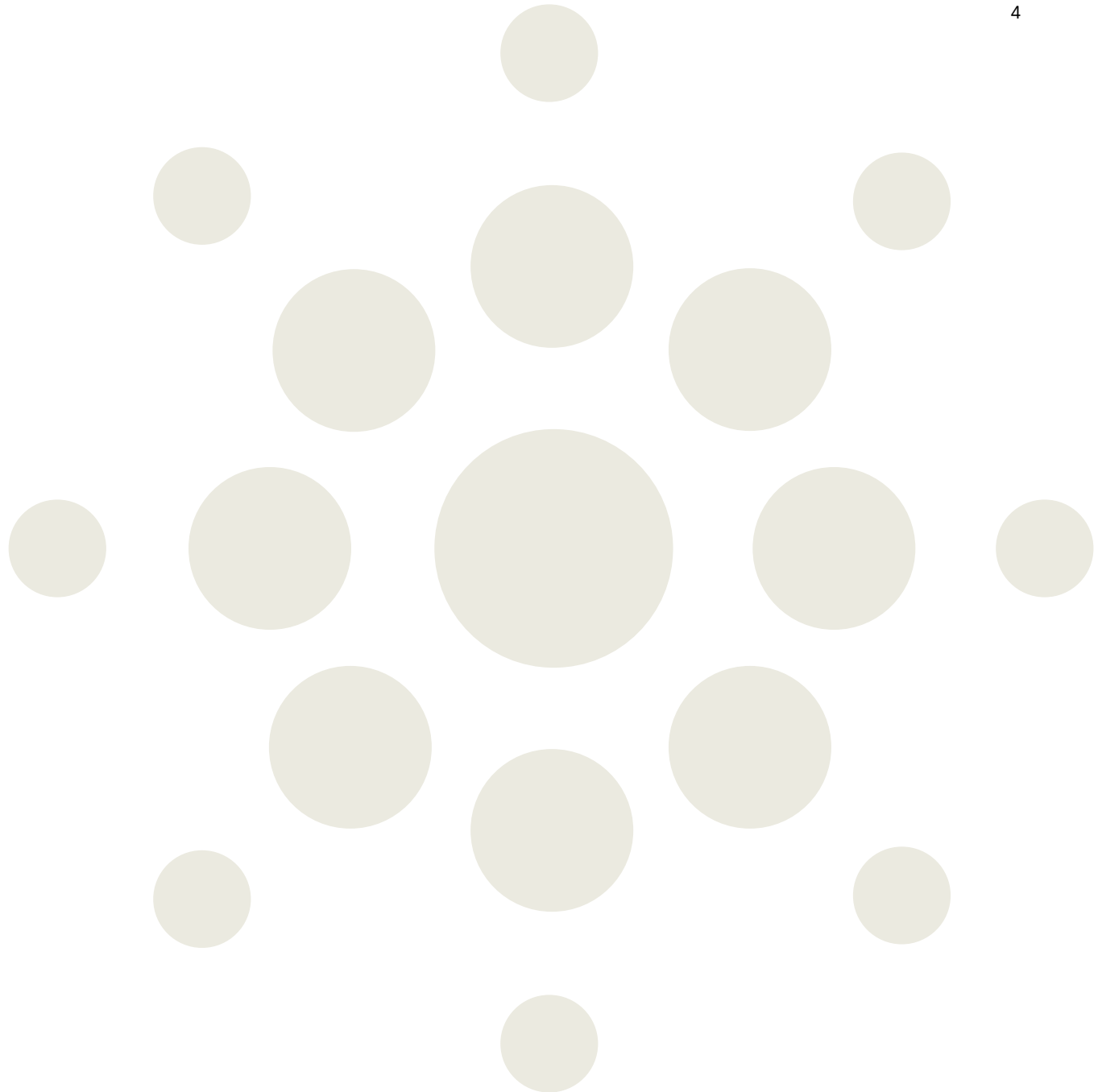


2. INTRODUCTION

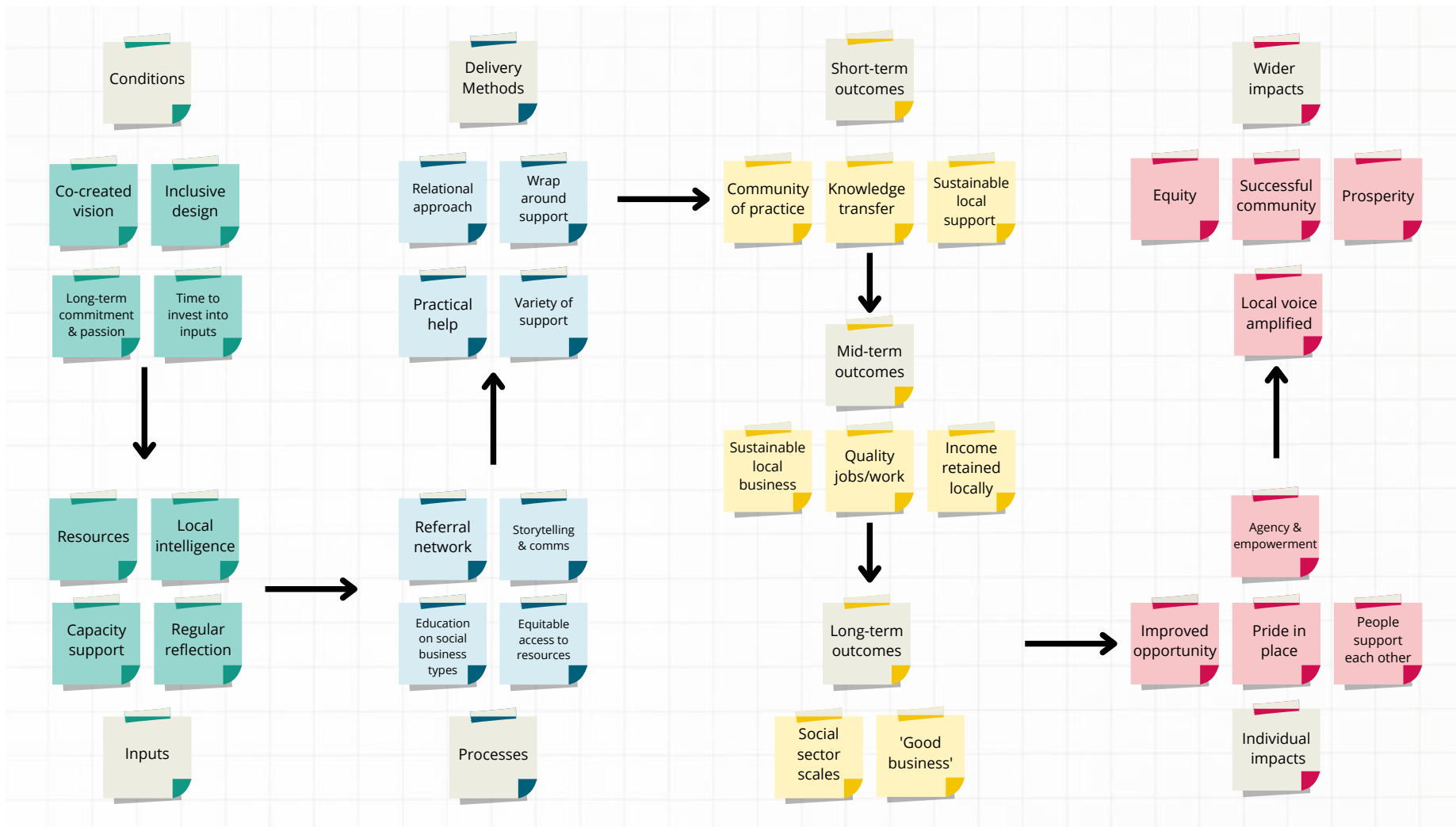
Empowering Places was a programme that demonstrated the role concentrated clusters of community businesses can play in creating better places and reducing inequality. Funded by Power to Change, the programme was delivered by Co-operatives UK, in partnership with the Centre for Local Economic Strategies (CLES) and the New Economics Foundation (NEF).

This document sets out the Empowering Places model of locally rooted support to SME's and social purpose businesses, built on the findings of the literature review and place-based action learning report, along with insights taken from our community business catalyst hubs in Wigan, Bradford, Leicester, Plymouth, Grimsby and Hartlepool. The research methodology can be found in the place-based report.

While the report has focused on social purpose businesses, the findings are equally applicable to other locally based enterprise support initiatives. In setting the context for this work we have also looked at the evaluation of both social purpose business support programmes and more mainstream delivery of local enterprise support over the past decade.



3. LOGIC MODEL FOR SOCIAL PURPOSE BUSINESS SUPPORT



LOGIC MODEL TABLE

National vision and purpose	Conditions and inputs	Processes and activities	Outcomes	Impact
<p>Vision</p> <p>Everyone who has an entrepreneurial idea/the passion to start and grow a social purpose business has access to appropriate support, designed and delivered in a flexible way which works for the individual/group and maximises chances of success at each stage of their journey.</p> <p>Enterprise, including the number, quality and scale of social purpose businesses operating in communities across the UK will increase. Local enterprises and social purpose businesses will increase their contribution to the economy and strengthen the social fabric of their communities.</p> <p>Purpose</p> <p>To identify, enable and activate the latent potential of local / socially minded entrepreneurs at the community level, so that they can explore a full range of options to start and grow. Community businesses, To grow local economies with a particular focus on social enterprises, co-operatives, other social purpose businesses and locally rooted SMEs / sole traders, which create and retain wealth in their communities, provide opportunities for others and create tangible improvements where people live and work.</p>	<p>1. Conditions</p> <p>Collective local vision – co-created with practitioners, beneficiaries and commissioners.</p> <p>Inclusive design of support – that is visible and accessible, and removes to collaboration.</p> <p>Long-term commitment – to creating a healthier business support ecosystem.</p> <p>Time to invest in the inputs – so the foundations are built and maintained effectively.</p> <p>2. Inputs</p> <p>Local intelligence – balanced commissioning which makes best use of local assets.</p> <p>Resources – maximise existing social capital, funding access & physical space.</p> <p>Regular reflection – enable constructive dialogue and ongoing improvement.</p> <p>Capacity support – not tied to outputs, enables local organisations to contribute.</p>	<p>3. Processes</p> <p>Create a referral network – upskill community support staff with reach/trust in the community.</p> <p>Equitable access to resources – through better communication of opportunities and support to access.</p> <p>Education – about enterprise opportunities and social purpose business types & how to best serve them.</p> <p>Communication – capture impact at each stage of journey and use of storytelling.</p> <p>4: Activities</p> <p>Relational approaches – coaching, peer-support and action learning equals transformational.</p> <p>Wrap-around support – address wider barriers for beneficiaries and practitioners.</p> <p>Practical help – CSR, pro-bono specialist support, space/equipment/ materials.</p> <p>Variety of support – options that meet a diverse range of needs and abilities.</p>	<p>5a. Short term</p> <ul style="list-style-type: none"> Community of practice around social purpose business support Knowledge transfer clusters at the community level Local support organisations become sustainable/connected <p>5b. Medium term</p> <ul style="list-style-type: none"> Businesses sustainable, provide opportunities for local people Quality jobs and work which enable a good quality of life Income is retained and recycled in the local economy <p>5c. Long term</p> <ul style="list-style-type: none"> Social business sector scales both in size and reach 'Good business' 	<p>6a. Individual</p> <ul style="list-style-type: none"> Life opportunities are improved for everyone Pride in place, purpose and community (levelling up) People support each other's aspirations Agency and empowerment through having a credible voice <p>6b. Wider</p> <ul style="list-style-type: none"> Successful communities Prosperity Equity/equality Local voice, influence and accountability is amplified

NATIONAL VISION AND PURPOSE

The starting point for our Logic Model sets out the national Empowering Places Vision and Purpose of designing and delivering local business support, including to social purpose ('generative') businesses, based on the aspirations of the Empowering Places catalyst organisations, their partners and supporters. These were interviewed during the research or attended the Service Design workshops.

The national Vision and Purpose serve as a call to collaboration for practitioners, community anchor organisations, commissioners and funders, at a time where the policy landscape is in huge flux and the mistakes of the past (as described in the literature review) are in danger of being repeated - exacerbating inequality rather than actively seeking to reduce it.

On the right of this page, you can find a set of assumptions and assertions, along with the Empowering Places partner organisation Visions, which underpin the model and also identify the implicit bias behind this work (each of the following sections also lay out assertions, assumptions and foundations which underpin that element of the model).

Vision

Everyone who has an idea and the passion to start and grow a locally rooted enterprise or social purpose business will have access to appropriate support, designed and delivered in a flexible way, which works for the individual/group and maximises their chances of success at each stage of their unique journey.

This will increase the number, quality and scale of businesses that employ and trade locally, including social purpose businesses, operating in communities across the UK, significantly increasing both their contribution to the economy and strengthening the social fabric of their communities.

Purpose

To identify, enable and activate the latent potential of socially / locally minded entrepreneurs at the community level, so that they can explore a full range of options to start and grow small businesses, Social Enterprises, co-operatives and other social purpose businesses which create and retain wealth in their communities, provide opportunities for others and create tangible improvements where people live and work.

Assertions/Assumptions

- Everyone has a right to better economic and social outcomes
- Local people know what is best for them and what they need to achieve it
- Institutions and businesses should serve the communities they operate in

Foundation (Partner visions)

“Transformed places that are better to live and work in for everyone” (Power to Change)

“A more democratic economy and new social settlement lead to an equal stake in the places where we live and work, that people are paid well and can access all they need for a decent life” (NEF)

“To build a better world through co-operation, by growing the co-operative economy in the UK” (Co-operatives UK)

“To progress a new, socially just mainstream in economics and social policy” (CLES)



1. CONDITIONS FOR SUCCESS

The following conditions were identified through the research as needing to exist or be created for the model to flourish and become sustainable.

Collective local vision

Shaping the local vision and purpose from the perspective of both those receiving and those delivering support, through a co-creation process, enables greater insight into gaps and opportunities, stimulating conversations in an asset-based way.

Inclusive design of support

Considering the needs, challenges and motivations of the full range of potential support beneficiaries, will ensure that support is visible and accessible, and removes barriers to participation and collaboration.

Long-term commitment

Creating a healthier business support ecosystem requires more than just funding - the will to establish a culture of enterprise within our most disadvantaged communities must be backed up by listening to, and fully embracing, working with people who genuinely understand them.

Time to invest in the inputs

Local practitioners and organisations need to be given adequate time to build the foundations for a healthier support ecosystem, otherwise return on investment will remain cyclical and tied to short-term funding cycles.

Assertions/assumptions

There are enough local actors who are passionate about inclusive growth and willing to find new ways of working together.

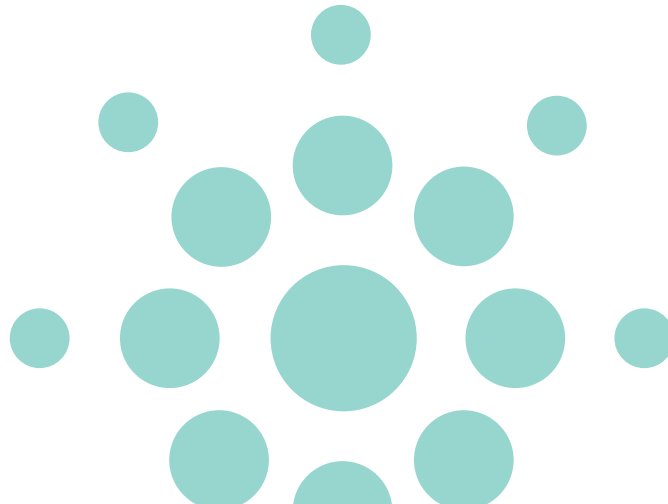
Enabling local support organisations to learn and grow at their own pace, rather than that dictated by the funder, reveals and encourages richer connections which benefit those they support.

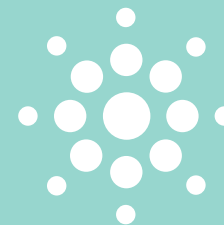
Foundation (external conditions)

Commitment to community wealth building within local and combined authorities, and traditional anchor institutions.

A greater appetite for longevity and risk taking is needed for socially innovative interventions to take hold and prove their worth.

Culture of authentic co-creation which brings stakeholders together with beneficiaries and harnesses their lived experiences.





2. INPUTS

The inputs described here are essential for the effective mobilisation and delivery of the model – without them we know that good quality, local business support can be short lived and vulnerable to changes in funding and policy.

Local intelligence

Making best use of the experience, strengths and assets of local actors should be a primary aim when designing support programmes, as they already have reach and trust within their local communities, and fully understand the barriers to participation.

Resources

Maximise existing social capital by working with what's already there, building on the experience and local knowledge or people who truly care about the success of the communities they live and work in.

Funding and physical delivery space needs to be accessible and available to all.

Regular reflection

Enable constructive dialogue and ongoing improvement by building in time and resource to regularly review and improve the ecosystem, with flexibility in terms of providers being able to adapt ways of working based on emerging evidence.

Capacity support

Commissioners and funders should aim to include an element of external capacity support to local organisations, which is not tied directly to outputs, and enables local organisations to contribute to the longer term development of the ecosystem.



Assertions/assumptions

Shared outcomes and resources encourage meaningful collaboration, constructive reflection and collective celebration of success.

Building in time for reflection and funding for capacity support yields greater, more sustainable outcomes than traditional 'value for money' payment for results models.

Foundation (local conditions)

Previous or current footprint of support for social purpose businesses and relational support approaches, which can be revitalised or expanded.

Commissioners and funders understand and want to make use of the unique strengths of local actors who are rooted in their places.

Continuous learning is built into programmes, investing in skills development for support providers and beneficiaries through training and access to shared resources.

3. PROCESSES

These build on the inputs and support the activities and delivery methods described on the next page.

Create a referral network

Upskilling community facing support staff, who already have reach and trust in their communities, can unlock the potential of smaller organisations to provide an initial layer of support locally.

Bringing them together through coaching skills training and peer-support (such as using action learning sets) can also help create a referral network which identifies and encourages local entrepreneurs.

Equitable access to resources

Ensuring all community voices are heard and acted upon - through the design, delivery and evaluation of support, will enable greater opportunities and outcomes for the ecosystem as a whole.

This can be achieved through better communication of opportunities and challenges, and providing help to access support and resources for those who would not otherwise take advantage of it.

Education

All parts of the business support ecosystem need regular, consistent education about the different social purpose business types, how to best serve them and the value they bring to the local economy and wider social outcomes.

Helping different providers understand each others' strengths, in relation to supporting different types of social business, will encourage sharing of referrals and create more fluid support journeys.

Communication

Capturing impact at each stage of an individual or organisations' journey, particularly through the use of compelling storytelling, will inspire others and demonstrate the value of the unique journeys taken to start and grow social businesses.

Collective responsibility for enabling these journeys, and accountability for overcoming challenges, can be weaved together if these responsibilities and accountabilities are made visible.

Assertions/Assumptions

Paying attention to, and adequately resourcing the frameworks and processes which underpin delivery across the support ecosystem, will increase the probability of achieving desired impacts.

Commissioning with a collective mindset, rather than a competitive one, will enable positive behavioural change between organisations within the ecosystem.

Foundation (System support)

Mechanisms need to be put in place to build awareness of the value, successes and challenges of the local/social business sector.

Frequent, purposeful communication among support agencies to ensure fluid, inclusive links and referrals between services.

Locally led, asset-based design and communication of support that actively educates communities and institutions, so they are able to have useful initial conversations with potential businesses, and better placed to make meaningful referrals to the right support.



4. ACTIVITIES

These are the core delivery methods found to be most effective in creating lasting impacts, and providing the most value within communities

Relational approaches

Coaching has been shown to be an effective means of supporting local entrepreneurs and organisations to build their resilience and capacity for good decision making when starting or growing their business idea. It reduces dependency on support and increases the chances of success beyond the support received through short-term funded programmes.

Wrap-around support

Local organisations often have a good understanding of how to help people address wider barriers for beneficiaries and business support practitioners working with them. Local networks provide access to services beyond the scope of enterprise support. Examples might be addressing language barriers, access to benefits and housing advice or understanding local cultural barriers eg. access to faith compliant financial services. Peer-support and action learning sets can also contribute to support becoming truly transformational.

Practical help

Place-based practitioners and networks can provide simple and effective practical support to new businesses, such as helping to identify premises, referral to other local financial and non-financial support and providing opportunities for training and development.

Whilst many smaller organisations provide this for free, this is not a sustainable way of working and should be considered when designing support. Additionality can be achieved through a mix of Corporate Social Responsibility programmes, pro-bono specialist support, and brokerage of goodwill use of space/ equipment/materials however this is not a substitute for funded relational approaches.

Variety of support

Ensuring that there is a good balance between these types of support creates options that meet a diverse range of needs, expectations and abilities of local entrepreneurs.

Whilst it may not be possible to resource all of them in a given area, finding ways to tailor support to meet local needs can overcome additional barriers (e.g. faith based financial barriers, cultural expectations, language barriers and access to small scale finance).

Assertions/Assumptions

Transformational support is more effective over the longer term than transactional, light touch methods.

Relational approaches are not necessarily more expensive than light-touch support – our catalysts have found ways to harness assets in their communities to provide coaching at the first point of contact with new businesses.

Foundation (delivery support)

Pro-bono or in-kind private sector business support brokerage exists or can be tapped into through existing relationships.

Monitoring systems which take into account and value 'warm data' - stories around individual and community impacts as a result of relational approaches, not just the farming of short-term outputs.

5. OUTCOMES

These show the expected outcomes from successful implementation of the model over the short, medium and long term.

The outcomes are a combination of factors shown by the research to either have occurred previously, or are currently happening in some of the Empowering Places catalyst areas.

5a. Short term:

- Evolution of a community of practice around social purpose business support which becomes self-organising and enables better flow of information and referrals
- Knowledge transfer clusters start to form at the community level around ways of working and supporting specific themes such as creative, environmental or social care businesses
- As a result, local support organisations become more connected and sustainable

5b. Medium term:

- Local businesses become more sustainable, providing greater opportunities and a sense of belonging for local people
- Quality jobs and work are created which enable a good quality of life
- Income is retained and recycled in the local economy

5c. Long term:

- Social business sector begins to scale both in size and reach – it becomes more mainstream with a greater potential to do good (ie. school leavers see it as a route to a career and building a life)
- ‘Good business’ - generative, green, responsible, is seen as the normal way of working at all scales and across sectors. (Larger, authentic Corporate Social Responsibility which addresses local needs, Local Authority, Educational Institutions and Social Housing procurement, VCSE, SME’s)

Assertions/Assumptions

Social innovation benefits all SME’s and anchor organisations, not just social purpose businesses.

Innovation does not have to mean completely new - combining the best elements of what has worked previously, in the context of each place, can lead to effective new ways of supporting businesses.

Foundation (outcome catalysts)

Aligning support with thematic social issues, such as the environment, social care or cultural/creative concerns, can create ecosystems ‘insulated’ from external factors.

Looking sideways at examples of good practice in other areas of support, such as micro-SME’s and procurement support in Adult Social Care, can reveal ways of working that bring different sectors together.

Local anchor institutions exhibit a good level of self-awareness with regards their ‘organisational privilege’, and regularly seek to engage with community actors to gain insight and improve services.

6. IMPACTS

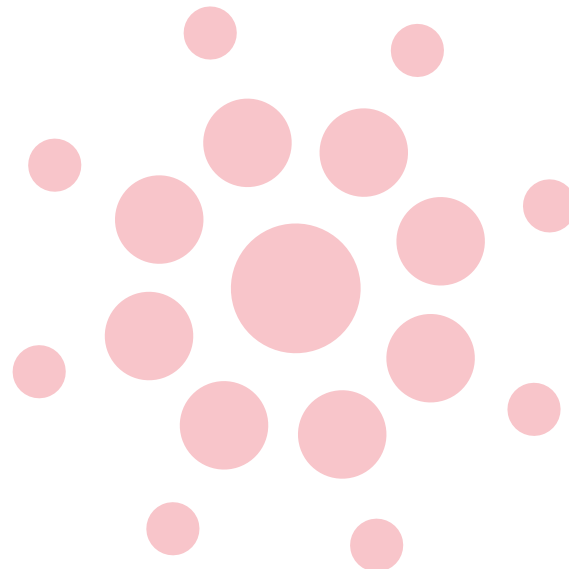
These describe both the short to medium term impact to individuals as a result of achieving the outcomes, along with wider societal impacts which could be achieved over the longer term if the model is implemented and sustained effectively.

6a. Individual:

- Life opportunities are improved for everyone, not just a select few who would have naturally found routes to success without the support available
- Pride in place becomes a function of collective successes, contributing to a more distributed sense of purpose and community ('Levelling Up')
- People support each other's aspirations as they feel invested in more than their own success and prosperity
- A greater feeling of agency and empowerment, through people having a more credible voice

6b. Wider:

- Successful communities which generate and elevate opportunities from within
- Prosperity becomes attainable for everyone
- Equity enables new and diverse voices to contribute across all parts of civic life
- Local voice, accountability and influence is amplified, leading to democracy being deepened and strengthened



Assertions/Assumptions

Community, social capital and co-operation can be enablers of inclusive economic development, particularly in challenging contexts. Working together, people can achieve economic outcomes they are unlikely to achieve on their own.

Greater recognition of the role 'democratic business' types play in local economies will lead to wider societal change.

Scaling across as well as up will create a much richer ecosystem of ideas, support and longer term success stories. Mainstream support should take an active role in understanding and harnessing place-based, social purpose businesses and those they serve.

Foundation (impact catalysts)

Greater weight is being given to wider social impacts, such as determinants of wellbeing. Understanding how to measure these, in the context of supporting social businesses, is noted in the Levelling Up missions/metrics, and is something those advocating for this way of working should contribute to.

4. CONCLUSION

The Empowering Places model of place-based business support offers a powerful framework for creating thriving local economies by harnessing the passion and creative potential of communities. Enabling better collaboration between local community anchor organisations and business support commissioners, it promotes shared approaches to economic prosperity.

Businesses established to meet social needs in deprived areas drive economic growth, create opportunities, and introduce innovation to meet social, health and environmental challenges. Finding sustainable ways of supporting them is essential for fostering entrepreneurship, creating opportunity, and a cohesive approach to economic development.

Investing in social businesses future- proofs the economy, meets changing consumer demands aligned with social issues, empowers communities, and helps create sustainable and resilient communities.

The model demonstrates that this requires a concerted effort from all stakeholders, to create the conditions for the long-term success of local business support ecosystems. Collective vision, inclusive support, and long-term commitment are vital - alongside investment in the development of locally rooted anchors and hubs, enabling them to be effective economic catalysts in their communities.

Leveraging local intelligence, maximising existing resources, promoting continuous learning, and providing capacity support are essential for ensuring high-quality local business support.

Establishing referral networks, creating equitable access, providing education on social business types, upskilling support staff in relational approaches such as coaching, and facilitating peer support drive useful change and inspire collective responsibility.

Taking the model forward, 'Innovation in Business' has the potential to be transformative for communities if local actors, commissioners and stakeholders have the collective will to contribute to and adopt these approaches.



5. NEXT STEPS

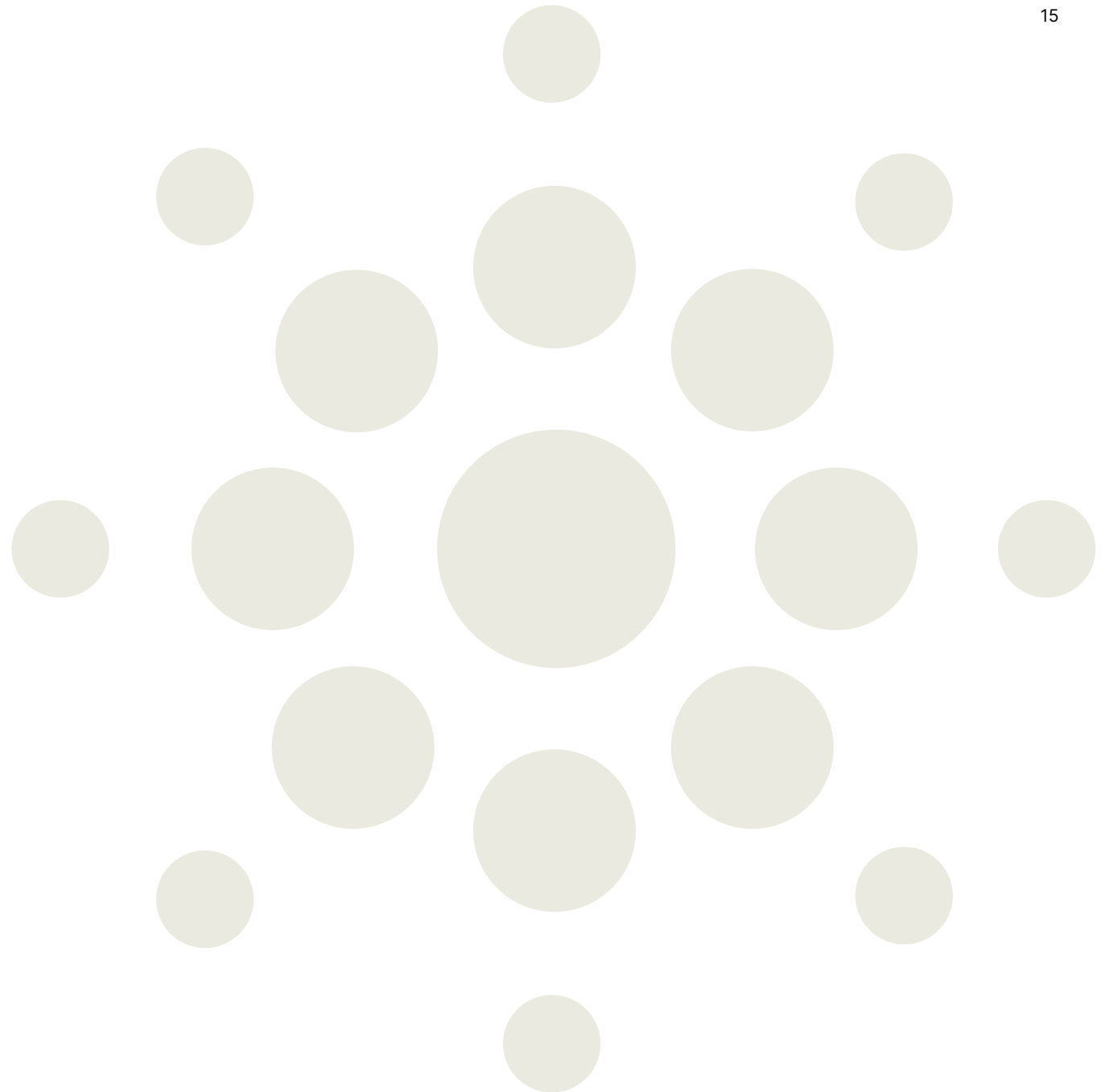
The Innovation in Business website and peer-support network have been created to further the learning from this research, and disseminate best practice. We invite you to join the conversation about how we can transform place-based social purpose business support in the UK.

On the website you will find explainers, further examples and checklists for each element of the model, along with downloadable tools and instructions to help you co-create better business support ecosystems with and for your communities. Case studies and resources will also help you on your journey.

We welcome anyone interested in relational, human-centred ways of providing place-based business support to join our peer-support network and help create a healthier support ecosystem where you live.

For more information, contact:
info@participateprojects.org.uk

Or visit: **www.innovationinbusiness.org.uk**



6. APPENDIX - NAVIGATING THE LOGIC MODEL

Vision and purpose	Inputs/conditions	Processes and activities	Outcomes	Impact
<p>Vision</p> <p>This describes the collective vision of the Empowering Places partners and supporters, collated through the research.</p> <p>Purpose</p> <p>This describes the intended purpose of working in the ways shown to the right of the logic model, and captures the aspirations of our catalyst organisations and workshop attendees.</p>	<p>These describe the conditions which need to be present, along with specific inputs required, for the model to be implemented successfully. The rationale and examples for each input or condition can be found on the pages following the logic model.</p> <p>They form the basis of our best practice website, where you can find more detail on the methods we used and discovered during the research, and how to make use of them yourself.</p>	<p>These describe the delivery methods and processes which the research shows are most effective in achieving the outcomes described in the next column, and are supported by the inputs and conditions outlined to the left.</p> <p>Again, the rationale for each delivery method or process can be found on the pages following the logic model, with further detail on the research in the place-based report, and implementation ideas on our website.</p>	<p>These show the expected outcomes from successful implementation of the model over the short, medium and long term.</p> <p>The outcomes are a combination of factors shown by the research to either have occurred previously, or are currently happening in some of our catalyst areas (case studies can be found on the website).</p>	<p>These describe both the short to medium term impact to individuals as a result of achieving the outcomes in the column to the left, along with wider societal impacts which could be achieved over the longer term if the model is implemented successfully and sustained effectively.</p>

Assertions/assumptions – these underpin the logic model and reference research findings from both the literature review and the place based action research report.

Foundation (partner visions)	Foundation (external conditions)	Foundation (system support)	Foundation (outcome catalysts)	Foundation (impact catalysts)
<p>These describe the visions of the Empowering Places funders and delivery partners. The logic model should be read with these in mind as they demonstrate the bias implicit in this research.</p>	<p>These describe external conditions which increase the probability of successful implementation of the model - either which we have found to be in place in areas where parts of the model are working well already, or found to be lacking in areas where implementation of the model is currently less successful due to their absence.</p>	<p>These describe the support required for a social purpose business support ecosystem to be successful – whether shown by the research to already be in place and supporting healthy business support ecosystems, or lacking in areas where the business support ecosystem is less healthy.</p>	<p>These describe 'catalysts' which are shown by the research or believed by workshop participants to enable smoother and quicker transitions between the achievement of short term outcomes and medium to long term outcomes.</p>	<p>These describe 'catalysts' which are shown by the research or believed by workshop participants to increase the probability of both individual and wider societal impacts being achieved.</p>

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Registered in England as a registered society under the Co-operative and
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