



## Research summary

# Navigating uncertainty and remaining resilient: The experience of community businesses during Covid-19

Community businesses across the country have been affected in numerous ways as a result of the Covid-19 pandemic. Despite this, the resilience of community businesses was not determined by their ability to pull on financial capital, but rather determined by the strength of their social capital.

This research explores the impacts of Covid-19 on community businesses in England and the ways they have adapted to respond. The findings reflect the experiences of community business participants within the context of pandemic restrictions and changing guidelines during the summer of 2020. The fieldwork took place online, via an engagement platform, which allowed participants to describe their thoughts and feelings each week and interact with each other on message boards.

## Key findings

- **The Covid-19 pandemic gave rise to a range of different responses on a personal level.** The lockdown announcement was a time of anxiety and stress, leading to frustration and exhaustion as participants ensured the future of their organisations, supported local communities and balanced personal needs. However, almost half reported feeling innovative and embracing the opportunity to do something new.
- **Restrictions and lockdowns presented challenges for community businesses.** One of the biggest challenges was facing an immediate loss of income, community businesses which relied on people accessing their physical spaces were particularly affected. Staff structures were also affected for almost all, 76% had to furlough some staff, and 67% had staff or volunteers that needed to shield.
- **Community businesses engaged with support available,** however some found understanding the initial support available overwhelming, with eligibility requirements noted as a concern. There is demand for more support, particularly around digital working, IT investment and remaining Covid-secure.
- **The challenges of restrictions were met with innovation and adaptation.** Participants found ways to support their community, reviewing business models and adapting services/operations for local need. Communication and engagement moved to digital channels and online retail and service delivery were adopted by many, however, this also highlighted local issues around digital exclusion.
- **Community businesses were active in supporting their communities and local stakeholders during the pandemic.** Some reported increased recognition from the local council, whilst others felt undervalued.

Relationships with other local businesses and charities were reported to have strengthened. The most valued source of support was that from local residents.

## Points of interest

### Shifting into lockdown

The announcement of lockdown created a moment of uncertainty where businesses were forced to make rapid decisions with little information. The financial situation for many was challenging during this time, with restrictions on trading and tough competition for grant funding. Many took up government support, including furloughing staff. Despite the challenges, nearly all the described how they are comfortable with adaptation, prioritising innovation and exhibiting a strong sense of resilience.

### Adjusting during lockdown: diversifying and adapting

Community businesses adapted and diversified to remain afloat. Many hoped to continue adapted activities in the future. In May, 66 per cent reported feeling often or always confident in their ability to adapt which grew to 85 per cent in August. There was a strong shift to digital delivery, however this highlighted the digital divide, prompting many to think new ways delivery methods. Community businesses felt less supported by their local council and central government during this time, which often stemmed from poor communication, a lack of funding and issues with eligibility for support. The pandemic highlighted how 'nimble' community businesses are; they can often provide for their local communities in ways which local authorities may not.

### Re-opening: navigating uncertainties

Almost all reported carefully re-opening in stages, to consider how to minimise financial loss, accommodate additional health and safety precautions and ensure that the needs of their staff and local communities are being met. Some businesses highlighted that this process was made particularly difficult as a result of ever-changing government guidelines – especially for those businesses who relied on physical spaces for their trading income.

### Glimmers of hope and signs of strength in community: the positives that emerged

Despite facing numerous challenges throughout this period, participants found that the lockdown period provided an opportunity for some to rethink the focus of their work and the communities they serve. Another positive is the prominence of community strength. Local networks played a significant role in helping to sustain the participating businesses and those they usually serve. Many described the ways in which local communities and organisations reacted quickly and innovatively to the challenges created by the pandemic.

## About the research

The report was researched and written by The Young Foundation, a UKRI accredited research organisation, social investor and community practitioner. The findings in this report are based on written digital responses from up to 27 participants from community businesses across a 12-week period. Further details about the participants can be found within the report in Section 3.

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