



BENEFACT
TRUST

supported by the Benefact Trust

A Legacy Report on Plunkett UK's Programme

'Unlock the Potential: Community Business in Places of Worship'



April 2024

 **Plunkett UK**

Contents

- 1. Introduction 2
- 2. How this Programme set out to achieve its aims 3
- 3. Barriers/challenges that this Programme sought to mitigate 4
- 4. Barriers/challenges that were ‘mitigated’ by this Programme ie: specific benefits provided by Plunkett and the Benefact Trust 5
- 5. Opportunities identified in advance of this Programme 7
- 6. Opportunities confirmed and those identified as a result of this Programme 7
- 7. Lessons learned that projects supported said they would want to pass on..... 10
- 8. What has been learned by Plunkett and other stakeholders 14
- 9. Challenges that still remain 15
- 10. Practical legacy 15
- 11. Recommendations 16
- 12. Resources interrogated for this legacy report 17

1. Introduction

It cannot be stressed enough that for social enterprise to be effective in making places of worship more sustainable, solving problems and providing for the needs of the community must be the objective, rather than merely trying to address the problems of the building in isolation” (Payne & Withers, 2012. <https://www.heritagefund.org.uk/about/insight/research/social-enterprise-and-rural-places-worship>).

Research commissioned in 2012 (published in 2017), supported by the National Lottery Heritage Fund and undertaken by Plunkett UK, the Church of England and The Arthur Rank Centre, identified a small number of social enterprises trading in rural places of worship, all of which were having a positive impact on the long-term sustainability of the place of worship, as well as the wider community. <https://www.heritagefund.org.uk/about/insight/research/social-enterprise-and-rural-places-worship>

Recognising the potential of this ‘co-location’ model, the ‘Community Businesses in Places of Worship’ Campaign was designed by Plunkett and an alliance of faith and heritage organisations, to raise awareness of the model’s existence and its potential.

In 2020 funding from Benefact Trust was secured by Plunkett to enable the organisation to provide bespoke support, resources, grants and networking opportunities to community groups exploring co-location – setting up a community-owned business in an active place of worship or its grounds. This funded Programme would bring community businesses and places of worship together to make use of underused space and at the same time, help communities to tackle issues such as loneliness and isolation, and a lack of local employment and volunteering opportunities.

The Programme ran from September 2020 to December 2023 and aimed to address one of the key reasons community businesses fail to reach trading – lack of suitable premises. As there is at least one church building in nearly every community in the UK, it was hoped that highlighting and resourcing the potential for co-location within active places of worship would significantly increase the number of potential premises available for community businesses to

run from. At the same time, locating community businesses in church buildings would increase the sustainability of much valued properties, many of which are historic and nationally listed and are of all denominations, by making them accessible and more relevant to a wider range of people.

The alliance of faith and heritage organisations referenced above supported the Programme with the promotion of the events delivered, the sharing of resources and by offering specialist advice and expertise.

This report, looking at the legacy of the funded Programme, was authored by Becky Payne, a freelance consultant and part of the of the Historic Religious Buildings Alliance and Wendy Coombey from the Diocese of Hereford, on behalf of Plunkett.

NB: Information and evidence included in this Legacy Report has been obtained from the resources listed in Section 12. There has been no formal research undertaken. Therefore, it has not been possible to assign exact numbers of ‘projects’ (community groups exploring running a community business from active places of worship) that have experienced any of the findings described in this report. Instead, the statements below are based on the frequency of common themes that are referred to in the resources.

The ‘End of Programme Report’ produced by Plunkett UK, dated January 2024 and entitled **Progress towards Outcomes** states that 131 groups approached Plunkett looking to explore ‘co-location’ between a community business and an active place of worship.

Thereafter they fell into three groups:

1. Those who decided after the initial contact that the church wasn’t the right location for the community business idea
2. Those who are still in development but are well on the road to opening
3. Those who are now trading

There seems to have only been one group who, having got quite a long way along the process, then decided to stop. See Section 3



2. How this Programme set out to achieve its aims

In summary, the aims of the Programme were to be achieved by publicising the opportunities that can arise out of the co-location of community businesses within places of worship, and by removing the barriers that can make such projects challenging to deliver.

This would be done in two practical ways:

2.1 Provision of bespoke information to help groups develop the necessary capacity and skills to deliver this sort of project.

This was achieved through:

- the creation of a dedicated page of the Plunkett website describing the benefits of locating community businesses in places of worship, examples of best practice, guidance on all stages of setting up community businesses as well as distinct advice on issues pertaining specifically to location within a place of worship and signposting to further advice and support along with details of grants and loans available.
- in-person support from Plunkett's existing network of community business Advisers across the UK. Benefact Trust funding, and the awareness raising activity delivered as part of the Programme resulted in an increased number of enquiries from groups exploring co-location which in turn allowed Plunkett to offer more hours to those Advisers who supported these groups. No additional Advisers were employed.

There were two key areas where bespoke guidance was offered:

- on all aspects of setting up and running a community business, in most cases a community shop and café
- on locating that community business within a place of worship. The need was to cover issues that particularly affect places of worship as opposed to other buildings. This covered managing the use of sacred space alongside community use, and the legal processes that places of worship have to work within eg: ecclesiastical exemption. This was delivered via specific advice and information commissioned and written for the website. In-person support had to come from the relevant denomination.

2.2 Provision of grants to groups usually to cover the early stages costs of such projects

- these grants could be used to help with the feasibility and development work needed during the early stages of establishing a community business. Eligible items included surveying or consulting with the community, funding a valuation of a building or site, setting up a legal structure or paying for additional support from a professional consultant.

3. Barriers/challenges that this Programme sought to mitigate

Barriers and challenges, already identified and based on knowledge from those working in the social enterprise and places of worship sectors, included capacity issues, access to funding, buy-in and continued engagement with all stakeholders. It was further recognised that while some challenges are relevant to all community businesses, there are additional administrative processes and legal issues involved specific to co-location within an active place of worship, which can increase the length of time these projects take to get off the ground.

Working through the resources listed in Section 12 confirmed that all these challenges were faced by the majority of projects.

Overall, complexity and length of time it takes to develop and deliver this sort of project was referred to time and time again. The Plunkett Advisers particularly noted that **“capacity is a real issue for groups pushing this sort of project forward. Funding for a project manager would be enormously helpful but is very hard to come by.”** *[Feedback from Focus Groups]*

Particular challenges came up more frequently than others:

- working through options to decide on alterations required to create the necessary working space for running a shop and café: accessible toilets, freezers, kitchen. In some cases, the building was not connected to main drainage and achieving this was expensive and complex. Anecdotal feedback suggests that keeping building costs realistic was made worse by Brexit and Covid, both of which had a direct impact on the cost of building materials.
- finding funding is an ongoing struggle for initial development and capital works. Those projects now trading report that revenue funding is still required to keep the doors open. It takes time to find and apply for this. **“They face the same issues as so many other commercial organisations eg: rising supplier costs, staff shortages etc.”** *[Feedback from Focus Groups]*
- understanding and deciding upon the form of governance for the community business itself as well as the legal arrangements by which the church and community business would share the space. The latter included formal agreements such as leases and licences, but also more informal ‘management agreements’ which set out the more day-to-day practical details on how the church and those running the shop will work together and share the space.
- one barrier that was anticipated, although not initially thought to be significant, was that there would be active opposition to the co-location proposal from some members of the congregation and/or sections of the community. In fact, this did happen in a quite a few projects. One project based in the East of England had to take the decision to shut things down as a result of a campaign by one very vocal member of the community who felt very strongly that churches are not the place for enterprise like this. *[Project Manager, Plunkett UK]* See more in Section 7.1.2
- acquiring the required specialist and commercial knowledge required to run a shop and/or café. This included aspects such as food hygiene and managing stock.
- several projects referred to the challenge of keeping the church and wider community on board with a project when these projects can take many years to start trading.

4. Barriers/challenges that were ‘mitigated’ by this Programme

Overall, the Programme was about providing projects with a range of advice on all aspects of development and delivery. It is clear from the case studies and feedback in the Focus Groups that availability of this information and Plunkett expertise has enabled community businesses to progress and grow effectively. Several projects reported that it increased their confidence having a supportive partner beside them ‘throughout their journey’ and in particular, from knowing that the Plunkett online resources and the Advisers were available at any time.

The page of the Plunkett website dedicated to supporting groups exploring co-location (and referred to in section 2.1) was mentioned by several projects. A couple mentioned that it was particularly useful in identifying sources of funding for the later stages of the journey to trading.

Plunkett Advisers reported that understanding the structure of the various groups within the church and the role they play is a challenge for many within the wider community eg: what is a PCC, a DAC, a diocese etc. The glossary of useful terms provided on the website is useful, but perhaps needed to be expanded:

<https://plunkett.co.uk/wp-content/uploads/Glossary-of-useful-terms-for-those-in-the-wider-community-exploring-setting-up-a-community-business-in-an-active-Christian-place-of-worship.pdf> [Feedback from Focus Groups]

There were three aspects of the support that were particularly appreciated and were mentioned by almost every project approached for the purposes of this report:

4.1 The in-person expert support that was provided by the Plunkett Advisers on all aspects of setting up and running a community business. This included advice on understanding different models of governance eg: Community Benefit Societies, as well as signposting to training on the practicalities of running a shop and/or café

“Plunkett’s continued advice and support on all topics from community engagement to business planning has been invaluable.” [Feedback from Focus Groups]

One group told us that the support they received from Plunkett **“[helped to make] very visible our ideas and made it easy for potential funders to see the scope of our project, its scale, and that it was being managed properly.”** [‘End of Project Report’ produced by the Project Manager dated January 2024 entitled Progress towards Outcomes]

“Plunkett has been absolutely incredible in terms of the advice that they’ve given us on organising ourselves, understanding what we need to do in order to be a successful and avoiding pitfalls. I would say don’t be frightened of the legal set up as Plunkett were able to give us the advice we needed on all of that.” [Interview with an incumbent involved in a project, January 2024]

4.2 Projects also referred positively to the networking activities that were organised ie: online webinars and in-person visits

“The online networking events organised have been a great opportunity to share ideas and offer each other support. Getting new and existing groups together enables peer support and sharing of ‘lessons learnt.’” *[Feedback from Focus Groups]*

“Organised visits to community businesses already trading from within active places of worship has allowed early-stage groups to visualise how these projects work on a practical level. So much is learnt in a short space of time.” *[Feedback from Focus Groups]*

4.3 The provision of the £5k grants supported by the Benefact Trust. This was especially appreciated because the grants were specifically designed to support the early stages of a project development when it is otherwise difficult to obtain feasibility funding. Projects used it mainly for professional fees

“Feasibility grants meant that projects have had a chance of getting off the ground which meant that they could be properly pitched to the community, and being able to pay for various surveys etc meant that they could be approached with eyes fully open.” *[Feedback from Focus Groups]*

“The Plunkett/Benefact Trust grant helped us with the initial architect and legal fees and in particular the fees for installing mains water. It enabled us to look at different options for how we adapt the church. It was completely transformative, because we couldn’t imagine how we would have fundraised for something as nebulous and speculative as options. It also helped when everything has been so long and drawn out and we could feel a sense of fatigue in the village, as it meant we could keep things moving along.” *[Interview with an incumbent involved in a project, January 2024]*

“The grant was helpful when we applied to a local trust as we could show we already had money in the bank, and been considered grant worthy by another organisation. That local trust gave us £30k.” *[Project leader, Community shop and café, interview January 2024]*

Although not directly part of this Programme, support and guidance, usually in person and in particular from the buildings and legal departments within the diocese/the equivalent in other denominations, was seen as crucial in two areas, namely:

- identifying and managing the required building works in terms of ensuring they were sensitive to the historic fabric, while still meeting the need and working through the Faculty/Permissions process.
- working through the legal issues of introducing an additional use, in this instance a ‘business’, into a place of worship and determining the best way of formalising this, along with the continuing management of the relationship between church and community. There was a wide range of models and arrangements implemented even among the small number of projects looked at here.

Many projects spoke very highly of the support that they received and in one case that the support came **“from the highest level within the diocese.”**

However, the Plunkett Advisers reported that in their view **“sometimes the biggest challenge is the diocese, which doesn’t want to ‘let go’ of the church. There needs to be a bit of a mindset change within some of the dioceses as to what they will and won’t allow within their buildings.”**

Sadly, some projects said they experienced the diocese as a **‘massive blackhole’** and that they would have welcomed **“someone supportive and knowledgeable within the church to help make contact with the right people.”** *[Feedback from Focus Groups]*

This disparity was emphasised in the Overall Summary/Impact report: **“Outreach work has also meant more within the Church community are aware of the co-location model, however experiences of community groups exploring co-location are very different depending on the diocese of which they are part. There is work to be done within the Church to align approaches to these projects, in order to facilitate progress.”**



5. Opportunities identified in advance of this Programme

The three opportunities identified by the alliance and which were the catalyst behind this Programme were:

- increasing the number of potential premises from which to run a community business, and helping to make 'at risk' buildings more sustainable.
- church and community-run projects open up access to both church specific funding streams and non-secular streams of funding. They can also bring together people with a wider range of skills and experience.
- a community business can bring renewal to a community by providing a social hub while at the same time, bringing more people into a church building and making it relevant to its community.

6. Opportunities confirmed and additional ones identified as a result of this Programme

The projects, both those still in development and those who are now trading, demonstrate the intended and hoped for mutuality whereby co-location is beneficial to both the place of worship and the wider community.

6.1 It has provided a premises for a community business where no other was available

Several cases illustrate how the church building was able to provide the required space when there was no other space available in the community. This can be because there is literally no other public space or because other public spaces are fully utilised.

In one village, the community food project started during Covid by individuals from the church, was based at the village hall. Post Covid, they joined with a community group who were keen to develop a community shop, but when the village hall reopened, its many activities meant it was no longer able to house the shop. In another community, negotiations for space within the local pub came to an end because it proved difficult to agree a workable lease. In both cases, the church was able to step in.

The Focus Groups identified the potential for conflict if the area already has an active village hall, and that these relationships need managing so that church and other community buildings, where they exist, provide complementary services rather than acting in competition.

6.2 It can make the development of a community business somewhat easier and viable

6.2.1 A project that is both a church and a community project can mean it is eligible for a wider range of sources of funding ie: from both mainstream funders and church targeted funding streams .

One project reported that as well as fundraising jointly, the community group and the church ran separate targeted fundraising campaigns. **“The Church had its own Access for All campaign and they raised £90k which is in part going towards the shop and part to pay for the toilets in the back.”** [Project leader, Community shop and café, interview January 2024]

6.2.2 In several cases, the viability of a community business, especially in the early stages, has been helped by the church offering the space rent-free or for a peppercorn rent. One project described how they had **“negotiated with the church a 25-year licence to be present here in the church which costs us one pound a year.”** Another project told us that when they started out **“we weren’t big enough to be able to afford to rent the village hall. The church saw it as a gift to the village to offer space in their building.”** As described below in Section 6.3.2, there are mutual benefits for the church which can justify such an arrangement.

6.3 It can provide a more sustainable future for an active historic place of worship

Many communities recognise that this opportunity can provide a sustainable future for one of the oldest and most ‘beautiful’ buildings in the community, and this quality provides an added advantage. Several projects commented on the fact that the church offers a beautiful heritage space for people in which to enjoy the shop and/or café.

6.3.1 The development of a new vision and a project with clear community benefits can bring new people from the community with new skills and energy to help develop it. The church congregation may not otherwise have had the capacity to develop it by themselves. See Section 7.1.1

6.3.2 Sharing a space can benefit both parties. While space in the church may be being offered for free or for a peppercorn rent, the financial sustainability of the church can also be improved, as despite no rental income being received, there is often an arrangement for an on-going contribution to utility and maintenance bills between the shop/cafe and church.

So, for a church which was struggling with lack of personnel and funds and possibly facing expensive repairs, co-location can be a saviour and it makes sense to be generous in respect of rent. However, as with all arrangements, it needs to be regularly reviewed to ensure that one ‘partner’ is not subsidising the other over the long term.

Another significant benefit is that the project can be the catalyst for modernisation of the church building, bringing in mains water, installing new facilities such as accessible toilets and carbon-zero heating for example. The nature of these projects ie: providing clear community benefits can also make it easier to attract capital funding. Improvements often mean that more uses can be accommodated.

As part of the refurbishment to provide for a shop and café in one church, the heating system based on cast iron radiators ‘fired up by an old gas boiler’ was replaced by an air source heat pump. **“This works very effectively so there is now a church that’s heated every day and that’s funded by the takings of the shop, whereas before it was an icy cold place apart from on Sunday. This has helped them move forward on their vision to be net zero-carbon.”** [Project leader interview, January 2024] Furthermore, the parish rooms/village hall were based in the lower floor of this church and this well-used public space is now benefitting from new toilets and kitchen as well as the improved heating.

Many clergy recognise that community business is bringing more people into the church by making it more attractive to the wider community. One major change is that in most cases, the church is now open more frequently, and in some cases, seven days a week.

“Because of what we’ve been doing, the footfall through the church has increased. The church closed during COVID and was looking very wobbly. The shop has completely turned the church prospects around. We’ve now finally, after years of trying, got the church open every single day. And it’s being used by all sorts of groups.” [Interview with an incumbent involved in a project, January 2024]

However, in terms of church mission, this should be seen as outreach and service to its community and not about creating converts to faith. The impact on the worshipping community is something that would warrant further investigation, particularly as anecdotally it does seem that there is some evidence of sustaining and consolidating previously shrinking congregations.

One URC Chapel was able to report that creating a space for people to meet and thrive has impacted on their congregation, telling us that **“such is the draw of the community shop and cafe that the church congregation has gradually increased from 4 to 21.”**

This type of project can save a church from closing. **The Methodist Church, Easington, Durham is in an area of high deprivation, was declared at risk in 2022 and could well have followed the path of the village’s Catholic and the Salvation Army churches, both of which are permanently closed. However, supported by Plunkett and a Benefact Trust grant, it is being transformed into what will be known as ‘The Welcome Centre’, run by a Charitable Community Benefit Society called ‘Focus Easington’.** <https://plunkett.co.uk/funding-from-benefact-trust-supports-new-community-business-setting-up-in-easington-county-durham/>

6.4 It can create a social focus for a community

Many cases report that a key motivation behind these projects was not just about developing an amenity, but about creating a social hub for a community which in many cases has lost its last remaining shop and other facilities, which meant there was no longer any or sufficient public space for coming together.

“It was terribly important to us that we weren’t just going to be a grocery store, we also wanted to be a social hub. The biggest benefit is the cohesive social interaction that now exists in the village is way better than it ever used to be. Yes, it’s nice to have a shop where you can buy cucumbers and chocolate. To me, the biggest triumph is that we have created a hub.” [Project leader, Community shop and café, interview January 2024]



7. Lessons learned that projects said they would want to pass on

7.1. Importance of comprehensive local consultation

Many projects spoke of the challenge of keeping the community motivated during the development stages, especially when these projects can take several years. Here, continuing communication and engagement are essential. They also identified three other key reasons why community engagement is vital to these projects:

7.1.1 To bring people on board as volunteers with relevant skills

Success can hinge on recruiting volunteers from the community at both the development stage and once the business is trading. The range of skills and experience they can bring is key, but some communities will benefit from having more people with professional backgrounds than others. Where these professional skills can't be found in the community, the project may need to 'secure' the support from other places, e.g. paid consultants and workers (necessitating the raising of additional funds), or by upskilling the existing community with the skills they need.

“From the beginning, we had a steering group of ex-professionals, many retired. We have an economist, a couple of teachers and a data analyst. Mine is a construction background and I don't know what we would have done if I hadn't been able to step in instead of a main contractor. I think it would have been unaffordable.”

[Project leader, Community shop and café, interview January 2024]

7.1.2 To help with managing concerns

Plunkett Advisers reported that **“people can be very precious about pews and this can become an obstacle to progress.”** *[Feedback from Focus Groups]* This was understood by many groups and it was agreed that effective consultation could be used to keep people informed, allow discussion about fears and ‘myth bust’ at an early stage. There were usually two areas of concern:

- Making changes to the historic building
“Making any kind of changes to a church, a beautiful and historic building, is a sensitive matter and some people had concerns. It was therefore important to listen to these concerns and to find ways to accommodate them. We had two or three presentations to the congregation. In fact, our first scheme was not a popular idea and we had to develop different proposals.” *[Project leader, Community shop and café, interview January 2024]*

This links to the need to engage effectively with the DAC/equivalent in other denominations. See Section 7.3.

- The proposal to locate a ‘business’ in a place of worship
One project interviewed described **“some uptightness around using the church for this purpose.”** A second project interviewed reported that **“of the 50 or so members of the congregation, there were four or five who were dead against it and there was even one couple who stormed off to another village in high dudgeon.”** *[Project leader, Community shop and café, interview January 2024]*

Both projects decided to continue listening, trying where possible to accommodate concerns. In the end, both made the decision that the project was of such value that it would go ahead. One project was happily able to report that once people saw it in operation **“all but one have come around and have absolutely embraced it, and now say ‘we were wrong.’”**

7.1.3 To ensure that a project is meeting the real needs of the community

Community development research has consistently shown that the most sustainable projects are based on research to identify and then deliver a project to meet the needs of the community. This was part of the guidance provided on the Plunkett website <https://plunkett.co.uk/essential-resources/>

The consultation undertaken by one project identified an unrecognised need that they then took steps to meet. **“We took a multi-generational approach and we are very much looking to the future. Local consultation was critical to creating employment opportunities for young people. The village is a car journey (there are no buses) away from nearby towns, where most young people would likely seek employment. We are set up so that 14-year-olds can do their volunteer work experience for their Duke of Edinburgh Awards with us. And of course, our older volunteers love working with the younger people.”** *[Project leader, Community shop and café, interview January 2024]*

7.2 On-going recruiting of volunteers and the importance of looking after them

The Focus Groups noted that recruiting volunteers is a nationwide problem and many projects referred to managing volunteer fatigue, stressing the need to continually engage new volunteers and bring in new people with new energy. Many project websites have a volunteer page setting out what tasks need doing and what skills are needed.

One project stressed the benefits of effective training for volunteers across the range of tasks, so that people understand how the whole business works which can make for a more ‘flexible rota’. They emphasised the importance of looking after their volunteers and spoke about **“creating a community for their 80 plus team of volunteers.”** *[Project leader, Community shop and café, interview January 2024]*

7.3 The importance of working with the DAC/equivalent within other denominations

Many projects did receive a lot of support and guidance from their denomination which was appreciated. Maximum benefit was gained by seeking that advice early on – **“befriend your DAC as early as possible”** – and engaging and learning from that experience about sensitively working with the historic fabric and within an active place of worship. One project emphasised that to get the most benefit it is important to **“really work hard on your presentation and show that you have brought everyone, church and community with you.”**

7.4 Governance and management of working arrangements with the church

Projects placed great emphasis on the importance of deciding upon the right organisational structure, while describing how complex this was. As the Plunkett website guidance says, it is important to choose a model where the church community is content that it enables them to retain ‘the right level of control over what happens within and to their church building’ and where those running the community business also feel they have sufficient empowerment and flexibility. This could involve setting up a form of governance for running the business, such as a Community Benefit Society, and then establishing a separate arrangement between the church and the business around how to use the space eg: a lease or licence. It was also seen as important that that there should be a joint management committee which should have representation from both church and the community business.

In this area, legal advice from the diocese/ equivalent in other denominations was essential in helping groups navigate a very complex process. A wide range of models were set up, some of which were determined by the position taken by the relevant diocese/denomination.

One project has a licence to occupy the part of the church used by the shop and café. **“In addition, we wrote an alliance management agreement between the shop organisation which is set up as a Community Benefit Society, and the PCC. It is composed of three members from the shop team and, three members of the church.”** [Project leader, Community shop and café, interview January 2024]

Plunkett Advisers reported that: **“We have spent time with a number of churches who run ventures for the wider community (cafes, larders etc) and who are keen to increase capacity to run them, but most of them want to stay under the auspices of the church and run it as an outreach project, rather than set up a separate entity.”** [Focus Groups feedback] See more in Section 8



7.5 The importance of clarifying how you are going to manage the shop/café alongside church activities such as weddings and funerals

This issue is covered in the following guidance from Plunkett:

<https://plunkett.co.uk/wp-content/uploads/Community-businesses-in-places-of-worship-a-guide-for-churches-and-chapels-FINAL.pdf>

Projects reported that it was important to talk this through with the church community and in particular, with the clergy. One project reported that the vicar was very clear and said **“you can stay open during services just keep quiet.”** Another project worked hard to create an appropriate environment for funerals **“We close during a funeral. Taking a coffin in through the shop sounds ghastly. But we place beautiful flowers on the tables and turn the lighting off either side in the shop so that the central lights highlight the main central aisle. Feedback has been that people comment on how lovely it looks.”** [Project leader, Community shop and café, Interview January 2024]

A project based in a URC chapel are very clear that **“this is a place of partnership. On Saturday afternoon the cafe volunteers prepare the room for Sunday worship and following that the congregation set it up for opening on Monday morning.”** [Case study]

Another project highlighted the importance of signage: **“We’ve put a shop and cafe sign on the right-hand side of the main door and on the left, it says ‘Holy Trinity Church open as usual’. It’s very clear that it’s still an operating church.”** [Project leader, Community shop and café, interview January 2024]

7.6 Looking to the future

Many projects stressed that even once the business was trading, there were many other issues that arose which included keeping an eye on turnover and being able to adapt to changing circumstances which might include expansion; increasing opening hours or range of stock they held, for example.

A key concern was the need for succession planning to ensure new people were brought in to relieve existing volunteers, as well as bringing in new ideas. **“We now recognise that there might be some who get a little bit weary from running the shop. In a way we’ve created a monster because the work involved is huge. We make sure it is a really good and fun place to work and we do have new people coming forward to offer their time. But we have decided now that we can, to employ a manager four days a week and we’re taking on a second person, an assistant manager for weekend cover. One of our objectives was to create employment, so we just need to make sure that our turnover is always sufficient to afford these things.”** [Project leader, Community shop and café, interview January 2024]

7.7 How long it can take

Almost all projects spoke about how long it has taken them to develop and deliver their plans, with several quoting 6 years. Being aware of this in advance can help manage expectations and the need to continue to engage with the community and keep people motivated.

8. What have we learnt

The resources consulted (listed in Section 12) suggest that while it is clear that community businesses ultimately result from the efforts of inspired and active volunteers at a community-level, bespoke business support is needed to help them through the various stages of setting up this unique type of enterprise.

While Plunkett Advisers have provided in-depth support on topics including community engagement, governance and business planning, they reported that the extra levels of complexity and processes that need to be navigated to set up a community business in a church compared to leasing an existing shop or pub building for example, necessitate dedicated people, and go some way to explaining why these projects are slow moving. Bespoke support is needed to manage the particular and somewhat sensitive issues that arise around co-locating, and this can only come from personnel within the dioceses/ equivalent in other denominations.

Are co-location projects initiated by the community more successful than those initiated by the church? Without undertaking a more thorough piece of research, this is a question that can't be answered and supported by sufficient evidence. A number of the projects looked at did follow a pattern of being started by a community group, with the church becoming involved when they were able to offer the most suitable premises. The 'End of Programme Report' states that **“the projects which are continuing to progress towards trading as community businesses, or which are already trading, are those where the community has approached the church about shared use of space, rather than the other way round.”** *[End of Programme Report January 2024]*

Furthermore, Plunkett Advisers reported that they **“have been contacted by many churches looking to extend their work with the wider community. Several have received Adviser support to look at ways existing church run projects could become separate legal entities that are run by the community, however most have decided to keep these projects ‘in house,’ or are still considering their future.”** *[Feedback from Focus Groups]*

This reflects a concern that was raised within the initial alliance of faith and heritage organisations that some models such as the Community Benefit Society model would be a barrier to some churches and in particular to some dioceses/denominations. It could also simply be that despite the activity under the Programme to raise awareness of the potential of co-location, there is still a lack of awareness by the church in general that churches can be a good place to co-locate a community business.



9. Challenges that still remain

Although the Programme's feasibility grants were a huge help to the projects supported, new projects will still need funding to help them through the long development period of setting up a new community business eg: grants, loans, traditional fundraising, crowdfunding, purchase of shares etc, as well as continued funding once they start trading.

Trading projects will also still need help to ensure they remain viable.

The outreach work delivered under the Programme has also meant that more within the Church community are aware of the co-location model, however feedback has shown that the experiences of community groups exploring co-location are very different depending on the diocese/ equivalent in other denominations of which they are part. Thought has to be given to whether there is a need to align approaches to such projects, in order to facilitate progress across the Church sector.

10. Practical legacy

There are three elements that will be continuing beyond the lifetime of this Programme:

- the Plunkett website resources including the specific guidance written for groups exploring co-location
- continued access to advice from Plunkett Advisers for those still on the journey and for new projects. **Plunkett does “also monitor and support community businesses that are showing signs of strain or struggling to realise a profit, steering them away from potential closure and helping them to prosper”** [*Plunkett website*]
- to some extent an increased knowledge now held with dioceses/and equivalent in other denominations where projects have been developed

11. Recommendations

1. There are several actions that could be taken to encourage more of these projects to happen:
 - continue to raise awareness of the potential for co-location using case studies, and of the support that is available using the original alliance of faith and heritage organisations. This should encourage those parts of the church sector who are not fully convinced by such projects to be interested to find out more.
 - continue to share the range of different models of governance available to community businesses, as well as the different types of management agreements that can be put in place between a church and a community business. These could be written up so that groups and those within the church denominations can see what might work best for them. It may well be that seeing there are a number of options available will encourage places of worship who may be hesitant about the co-location model, to be more open to exploring the idea with community groups. Plunkett will continue to encourage groups to speak to them to ensure they choose the model most appropriate to them.
 - seek further funding to enable the continuation of start-up grants which so many projects found invaluable. Funding to support the employment of additional officer resource, ideally with specialist knowledge of project management and church buildings, would also be extremely helpful.
 - encourage projects who are now trading to act as mentors for others, ideally spread across the country so that visits can be arranged. Plunkett Advisors were clear that hosted visits to churches which already lease space to community owned businesses were invaluable in helping community groups and those from other churches to better understand on a practical level how these arrangements can work in a range of contexts.
2. Expand the existing glossary to help community groups understand the structure of the various groups within the main denominations and the role they play: <https://plunkett.co.uk/wp-content/uploads/Glossary-of-useful-terms-for-those-in-the-wider-community-exploring-setting-up-a-community-business-in-an-active-Christian-place-of-worship.pdf>
3. Update all other existing Plunkett guidance to ensure there is sufficient cross-referencing. Current generic early stage guidance does not mention places of worship in the section on 'identifying suitable premises', nor is there a cross-reference to the place of worship specific guidance: <https://plunkett.co.uk/wp-content/uploads/How-to-set-up-a-community-Shop-USE.pdf>
4. Now that there are more co-located projects in existence, it might be worth initiating independent research to develop measures of impact unique to community businesses in places of worship. This would add to the stock of knowledge about the benefits to the wider community, and also the contribution they make to the sustainability and use of the buildings in which they are located.

12. Resources interrogated for this legacy report

1. Application made to the Benefact Trust (formerly Allchurches Trust) in February 2020.
2. The Plunkett webinar **Churches as Community Business Venues: Hubs Coming Together for interested community groups**. <https://www.youtube.com/watch?v=Zn1AyW80AN4>
3. Case studies on the website <https://plunkett.co.uk/community-businesses-in-places-of-worship/> and <https://plunkett.co.uk/community-businesses-in-places-of-worship/#stories>
4. Telephone interviews with two projects based in the Diocese of Gloucester.
5. Summary notes from a Focus Group held at the end of 2022 attended by groups exploring co-location who had received support from Plunkett and a second one for Plunkett Advisers who had delivered that support.
6. Summary notes from an online Focus Group held in November 2023 for both groups and Plunkett Advisers.
7. End of Programme report produced by the Plunkett Project Manager dated January 2024 and entitled **Progress towards Outcomes**.

Plunkett UK

The Quadrangle
Woodstock
Oxfordshire OX20 1LH

+44 (0)1993 630022
info@plunkett.co.uk

plunkett.co.uk   

Plunkett UK is the operational name of Plunkett Foundation a registered charity, numbers CC 313743 (England and Wales) and SC 045932 (Scotland). It is a company limited by guarantee, registered number 00213235 (England and Wales).