

## Research summary

# The role of community business in employment & skills development

**Community businesses mean a lot to the communities they support and often work closely to support local people into employment. This research explores how community businesses' skills and employability development activities contribute to local economic development.**

By studying a set of 12 community businesses which have a well-developed training and employability focus, this report explores how these community businesses contribute to skills development and employability, which groups of people are supported by this work, and the extent of value of this work to local economies.

## Key findings

- **Community businesses support people who are disadvantaged in some way.** When compared to the general and working populations, community businesses engage with higher proportions of those with a long-standing physical or mental illness or disability (through employment and volunteering), higher proportions of those with a caring responsibility (through volunteering), and support higher proportions of service users identifying their ethnicity as BAME. The table below outlines this further.
- **Community businesses are moving people from unemployment into work.** 18% of employees surveyed were out of work and looking for work before joining the community business (5% moving into full time employment and 14% into part time employment).
- **Community businesses provide skills development and training opportunities.** In the last 12 months, 65% of employees and 27% of volunteers received formal training. In comparison, in the Employer Skills Survey (2017) businesses reported that 62% of their workforce received training (formal or informal) in the last 12 months.
- **Community businesses provide more than just training and upskilling.** 70% of survey participants cited increased confidence as a benefit of informal training and 27% for formal training.

## Points of interest

### Community businesses support people who are disadvantaged in some way

As mentioned above, community businesses support higher proportions of those who are disadvantaged in some way, including through disability and illness, with caring responsibilities or those identifying as BAME. The table below outlines this further.

Socio-economic characteristic	Percentage of paid staff	Percentage of volunteers	Benchmarking data (paid staff)	Percentage of service users	Benchmarking data (% of general population)
Long-standing physical or mental illness or disability	20%	25%	13%	29%	18%
Caring responsibilities for someone who is sick, disabled or elderly	11%	23%	14%	18%	10%
Ethnicity identified as BAME	10%	8%	12%	20%	15%
English not first language	8%	10%	8%	9%	8%

### Community businesses are moving people from unemployment into work

Community businesses often support people who were previously unemployed or face some form of disadvantage from the labour market who may not otherwise be able to access opportunities available to them. Anecdotal examples were provided by community businesses of volunteers who have progressed into employment as a result of their role at the community business. The survey amongst employees and volunteers also indicates a positive shift in individuals' situation from their position before being involved in the community business, with reductions in those out of work and looking for paid employment and increases in those volunteering and being in paid employment part-time

### Community businesses offer flexibility to staff and volunteers

The community businesses in the research provide employment and volunteering opportunities for local people in the communities in which they operate, which are usually deprived areas, and as a result are often more flexible about the requirements that volunteers, in particular, must meet. Many organisations tailor the volunteering role to the individual.

### Community businesses provide skills development and training opportunities

In the last 12 months, 65% of employees and 27% of volunteers received formal training. Furthermore, of those that received formal training, this resulted in a formal qualification for 60% of full-time employees, 32% of part-time employees and 21% of volunteers. In addition, 84% of employees and 48% of volunteers received informal training.

Community businesses are providing training to a broadly comparable proportion of paid staff when compared with more traditional businesses. They're providing formal training to higher proportions of paid staff with a caring responsibility and those who identified their ethnicity as BAME than traditional

businesses. They're also providing formal training to higher proportions of volunteers with a caring responsibility and those for whom English is not their first language than traditional businesses.

**Community businesses' social value predominantly comes as a result of people engaging with the business as a volunteer or service user, rather than through the training provided**

The economic analysis highlights that community businesses are contributing to local economies as a result of their employment and skills development opportunities and local people's engagement with the community business, although it is difficult to quantify the exact extent.

However, based on the data collected it is clear that the social valuation of community businesses is greater than, or equal to, the gross value added (GVA) valuation. The evidence suggests that community businesses 'do what they say on the tin', that is their economic value is felt far more within the community that they serve rather than within the business *per se*.

## About the research

The report was researched and written by SERIO, an applied research unit within the University of Plymouth. The findings in this report are based on case studies with 12 community businesses and publicly available data. Details of the case studies can be found in pages 17-19 of the main report.

The full report can be found at [www.thepowertochange.org.uk/research/research-publications/](http://www.thepowertochange.org.uk/research/research-publications/)