
Carnegie UK Trust – The Store is the Core Final Report – December 2009

RARP Theme: Developing models of community-led service provision in rural areas

CONTENTS

Executive Summary	Page 2
Background	Page 2
Case studies from a project management perspective	Page 5
Reflection on the emerging lessons for diversification into multi-service outlets	Page 7
Suggestions for policy makers	Page 9
Appendix 1: The Store is the Core – Research Report	Page 12
Appendix 2: Murrisk Community Café final report	Page 35

Executive Summary

The Store is the Core project was part of Carnegie's Rural Action Research Programme which aimed to develop models of community-led service provision in rural areas. The aim of the project was to diversify community-owned village shops into multi service village outlets and it ran for three years ending in November 2009.

The Store is the Core project has been delivered by the Plunkett Foundation and has worked with the Scottish Community Retailing Network and the South West Mayo Development Company as key partners and Professor Malcolm Moseley and Claire Binns on the research project.

The purpose of the project was to work with three communities in England, Scotland and Ireland who wished to diversify the services they offer to become multi service outlets. This involved Plunkett Foundation and key partners to work with the communities to identify the services they intended to provide, to support the communities to implement their plans and to document their achievements with a research project.

The project has now been completed and the full details of the project and the results of the research project are included in this report. Two of the communities were able to add at least two new services to what they originally had to offer and one community achieved one. There were some problems along the way and particularly in the second stage of the project, when economic difficulties along with the time commitments on a group of volunteers began to become more evident. However, on completion of the project, there is no doubt that all three communities have benefited from both the expert advice offered and a seed corn grant of £2000. In addition, there has been great learning along the way that we hope will be of interest to rural policy makers.

The conclusion of the research project shows that each experience resulted in a number of lessons learnt which will be appreciated by others thinking of adding a service to an existing community facility. It confirmed that the basic model of community enterprise, when combined with community development and more efficient and equitable delivery of services in rural areas is a sound model when the local context is respected. The most important of these are clear local need, support, and substantial sustained voluntary commitment.

Background

In November 2006 Plunkett was successful in securing funding from the Carnegie UK Trust to deliver an action research project entitled 'The Store is the Core'- Diversifying community-owned village shops into multi-service village outlets.

The key partners to deliver this proposal are Plunkett Foundation the Scottish Community Retailing Network and the South West Mayo Development Company working closely with three participating communities, all are detailed below.

Plunkett Foundation acted as a support agency to The Sulgrave Community Shop Association, in Northamptonshire, England.

The Scottish community retailing network (SCRN) was registered in Scotland and incorporated in May 2004 as a company limited by Guarantee. It was created with a view to supporting community-owned retailers such as community and food co-operatives/enterprises through the establishment of a network enabling community enterprises to link up with one another and with other relevant organisations.

SCRN acted as support agency to The Uig Community on the Island of Lewis, Scotland

The South West Mayo Development Company (SWMDC) is run by a voluntary board of local people who are active in the development of South and West Mayo area on the Western coast of Ireland. The Community directors are elected by the community organisations that affiliate to the company. The Company was originally established in 1991 as a rural development group to run the LEADER pilot programme for rural development.

SWMDC acted as a support agency to The Murrisk Development Association in West Mayo, Ireland.

Project activities

Development planning: scope diversification options for introduction of a new service in each community and prepare detailed development plans and report. From Nov 06 until April 07.

Implementation of a new service for the community: signature of Memorandum of Understanding, provision of seed-corn grant to each community and appointment of a specialist support adviser to implement agreed development plan. From May 07 until April 08.

Review: review success/failure, formulate revised plans and report. From May 08 until July 08

Implementation of a new/improved service for the community: appointment of a specialist support adviser to implement revised development plan. From Aug 08 until July 09.

Reporting and documentation: establish framework for 'research', monitoring and appraisal, research visits, end of project evaluation and report. From Nov 06 until Nov 09.

Plunkett's role

- Plunkett Foundation is the accountable body for the project and its role included:

- Managing the overall project and liaising with Carnegie UK Trust
- Liaising with Sulgrave Community Association
- Delivering the research component of the project with support from Malcolm Moseley, Professor of Rural Community Development
- Co-ordinating the provision of a support package to each community
- Reporting to Carnegie UK Trust

Partner's role

Prof Malcolm Moseley acted as a lead researcher to establish the framework for monitoring and appraisal with Claire Binns as his assistant.

The Scottish Community Retailing Network liaised with The Uig Community Initiative working toward their development plan, monitoring their project and reporting to the Project Steering Group. Kirsty McCall was the liaising officer with The Uig Community Group until July 2009.

The South West Mayo Development Company liaised with The Murrisk Development Association working toward their development plan, monitoring their project and reporting to the Project Steering Group. Jo Ortelli was the liaising officer with The Murrisk Community Group.

Financial detail

The value of the Store is the Core project is £39,400 including VAT and was for three years commencing November 2006 and ending in December 2009. The research element is £18,600 including VAT and ran for the same period. Appendix 1 gives a breakdown of income and expenditure.

Managing the project

The first phase of the programme was where the three communities looked at ways of diversifying or introducing a new service to their communities and introduced that new service with the assistance of seed corn funding and specialist advisory support. This phase was successfully completed and the individual case studies below will expand on this.

This was followed with a review period where the successes or failures of the first phase was analysed and revised plans for the second phase were formulated. Included in this phase was a two day workshop held in Glasgow, which allowed the steering group, project manager, key partners, researchers, representatives from each community and a Carnegie consultant to meet together.

The workshop had a dual purpose aimed to further the research into the findings around the core theme of adding a second or subsequent service to an existing community shop or community centre, and an operational purpose to consider how to take the project forward. Each community was represented and all agreed that it was a valuable opportunity to review progress and it gave all participants a chance to

exchange experiences and take forward the lessons learned from phase 1 into the final phase of the project.

Of particular relevance was a discussion on the 'trigger' factors that underlay the decision to add on to an existing service and the difficulties involved. This is covered in depth in the section on emerging lessons for diversification into multi-service outlets. See below.

The second phase was the implementation of a further new or improved service for the community which was to be supported by up to a further 6 days advisory support. This phase was delayed by what appeared to be the community's reticence to take on a new project during a time of economic instability; this was particularly applicable to Murrisk and Sulgrave. This meant that deadline for revising and implementing their plans and had to be extended to allow more time to consider how to proceed.

This final report aims to give an evaluation of the project. A detailed report on the findings from the project from a research perspective can be found at appendix 2.

Case studies from a project management perspective

Sulgrave Community Shop Association

Sulgrave Community Shop Association run a community owned shop and post office for the benefit of the residents of Sulgrave. Under the Store is the Core project, the first phase was to develop the shop as a major outlet for the marketing of local food thus reaching customers from neighbouring communities and to develop a local producers distribution network. Robin Prior (Treasurer) led the project and the shop benefited from the seed corn grant and 6 days advisory support around setting up and running a food fair in Sulgrave Manor.

Robin and another member of the shop committee formed a separate social enterprise called Rural Community Ventures (RCV) whose main purpose was to pursue local economic strategies that impact on the rural market and communities, based on the experience of Sulgrave Village Shop and recognising that issues that affect the shop are shared with many other businesses in the rural economy.

RCV ran the first food fair in Sulgrave as an opportunity to bring local producers, distributors and members of the public together and as an opportunity to explore developing cooperative activities, global influences, issues that impact on the performance of Sulgrave Village shop, forming a retail group, marketing local food and forming a distribution network. They met with the chief executive of the South Northamptonshire Council (SNC) which is responsible for 188 rural parishes to look at the potential of the community shop business model for villages without a shop or where a private shop is failing, and of creating economic activity through the promotion of local food and how to achieve a more cohesive approach to social inclusion in rural areas. Robin had previously worked with 13 groups nearby to set up a community owned shop.

The food fair was a success but once the second phase of the project was underway and the economic crisis was worsening, Robin decided that like many other local businesses it was more important to focus attention on the performance of their core

business – the shop. Sales in the last quarter of 2008 were down 12% and margins down 1.2%. The shop had lost one of its bread suppliers who had gone into administration and they found that alternative suppliers were not able to deliver at realistic prices. They attributed this as a direct result of the recession.

As a result of repositioning their business, fruit and vegetable sales increased by 35% and sales overall were up 10% on the previous year.

The second phase of this project has been mixed for Sulgrave Village Shop. They had expressed an interest in looking at reducing the energy consumption of the shop and the findings being rolled out in the village and other businesses but unfortunately this has not happened despite extending deadlines and offering further advice and support. By focussing on core activities, the shop has continued to thrive but the idea of adding a further service has been suspended.

Uig Community Co-op

The Uig Community Co-operative operates a retail shop and post office, and also sells solid fuel and gas supplies, petrol and diesel.

Under the store is the core project, the initial development plan highlighted the need to increase the shop sales area, create a secure stock area, provide space to compile orders, relay the existing and new sales area and provide staff facilities. Also to plan the development of a community room, provide a laundrette and drying facilities, develop an informal meeting area and provide public and disabled toilets. The community received a grant of £50,000 from the Big Lottery Fund towards a project that eventually cost £565,000 and the objectives have been achieved. The management committee have had to raise a considerable amount of funding to complete the building project and to cope with the difficulties of coordinating the building project. Despite this, they have agreed that it has been easier to add to their range of services rather than to accommodate them elsewhere in the village.

Carnegie funds have been used to pay the shop the seed corn grant of £2,000 and they have benefited from a specialist advisor to develop a layout for the store, to advise on the suitability of equipment and fixtures and fittings and analyse operation training needs for a multi-functional business and provide initial merchandising training in phase 1.

Phase 2 funded a specialist adviser to design and deliver marketing and bi-lingual promotional materials including logo, information leaflets and internal and external signage. This was to enable the shop to extend its business further by having a recognisable and professional identity and the information leaflets were to enable the shop to directly offer its services to tourist accommodation in the area as well as other local businesses. The project also celebrated the community and its ownership of the shop and ensured that local people remember that the shop belongs to them.

Murrisk Development Association

Despite the late start of this project and the committee and staff working on the existing community café being overstretched, this community successfully implemented the first stage of the development plan which was to develop the café

to provide a retail outlet that would cater for the large throughput of tourists and day trippers, and also to provide for the local community acting as a social hub for the area. Their original plan was to incorporate a small shop into the café, but the addition of groceries being sold at the local petrol station rather halted any further developments of a fully functioning shop in the café.

Instead they have installed a fully operational refrigerated unit and shelving, and are selling souvenir items, and locally produced jams, pickles and other craft items. In addition, the community group are looking into stocking stamps, mobile phone top-up cards and newspapers. The shop and café is staffed by a number of volunteers seven days a week and the café benefited from seed corn funding and a specialist adviser to develop a business plan, set up accounts and controls and to monitor progress.

The second phase of the project was used to improve a service to the existing overstretched team of volunteers by gaining specialist advice on becoming employers and to receive training on food hygiene and preparation. In order to achieve this, deadlines had to be extended but the work has now been completed and the report by Jo Orтели in appendix 3 who supported the project states that the volunteers running the community café now have a much clearer picture of the way forward.

Research

The research element of the project started with an assessment framework for the project, and working with the communities both routinely and every six months to conduct a survey which formed the research reports. Reports have been completed in August 2007, February 2008, August 2008, April 2009 and finally October 2009. The final report can be seen in appendix 2.

There have been two visits to Uig and Sulgrave during the course of the project and one to Murrisk. There has also been a workshop held in Glasgow after the first phase of the project where all support providers, some shop staff in both a paid and voluntary capacity, the researchers and project manager met together to discuss learning from the first phase of the project. The workshop was of great benefit to both the project manager and the researchers as well as the participants.

Reflection on the emerging lessons for diversification into multi-service outlets

The points below are taken from both the research findings and the findings from managing the project. They represent in the opinion of the project manager and sponsor, the points that are key to rural sustainability.

Trigger factors - There are various trigger factors that underlie the decision to add on to an existing service. The shops involved in the project had trigger factors such as the loss of a local shopping tradition forcing people to drive to a supermarket in a town and capturing the tourist market (Murrisk), the realisation that a shop could not just stand still and needed a distinctiveness such as the sale of local food to remain viable (Sulgrave), and the remoteness of a rural shop that can act as a platform to offer a certain market for developing new services (Uig). Also in the case of Uig, they

benefited by one of the Community Cooperative's trustees being a local authority councillor – able to lobby, open doors and follow things through. For all communities the importance of always being ready to respond to the required change was stressed; to rethink and try something new.

The difficulties of adding on a service – getting funding and meeting the demands and timetables of funders (Uig), the burden taken on by a very small team and not having the capacity in terms of space to expand (Sulgrave), the burden on volunteers to develop a new project (Murrisk).

Adding on or starting a new service – the communities all felt that it was easier to add on than to start a new service. Once a community has established a project, it can be easier to get community support for another service (this was not the case in Sulgrave where support for the original venture seemed to be in decline), the group has more confidence in itself having achieved a successful venture, and funders value the sustainability of diversification from a successful project.

The benefits of clustering several activities under one roof – this included more footfall for each business, the social benefits over and above the purpose for a visit, convenience for customers, economies of scale and synergy between activities.

The adverse consequences of clustering – there was some potential for disturbance between activities such as noise which may be generated by new launderette (Uig). There could be a step-change in such things as insurance and auditing costs ie a cost increase that is more than pro rata although there was no evidence of this at this stage.

Maintaining profit margins in a difficult economic climate - as a result of this the communities had to focus on shop profitability rather than expanding or adding new services and this may be a reason why the shops involved with the project have been reticent to look at a second new service.

Severe weather – this was a positive for community shops, where in known cases profits were increased by up to 50%.

Different drivers - The three communities emphasised that different places have different drivers such as the distance from other shops, the size of the community, the strength of current retail facility, skills within the community, access to premises, finance etc.

Optimising assets – All three communities showed a keen interest and ability in optimising their assets to realise full potential and championed the principle of using an existing asset to do much more.

Achieving fairness for everyone – The project showed that the three ventures grew out of the need to avoid geographical isolation and the constraints it would bring, by providing local people easy access to services and local food.

Empowering Local Government – The three ventures exhibited some measure of participative governance in discussions over local food and fundraising.

Enjoying locally relevant services – There was strong evidence of successful involvement in planning issues, and commissioning and managing public services.

Enriching social capital – Social capital or the trust and networks that bind people together has been displayed in the working groups in each community.

Supporting a dynamic and local economy – The role of the social entrepreneur in exploiting local assets more effectively for community benefit was displayed in all three ventures.

Suggestions for policy makers

There are a number of factors that will be of particular interest to policy makers

1. Quality/relevance of current business support

Community owned enterprises such as the ones in this project are small businesses and need standard small business support - but they need specialist support too. There are two reasons for this. Firstly as small independent grocery shops they are competing in a very difficult market (400 commercial village shops will have closed in 2009) and they are competing with a highly successful and powerful group of supermarkets who set the pace in terms of customer expectation and experience. If these small independent community-owned shops are to survive long term they need high quality specialist retailing advice.

This type of advice is not available through the Business Link service. They need help in becoming strong retailers in their own right and not merely “the last resort” shop. There is a second reason which relates to this particular model of community-ownership. A typical shop has a management committee, some staff and up to 50 volunteers. Managing this type of organisation requires quite different skills to a typical hierarchical structure. To be effective advisers and business support must understand this so that they can enable these groupings to find a way of working appropriately and responsively in a dynamic environment. There are a few social enterprise advisers who understand this but generally they are not used to working with such small businesses or with so many “players”.

There is currently very little government funded support and the gap is filled by charities such as the Plunkett Foundation. Provision is limited due to funding constraints; online support and networks have been developed as a way round this but experience from programmes such as this confirms the high value placed on one to one support.

2. Access to funding

Before a community-owned shop can be established, there has to be substantial fundraising from the village Community in terms of share issues, loans, donations, village events and accessing grants. This can often be time consuming and problematic for volunteer fundraisers, and in many instances, grants are dependent on other types of funds being available. In addition, existing community shops making a small profit find raising finance to improve the shop even more difficult.

This programme provided some seed-corn funding of £2,000 and advisory support, but it would be beneficial to shops with a legal structure set up for the benefit of the community to be able to access more grants and funding opportunities. As trading organisations, they cannot be classed as charities and are liable to the same rates of corporation tax as commercial businesses despite making little profit which is either reinvested in the shop or distributed amongst community projects.

3. Ownership of community assets

Plunkett Foundation encourages community-owned shops to use that asset to 'springboard' onto other activities. Uig have been an excellent example of this, where the shops was developed to include all sorts of other activities and services. We also have evidence of community-owned shops using their premises for doctor's surgeries, cafes, internet cafes, police surgeries, hubs for local food, chiropody clinics etc.

The increase in community-owned shops and their additional services to the community is evidence of the need for and use of available community assets.

4. Delivering services to disadvantaged people

Rural community-owned shops nearly always come into existence because the last shop in the village has failed or closed down. Initially it is seen as a "last resort" solution to retaining services. Their business plans identify the need for and benefit to providing for the disadvantaged in the community. The Village CORE programme grant funded by Esmee Fairbairn looks for 7.5% disadvantage in terms of old age, mobility and lack of transport. We have evidence from the programme of how the health and well being in a community can be improved by providing a reason to get out and enjoy social interaction with others.

Policy makers need to recognise that support benefits the whole community and that no matter how affluent a village may appear there are always pockets of deprivation.

5. Empowering communities

Setting up and running a community owned shop is empowering for individuals and for the community as a whole. The ability to add additional services that was the focus of this project is in part a positive outcome of this empowerment. Individuals have gained in confidence and are keen to take on something new. In addition, the community already sees the benefits that come from running their own enterprise and are more amenable to doing more. As a result we are seeing a second generation of enterprises which are even more powerful than the first due to the gained expertise and experience.

6. Potential volunteer fatigue

All the projects in this programme have at their heart one or more key individuals who drive the enterprises. In the context of volunteering (that is generally in decline) they are a valuable group of community entrepreneurs who should be encouraged and supported. Policy makers could do well to look at this cohort and learn lessons in

terms of developing more of them and supporting those that have already come forward.

7. Raising awareness of community-led solutions

The three community shops within this programme are part of a wider sector of 230 (at the end of 2009) community-owned shops with more coming on stream at the rate of around 20 a year. At one level this is impressive and suggests that here is an effective model that works and is sustainable. At another level the numbers are paltry. If 400 village shops are closing each year and 20 community ones are opening then this solution is only being adopted by 5% of communities. Significant awareness raising might make the difference and produce a step change so that many more communities can benefit from retaining essential services, providing that “heart of the village” and supporting the disadvantaged in the community.

8. Watching legislation

There is a role for careful watching of the legislation that relates to village shops and community-owned shops in particular. Some of the legislation may be well meaning but it is often framed with big supermarkets in mind (who have vast resources to lobby too). Given the social and economic benefits that these businesses bring to their communities it would be good to see this sector represented at a legislative level. There is no trade body to support this sector, no funding available once they have started trading and nobody to speak on their behalf.

Appendix 1: The ‘Store is the Core’ Action-Research Programme 2007-09

Final Research Report

October 2009

**Malcolm Moseley and Claire Binns
for the Plunkett Foundation**

CONTENTS

1 Introduction

2 The Three Case Study Ventures

2.1 Uig Community Shop

2.2 Murrisk Community Centre

2.3 Sulgrave Community Shop

3 An Assessment

3.1 The Challenge of ‘Adding On’

3.2 The Pros and Cons of ‘Adding On’

**4 Some Conclusions from Community Enterprise and Community
Development Perspectives**

5 Some Recommendations

1 INTRODUCTION

This document is the Final Research Report of the 'Store is the Core' action-research programme funded by the Carnegie Trust UK and managed by the Plunkett Foundation. That programme – which effectively began in January 2007 and ends late in 2009 - has been designed **to explore the feasibility and value of diversifying existing community retail activities or outlets by adding on a further community enterprise activity of potential value to the local community.** Hence the expression, the 'Store is the Core'.

The programme arose from a widespread and well documented appreciation that the delivery of personal services in a rural context is problematic but should be maintained, and if possible enhanced, despite the host of forces that have conspired in recent years to undermine them. More specifically it reflects a growing appreciation of two particular responses to that erosion of rural service outlets – the growth of 'multi-service outlets' (post offices located in pubs and or in petrol filling stations provide one example) and the growth of direct community involvement in service delivery where the commercial and public sectors are failing to meet the need; often this community involvement has involved formal 'community enterprises' in some way.

But while there has been some research on both multi-service outlets and service provision by community enterprises, there seemed to have been very little specifically on multi-service outlets developed by community enterprise.

To address this deficiency it was decided to take an **action research approach**; various pilot 'actions' supported on the ground would be complemented by 'research' to ensure that any lessons would be distilled and made available for others who might want to try something similar. These lessons could relate to the initiation, operation and challenges of the diversification venture (to include a consideration of factors that either constrain or foster its success) and/or to the advantages and disadvantages of co-location, to both the business(es) concerned and to the local community.

Funding for the necessary 'action' would involve making available some modest seed corn funding to three community enterprises selected as keen to serve as pilot ventures, but mainly by deploying local support agencies to help the protagonists bring the proposed diversification projects to fruition. There would also be some modest funding to enable them to meet and exchange experience¹.

The three community retail enterprises selected for support have been;

- **Sulgrave Community Shop** in Northamptonshire, England (supported by Plunkett)

¹ In the event only one such meeting was possible – a two-day workshop held in September 2008 at Glasgow airport – the most convenient place to bring together people from the Scottish island of Lewis, the far west of Ireland and rural Northamptonshire – together with the Gloucestershire and Yorkshire based researchers and the Oxfordshire based managing agency!

- **Uig Community Shop** on the Isle of Lewis in Scotland (supported by the Scottish Community Retail Network)
- **Murrisk Community Centre** (supported by the South West Mayo Development Company)²

As for the research component, provision was made for an academic research advisor to frame and manage the exercise working with a researcher with considerable community enterprise experience to do most of the 'hands on' information gathering and evidence appraisal. They are the authors of this report.

In practice the research has comprised the researchers taking several roughly six-monthly, 'snapshots' of the development of the three projects, partly by personal visit but, because of the distances involved, rather more by extensive telephone interviews, e mail correspondence, the perusal of documentation and active involvement in the mid-term workshop. In all three cases the local protagonists have been extremely cooperative. Neither detailed examination of the finances of each project nor the carrying out of surveys of the three local communities was possible given the limited resources available, but despite that some well grounded and useful conclusions have emerged.

This report has deliberately been kept brief. It presents

- first, a concise summary of the origin, development, operation and achievements of each project
- second, a cross-cutting distillation of the main lessons emerging from those projects with regard to the various challenges of getting multi-service outlets or ventures up and running and to the pros and cons of their operation
- third, some further reflections on the relevance of all of this to community enterprise and community development
- fourth, some tentative recommendations, developed with a significant contribution from the overall manager of the Store is the Core programme (the Plunkett Foundation). These are aimed at the various stakeholders who might want to take further the diversification of rural service businesses within a community enterprise context.

A **lengthy appendix** presents an edited version of the researchers' four interim reports (produced in August 2007, February 2008, August 2008 and April 2009) with their material restructured to tell the story of each case study venture in turn, viewed

² in addition to ongoing support by the three specialist agencies indicated, each local venture had access to a small pot of money for particular specific help as needed. This was used as follows

Sulgrave; in 2007, a specialist adviser to help manage and promote Sulgrave Food Fair, plus some seed-corn funding to help progress the development of the village shop,

Murrisk; in 2008, specialist financial and business planning advice and some seed-corn funding to purchase shop equipment; in 2009 advice and training on food safety and on business planning,

Uig; in 2008, specialist advice on store lay-out, fittings and fixtures, staff training needs and other matters; in 2009 seed-corn funding for some store equipment and specialist advice on signage and marketing

over the whole research period, rather than having it sliced up chronologically as they inevitably had been in the Interim reports. Some repetitious material has been removed to aid this telling of the story.

2 THE THREE CASE STUDY VENTURES

2.1 Uig Community Shop

Context

Uig is a scattered and very remote community of some 450 people spread across 20 small settlements on the west coast of the Isle of Lewis. It has a community centre, primary school, elderly care unit, museum and café and the area is popular with visitors. The nearest supermarket and the majority of public services are located in Stornoway 35 miles away. In 2003 Uig's only general store was put on the market and, after extensive research and consultation, was bought by the local community.

Starting in 2004 with that general store, embracing also a post office, petrol station and Calor gas and coal outlet, the new community retail enterprise grew quickly, increasing turnover by 70 per cent in three years. Improvements included the installation of a cash-point and the surfacing of the car park. By 2007 turnover was £518,000 and 6 full-time-equivalent staff were employed. The operation was (and is) run by the Uig Community Cooperative and the property is owned by the Uig Development Trust.

The Multi-Service Outlet Project

After three years it was clear that the shop required more space and the opportunity was taken to expand what was already, as indicated, a multi-service operation. This ambition was based on a desire to more effectively offer customers the convenience of a single destination and on an assessment that the benefits of the combined scheme would be greater than the individual parts in terms of community well-being and the longer term sustainability of the Uig Community Shop. The aims of the scheme were:

- i. to consolidate existing community achievement by increasing the sales and storage space of the shop
- ii. to respond to customer demand for a laundrette service
- iii. to increase opportunities for social interaction by providing a refreshment and exhibition area
- iv. to improve access to local authority contacts and services with a Community Access Point incorporating video-conferencing facilities
- v. to improve local amenities by providing public toilets with year-round access
- vi. to reduce the annual carbon footprint and increase energy efficiency by installing wind turbines and a heat recovery system and by expanding recycling capabilities.

By June 2007 planning consent had been obtained for a threefold expansion of the existing building, a detailed business plan produced, applications for funding

submitted and tenders invited for the building contract. A Big Lottery award (£282,000 under the Growing Community Assets Fund) was confirmed, the contract was let and work began at the end of October. Existing shop operations would have to be re-organised during the construction. Discussions began with the local authority on the Community Access Point.

In early 2008 the first phase of advisory support under the Store is the Core programme was used to design the layout of the new sales area. Construction was completed at the end of May but several items remained outstanding. Major difficulties in reconciling advice between the designers and manufacturers of the renewable energy installations and a substantial delay in the provision of the 3 phase electrical infrastructure had unfortunate knock-on effects. New freezers and chillers for the shop could not be fitted, the laundrette could not be completed and the building had no internal space heating.

The formal legal undertaking required by the Lottery took many months to complete and until then money could not be drawn down to pay the builders. This led to a serious cash flow problem which was exacerbated by money withheld due to the delay with the energy system. Fortunately the contractors were extremely accommodating but as time passed it was clear that bridging finance would be necessary. Negotiations on this score were protracted and ultimately unsuccessful with the first bank approached; eventually a second bank did agree but overall it took more than 12 months for this established community enterprise to get the financial facility it needed to tide the project over the development phase.

The new shop was officially opened in June 2008. The refreshment area with a self-service hot drinks machine and the public toilets also came into operation. The shop benefited almost immediately from the improved storage, display and staff facilities, and efficiency savings soon became apparent. By August the shop was fully stocked again (except for the very limited availability of chilled and frozen items). Figures for the year showed a small trading loss of some £5,000 over a period which had seen considerable disruption to the shop's operation. The manager recognised that the more complex operation would need a more formal management structure and improved health and safety monitoring.

At the beginning of 2009 there was still no internal heating system or laundrette equipment in the building as the energy problem remains unresolved. The 3 phase supply was eventually installed in April 2009 drawing power from the grid, the new freezers and chillers were in operation by May and sales in this category showed an immediate increase.

New opportunities began to emerge as the project further developed. The closure of a health food shop in Stornoway opened the way for a wider range of health foods and some mail order business. The possibility has also arisen of handling transactions for the local credit union. A charity book exchange has been established in the refreshment area which was proving popular with locals and visitors. Further service improvements are planned with after-hours petrol sales. The funding for the Community Access Point has been confirmed by the local authority but not yet received and the room remains without equipment. The problem with the renewable energy installations has still not been resolved and, in the meantime, 3 phase electricity from the grid is proving expensive.

The second phase of Store is the Core advisory support has been used to design a marketing plan to promote the multi-service project to residents and visitors. This includes a new logo, bilingual signage, a local information system delivered via TV in the refreshment area, new content on the Uig and Bernera community website, a promotional leaflet to be delivered to every household and a separate leaflet for visitors. There are also plans for display boards featuring local history and environmental information to be installed in the building and the provision of official brown and white tourist signs at key points locally en route to the multi-service centre.

State of Play at August 2009

The substantial extension to the Uig Community Shop building has provided the space needed for a major diversification of services and a considerable improvement to the existing shop operation. The new public toilets and the refreshment and exhibition area came into operation in summer 2008. However the unresolved problems around the renewable energy and the delay in installing the 3 phase electricity system has held up the launch of the laundrette service and two summer seasons have been missed. Despite the apparent enthusiasm of the local authority for the Community Access Point to be incorporated into the scheme, progress has been extremely slow and almost 18 months after the completion of the building their financial contribution to that Point has not been received and the room has not been equipped. Those caveats aside, the Uig community shop has certainly evolved into a thriving community-based multi-service outlet much as originally envisaged.

2.2 Murrisk Community Centre

Context

The coastal village of Murrisk, five miles west of Westport in County Mayo, lies at the foot of Croagh Patrick (the Holy Mountain) which is climbed by 100,000 pilgrims each year. Originally a fishing and farming community, 25 percent of the 280 residents now work outside the village. Local facilities include a school, two pubs, a daily bus service and several bed and breakfast establishments.

In recent years two shops, a post office, a petrol station and a police station have closed and in 1994 the Murrisk Development Association was formed to promote the economic, social and cultural development of the area. Community plans were produced in 1997 and 2004 and generated many projects including environmental improvements, a community centre, the National Famine Monument (2002) set in a five acre park and a monument to local fishermen. Since 1995 the association has run a weekly lotto which raises some 30,000 euros annually for community projects.

The Multi-Service Outlet Project

Unlike Uig and Sulgrave, the community of Murrisk did not begin this project with a community shop; rather it aspired to add a shop to an existing community centre. In effect the Store is the Core project was seen as an opportunity to restore a retail facility for the local community, to raise the level of visitor spend and to increase

community capital³. Being located in the car park at the base of Croagh Patrick, across the road from the Famine Monument and adjacent to the school, the shop would enjoy something of a local monopoly market position, substantial casual passing trade and a high profile location adjacent to two of the area's major visitor attractions.

In the summer of 2006 the Murrisk Ladies Group had run a café in the community centre on a voluntary basis with the proceeds benefiting the community. In 2007 this seasonal project was repeated with support from Ireland's Rural Social Scheme which paid for two part time weekday staff (0.9 fulltime equivalent) with the late afternoons and weekends covered by volunteers. A separate organisation, Croagh Patrick Community Café Ltd, was established to run the operation.

Their success up to this point had given the protagonists confidence in their own ability to address community needs and aspirations and they felt ready to tackle a potentially more demanding community shop project. In 2008 the café was opened in January leaving those volunteers with key management roles virtually no 'closed season' to undertake work on strategic rather than operational matters. Working at the café ate into the time and energy volunteers had available to do the necessary market research and business planning for the new shop venture.

But the Murrisk group purchased a refrigerated display counter and shelving with the seed corn grant from the Store is the Core project and used the first phase of advisory support to set up improved management accounting and controls and better systems for dealing with statutory requirements in readiness for an expanded operation.

However, in the meantime the market place changed significantly; in early 2008, a new convenience store opened at a garage two miles away en route to Westport. While the prices at this type of outlet are usually relatively high, they do attract considerable opportunist passing trade and this store was particularly well-placed for local commuters and the kind of top-up shopping which the proposed shop at Murrisk would have supplied.

Having monitored this new shop and its product range, the project group concluded that their original plan to open a community shop with a range of basic goods was no longer a viable proposition. This assessment was shared by the SW Mayo Development Agency which was supporting the group.

But the café already stocked postcards and a few souvenir items and the group decided to investigate the addition of local crafts and produce. The SW Mayo Development Association provided information on local producers who met the various public health regulations for traceability of supply. In addition the provision of a limited range of items and services which would appeal to both visitors and locals was considered. In autumn 2008 a 10 percent sample survey of local people was

³ A community shop elsewhere in rural Ireland had earlier agreed to be the Irish pilot project in the Store is the Core programme but later withdrew; Murrisk was subsequently approached as local knowledge suggested possible interest in participation, albeit 'the other way round' – i.e. the store would not itself be the 'core' but rather the 'add-on' service.

undertaken in Murrisk and the results showed 75-80 per cent in favour of the café stocking newspapers, milk and bread, postage stamps and top-ups for mobile 'phones. It therefore appeared that the project now had a clear way forward for more limited diversification.

However, before this market research could be acted upon the group was advised that the financial support forthcoming from a subsidised employment scheme for one of their café workers would not be continued into 2009. This left the community enterprise with one part-time worker for 19 hours a week. With no prospect of any other subsidised employment becoming available and the likelihood of reduced opening hours in 2009 the group decided not to go ahead with the sale of newspapers, milk and bread. They did proceed with the sale of postage stamps but opted not to invest in the equipment needed for the mobile phone top-ups. A proposal to develop a local website for the exchange of goods was also shelved for the time being.

But commitment to the café operation remained strong despite the staffing situation and it was agreed to undertake alterations and re-fitting to the kitchen to bring the facility up to the latest standards required for public catering operations. 30,000 euros was invested in this upgrade, funded from the café's trading surplus and a bank overdraft. The café was closed for eight weeks whilst the work was done and this enabled the transfer forward of some hours under the subsidised employment scheme into the main summer period.

The sale of ice cream and a few more souvenirs has been added to the offer at the café. Two new volunteers have been recruited and a local lady is baking scones three mornings a week. The local authority has completed a new safe walking path along the side of the road between Westport and Murrisk which should encourage more visitors on foot or by public transport.

The second phase of advisory support under the Store is the Core programme has been used to provide food hygiene training and business planning advice

State of Play at August 2009

Murrisk has a well established community café operation now in its fourth season. It benefits from an excellent location. The community centre premises at the base of Croagh Patrick, the adjacent attractions such as the National Famine Monument and Millennium Park and the quality of the surroundings enhanced by many environmental works are all the result of direct action by the local community led by the Murrisk Development Association. The project has been the victim of changing market circumstances which undermined plans to open a community shop to address the needs of both locals and visitors. And the operation remains dependent on subsidised staff and volunteers, a position which is limiting its expansion and further diversification.

2.3 The Sulgrave Community Shop

Context

Sulgrave is a village of some 400 people in Northamptonshire, about 8 miles from the towns of Banbury and Brackley. It has a pub, church and daily bus service and a small community shop and post office which was established after a community campaign in 2004 to rectify the closure two years earlier of the village's commercial shop and post office.

The Multi-Service Outlet Project

The nature and fortunes of the shop's associated 'multi-service outlet' initiatives have evolved and fluctuated over the period of the Store is the Core project and a broadly chronological approach will be taken in this summary. In essence, and unusually, the principal 'add-on activity' that has been championed has been a second community business, linked only loosely to the shop, rather than a second physically adjacent service outlet as such.

The business venture at issue was occasioned in part by the virtual impossibility of physically expanding the current shop premises to embrace new activities and to reinforce its viability, but rather more by the conviction of the Sulgrave Village Shop Association that the shop's future would be better assured by embedding it in a well developed 'local food network' that would need to be created.

Thus was formed a new social enterprise, 'Rural Community Ventures,' with its membership substantially overlapping that of the Sulgrave Village Shop Association and its maxim 'Living Local.' Just what it might do was left rather fluid at first. It might help individual food producers collaborate in a distribution network, create and manage a simple buying group for the various community shops in the area, produce and promote a directory of local suppliers and producers, and/or organise a home food delivery service based largely on the various local shops. In all of this it was envisaged that the Sulgrave shop would in some way participate as a 'pilot' venture. Indeed the hope was that a community shop in a rural location could prove to be a launch pad for a wider community enterprise devoted to the local food agenda and the local provision of other services by and for local people.

To begin the process, RCV organised the 'Four Shires Food Fair' in Sulgrave in October 2007 – a well attended event promoting local food, linking local producers and retailers and raising consumer awareness. As a direct result, the Sulgrave community shop started buying from four more local producers and the various producers began considering whether and how they might best collaborate.

At this stage of the project the leading light⁴ of both the Village Shop Association and the 'Rural Community Ventures' Company observed that "village shops need a more attractive offer to overcome the convenience and price advantages of the one-stop shop supermarket. Local food is Sulgrave's chosen route but the infrastructure for the delivery of food to small / rural outlets does not exist and to create it there needs to be a critical mass. Back to the food delivery issue". He added "Sulgrave and its shop will benefit from a broader agenda by being at the front end of some well planned and executed programmes and by acting as a pilot study and business

⁴ Treasurer of the Community Shop association and chairman of the new company – a man with considerable previous experience of the retail industry at a senior level.

model for these initiatives which, if successful, may be adopted by other communities.”

Early 2008, however, brought some disappointments. Hoped for support from South Northamptonshire Council for the creation of a local food distribution network did not materialise. And an ostensibly successful second Food Fair in Sulgrave was well attended but failed to give real impetus to the food distribution network idea. Local producers liked the idea of operating under an ‘umbrella identity’ linked to a shared branding of their produce and commodities, but they insisted that this be started ‘at the retail end’ – i.e. by a new association of retailers committed to sourcing locally. They then failed to give tangible support to an attempt to galvanise retailers in that way.

As the chair of RCV noted at the time “Lots of work is still needed, everyone says ‘local food yes’ but no-one has the time to push it forward.I’d like to see a group of neighbouring community shops and independents really ready to cooperate in this initiative... but that’s not the situation yet”

Thus the local food distribution network idea, spinning off from Sulgrave community shop in a way that would bring mutual benefits, has not really happened. The main constraint seems to have been an insufficiency of volunteer time and energy to take the development work forward and, linked to that, a lack of funding to help with such work.

This reality has been reinforced in the gloomy economic climate of 2009. Our main informant noted sadly in March 2009 that “the (food distribution network) project has effectively come to a halt”, in part because of the general lack of time and energy to push the project forward but also and more specifically because the shaky performance of the Sulgrave shop (sales in the last quarter of 2008 were 12 percent down on the previous year) had forced him to refocus his own energies in that direction.

Happily this redirection of energy was already paying dividends – especially a campaign via the village newsletter to reemphasize the benefits of the shop, and a decision to concentrate on proven winners - fruit and vegetables, bread, dairy and chilled goods. At the time of that interview (March 2009) two specific possible add-on activities were being considered for the shop itself – one was to use its existing bake-off facility to supply bread to other local shops (a major bread supplier serving the area having just gone into liquidation), the other was to take e-mail orders as a basis for home deliveries to customers living outside the village.

In short the view at that time was that “in these difficult times it is better to be focussed and get better at our core activity rather than broaden our activities”.

State of Play at August 2009 As the Store is the Core project comes to an end in autumn 2009, there is nothing substantive to add regarding the Sulgrave venture. The shop itself continues to thrive, but the local food network idea remains in abeyance.

3 AN ASSESSMENT

We will now attempt an assessment of the three ventures, with our focus firmly on the central rationale of the whole exercise. We will explore first the challenges implicit in trying to add on a new service to an established core community enterprise, and secondly the revealed pros and cons of such multi-service ventures.

But at the outset we should note that we are doing this with the situation still evolving. Not even Uig, where great progress has been made, has yet brought on stream all of the new services that were planned. And the situation in Murrisk where initial plans have had to be seriously curtailed, and in Sulgrave where the rather different aspirations are now firmly on hold, may well in effect prove to conceal unfinished business rather than be the end of the story. A perspective five years on might well draw different conclusions – especially if by then detailed reflections by the local community could also be gathered.

3.1 The Challenge of ‘Adding On’

What does the experience of the three case studies tell us about the challenge of ‘adding on’ or of moving towards a ‘multi-service outlet’ as distinct from the more conventional challenge of opening or expanding a single-service outlet? In effect we should qualify that question by adding ‘as a community enterprise rather than a commercial or public sector activity’ Those two caveats (launching a multi- rather than single-service outlet, and doing so as a community enterprise rather than a commercial or else state-run enterprise) serve only to emphasises the difficulty of drawing concrete conclusions and we can only offer some pointers based on the imperfect evidence we have.

Another introductory point should be made; all three of our examples essentially involve the managers of the ‘core business’ themselves planning and being prepared in large part to operate the add-on service (less so in the case of Sulgrave). Thus in a sense there was no need, as the venture progressed, to assuage or mollify an external partner who was to be providing the ‘add-on’ activity. The situation could obviously have been different if the project were to have involved some sort of formal partnership venture.

That said, the challenges we have observed include

1 A challenge of management and organisation. This has had various aspects including,

- a need early on for all the key players to understand and agree the roles, responsibilities and risks involved. It has to be said that we did not see evidence of this being done in any formal or documented way although there did seem to be a general appreciation especially at Uig of the need to keep all the players in the frame.
- a need to develop and implement more complex management structures than were needed hitherto – for example in the case of Sulgrave, the creation of a new company, ‘Rural Community Ventures,’ which would develop and then

run the add-on venture, and in the case of Uig the need to set up new systems of supervision and health and safety monitoring in the enlarged building once the manager could not see, at a glance, everything that was happening in the building.

- dependence on key individuals with the major roles taken by a very small number of people, enabling strong control to be exercised over the project but at the price of being somewhat distracted from the good management of the original service. This was most apparent at Murrisk and Sulgrave where progress was compromised by a reliance on key volunteers who were already putting a great deal of personal time into the original operation, as well as attempting to push forward the diversification project. In Uig the key role was taken by the existing paid manager of the shop who dealt with the day to day project management and the substantial flow of paperwork associated with the various funding streams. Other staff had to be redeployed and paid to cover times when she was unavailable to carry out her normal duties – often just when the disruption caused by the building work was adding its own difficulties
 - Related to that, the familiar challenge of replenishing or expanding a limited stock of volunteers willing and able to take responsibility – and also to learn new skills as the need arose - has been apparent in all three ventures.
- 2 The challenge of raising and coordinating substantial capital funding (especially at Uig) and of managing a complex cash-flow situation. Linked to this has been the uncertainty of certain external resources - witness Uig's difficulty in securing bridging facilities when long delays (which could have jeopardised the project) occurred despite Uig's track record as an established community enterprise with grants secured from several major funders. Other setbacks of a funding nature included Murrisk's discovery that funding from a 'supported employment scheme' was to be cut, and Sulgrave experiencing the pulling out of a local authority which had informally promised some support.
 - 3 The challenge of responding to an ever changing context and to delays in the implementation phase. The starkest example here is the opening of a competing retail business close to Murrisk just when the add-on project had been agreed. The protracted building and engineering works involved in the Uig project, exacerbated by the major delays in the installation of the energy system also caused some disruption to that core business. The ever changing context can also bring opportunities of course and the challenge seems to be to grab them; we can cite Uig taking advantage of the closure of a health food shop in Stornoway to diversify into that product range.
 - 4 Staff development needs. In the case of Uig there was a need for existing staff to take on new duties and learn new skills including supervision, purchasing and book keeping. And as and when the Community Access Point opens, staff will have to be trained in the use of video-conferencing equipment to assist the public using the link to the local authority.

- 5 A need for market research? The three projects have demonstrated this to only a limited extent as in each case, in order to participate in the Store is the Core programme, they had to have at the outset a fairly clear idea of the diversification project and to have already done some assessment of local need for the intended new services. (This was less true at Sulgrave, with such a different add-on in mind) Murrisk did need to undertake more detailed market research later with regard to the possible shop, but they were overtaken by circumstances, as we have seen.
- 6 Appreciating the constraints and possibilities of both the geographical situation and the particular site of the enterprise.
- (i) The geographical situation. The three case studies are located in very different rural areas – Uig being 35 miles from a significant service centre, Murrisk being five easy miles from a major town, and Sulgrave being eight miles from two small towns but also in a more densely populated rural area than the Uig and Murrisk establishments. The challenge has been to see the rural location (sparse population, limited local market, and distance from other service outlets) as providing both opportunities and constraints. For example, its very remote location has caused the Uig venture to be dogged by delays in the supply of the materials and equipment necessary for the add-on activity but it has also brought the marked advantage of having no competing retail and service outlet for many miles.
- (ii) The site. Here we may note that the inability of Sulgrave store to expand *in situ* because of lack of space explains in part the different kind of ‘business diversification’ championed by the management of the shop. In complete contrast Uig’s spacious site allowed a very generous extension to the premises and enabled the new services to be firmly attached to the established facility. Murrisk also had the advantage of suitable accommodation for their intended scheme within the existing community centre.

Going on from that to the ‘success factors’ that appear to underlie these add-on ventures, and appreciating the differing degrees of success enjoyed by Uig, Murrisk and Sulgrave, we may suggest the importance of the following;

- 1 The human factor. Key individuals with breadth of vision, flair for innovation, the ability to make things happen, manage change and energise others with a long-term commitment to the project, have been crucial. In Uig two people brought particular strengths to the enterprise; a key committee volunteer with roots in the local community and strong links to the local authority was well-informed about the opportunities available to community groups, his early awareness of the Council’s Community Access Point programme brought an extra dimension to the project, and the shop manager who was able and willing to take on a heavy burden of project management whilst still being responsible for the shop operation. This combination certainly played a vital part in bringing this project to fruition. At Sulgrave there has been an

individual who could see beyond the scope of a single community shop enterprise to the supply chains surrounding it and has brought the necessary business expertise to analyse the problem and put forward a possible solution. Whilst the crucial input may vary from project to project, any community enterprise undertaking a multi-service scheme will need at least one individual who can act as catalyst to start the ball rolling and then keep it in the air!

2 A readiness to be flexible with changing circumstances. The timescale of complex community projects of this type and the number of agencies involved can lead to a greater exposure to risk. It is a fortunate group that can complete its scheme without having to respond to changes such as shifts in the market place, the re-writing of official policies or new priorities among funders. Whilst these could present problems for a single service project, their effect on a multi-service project can be much greater and may jeopardise the balance between the different elements. An ability to adapt and take opportunities which present themselves is essential and regularly re-visiting/ updating the available options may help in this.

- 3 Tenacity and perseverance have been shown to be crucial - especially the ability to keep faith with the project and to be positive in the face of serious obstacles along the way such as bureaucratic delays and disappointments.
- 4 Evidence of real local community support for the venture; and of real local need. When the going gets tough the support within the home community will help to keep the project afloat. A well-founded project soundly based on community need is more likely to be carried through. Regular communication with local people who will be much less aware of the likely slippage in timetables, will ensure that the facts are known and avoid the potentially harmful effects of rumours. In the case of Sulgrave, the proposed add-on venture seems to have been rather less clearly based on local community aspirations and this may in part have accounted for the difficulties there.
- 5 External Support. Each of the three projects had the benefit of some ongoing external support, as indicated – certainly a modest input of consultancy advice and expertise, and in the case of Uig in particular a supportive local authority. This support seems to be crucial especially when it is clear that local volunteers are not able to provide all the expertise and experience needed.

3.2 The Pros and Cons of ‘Adding On’

As explained, the rationale of the whole ‘Store is the Core’ programme has been to explore the challenges and the merits not simply of running a community shop or other community business in a rural location – but of adding on a new service delivery venture to an existing ‘core’ community enterprise. Ideally this would be a shop though in one of our three case studies this criterion was relaxed to allow a community centre as the initial core. Accordingly we now look across the three case

studies to try to establish in this section how far the alleged advantages (and disadvantages) of 'adding on' an extra service in this way have been borne out in practice.

Before doing so we should of course acknowledge the differing experience of Uig, Murrisk and Sulgrave. As noted, in only two cases (Uig and Sulgrave) was the original core a store or shop. And in only two cases was the proposed 'add on' another specific service to the local community, namely Uig and Murrisk; Sulgrave's intended 'add-on' was a new and geographically extensive business and not a customer service in the accepted sense or indeed a service 'outlet'. And, most important, only in the case of Uig were initial hopes and intentions for the 'add-on' actually realised on the ground; we have seen that the brave endeavours of the Murrisk and Sulgrave protagonists (to add-on a real local shop and a distribution network respectively) were ultimately unsuccessful – at least by autumn 2009, nearly three years after the programme's launch.

None of this variety, however, precludes the value of a *post hoc* evaluation; indeed it serves only to reinforce that evaluation's potential usefulness.

Below we assess the three projects' experience with regard to the six most commonly expressed potential benefits of a 'multi-service outlet' while first acknowledging that the motivation of each 'adding-on activity' was some amalgam of several of those benefits coupled with an appreciation of propitious circumstances judged to be pertaining at the time.

Thus in the case of Uig there was a wish both to underpin the long term viability of the existing community shop / post office and to offer the local community a wider range of much needed services in a single convenient location. In Murrisk the proponents were much encouraged by their recent success in launching a small café within their community centre and wanted to add a shop facility for both residents and tourists alike and indeed for themselves in that the add-on would improve the enterprise's viability. In Sulgrave there was a feeling that for the new community shop, standing still was not an option. But with *in situ* expansion not possible on a constrained site the best option for Sulgrave was seen as improving the shop's viability by embedding it within a new local distribution food network. This would help it to trade more profitably and to deliver a quality of product, largely of local provenance, that would transform it into a 'destination' and not just a 'convenience' store.

The alleged benefits of a multi-service centre in a rural context may be considered under six headings, the first three relating mainly to benefits of 'adding on' that accrue to the business, the next three to benefits to the customer or local community (though of course it is in the interests each party – business and community - for the other also to derive benefits from the new arrangement). On none of these benefits do we have really hard or quantified evidence as far as the three case study ventures are concerned, since the necessary detailed surveys and examination of trading performance were beyond the scope of the research; but some indications based on site visits and interviews with the main stakeholders may be attempted. In each case there is a tacit comparison with a hypothetical stand-alone service outlet.

1 Economies of Scale – namely cost-savings that arise from an expanded operation. Uig reported some efficiency savings as far as staffing of the shop is concerned after the opening of the enlarged and diversified premises. This was largely due to the new storage facility and better shop layout which together enabled the introduction of much improved stock handling methods. The impact on the premises' overheads is difficult to gauge at this stage but if and when cost allocation by service becomes possible it may show up further economies. Murrisk's limited foray into retail sales within the existing café was achieved without additional staffing but we do not have figures for its contribution to the overall performance. The concept of scale economies is not applicable in very different case of Sulgrave.

2 More Footfall - i.e. extra custom for either the original or the new business arising from customers coming to partake of one service and then staying to use the other one(s) as well. It is still too soon to measure this (although in due course it should be one of the most measurable outputs). At Uig the refreshment area has provided an opportunity for a longer stay and greater spend, and the availability of public toilets may bring some people into the building who may not otherwise even have stopped. The launch of the laundrette service and the opening of the Community Access Point will introduce much more diversity to the basic shop operation and should give a clearer picture of the effect on footfall. At Murrisk the introduction of souvenirs, local produce and crafts have had some potential to increase footfall but it is hard to distinguish this element within the increased turnover following the move from seasonal to year-round opening. This aspect does not apply to Sulgrave where the proposed new activity was not site specific.

3 Creation of Synergy – i.e. each activity on site in some way helping the other one to prosper. In the case of Uig we certainly detected a boost to the original 'core' service arising from having the facilities of the whole building improved. And it seems to have inspired further improvements in the original retail service there, notably the move towards selling petrol out of hours, as well as the take-up of health foods and more hardware/DIY products. We have also seen the recognition of the facilities and available skills here by external agencies who now view the multi-service outlet as a route for delivering their own services to the local community; witness the approach which has been made to the community enterprise to operate credit union services. In short the Uig experience certainly suggests that success can breed further innovation and success. This sort of synergy was of course explicitly the aim at Sulgrave where the shop was intended to benefit from being a sort of 'test-bed' for the planned local food distribution network, while the latter would benefit from having a 'captive food outlet' to sell some of its produce. And with overlapping management, in each case those actively involved would be likely to find it a learning experience.

4 The 'Better than Nothing' argument, namely that in a rural context certain 'fully blown' and freestanding service outlets may simply not be viable, but an 'add-on' facility may be 'better than nothing' when a long trip to a distant outlet is the only alternative. Obviously this is really a matter of consumer perception. Thus, if a full blown service is withdrawn and, shortly afterwards, offered as part of a multi-service operation then it may attract grudging 'better than nothing' comments. But in a situation such as that at Uig where the expanded outlet is offering something that has not be there for a long time if at all (for example the local authority contact point and the laundrette) or an obvious improvement on the previous level of service (e.g.

toilets open year round rather than seasonally) then they will be viewed in a more positive light – i.e. as something gained rather than something lost.

5 The 'One Stop Shop' offering the greater convenience of accessing two or more services at the same venue. Uig provides the best example of this, not just because it is 35 miles from Stornoway which is the next place offering a similar or better range of services but because it comprises a shop, post office, petrol and domestic fuel station, now supplemented by a refreshment area, toilets, and soon a laundrette and Community Access Point. To some extent Murrisk, with its modest retail 'add-on' also demonstrates this for passing tourists and local customers alike. In addition, perhaps the availability of spacious parking facilities at both Uig and Murrisk may encourage customers to take advantage of all that is on offer at the site rather than defer take-up of some services until they visit a higher order, but more congested, centre.

6 The 'Social Hub' – or facility for enhanced social interaction. Again both Uig and Murrisk exhibit the reality of this, reporting the increased use of their outlet as, in effect, a 'drop-in point'. Certainly in Uig the building and development phase of the project was itself a great talking point and the gradual introduction of the new services has maintained interest throughout the process. Uig's refreshment area with its art display and charity book exchange has created an attractive area for informal social gathering and its position, recessed from, but opening onto, the shop enhances the opportunity for interchange between shoppers and those enjoying a relaxing drink. And once the laundrette is operational a third group of customers may join the party as it were. Even within the sales areas there is now more chance to stop and talk in comfort whereas in the old shop space was at a premium. Once the Community Access Room is complete and available for hire this will add further to the building's role as a meeting place.

Set against these benefits, three disadvantages are occasionally cited in the literature – i.e. disadvantages arising from two or more potentially separate and distinct services co-locating.

The first may be termed the 'diseconomies of co-location' and in the case of Murrisk it was pointed out to us that the extra business arising from the new retail activity has pushed the business into 'a new bracket for insurance and auditing purposes' – i.e. that certain related business costs have not accrued in a steady linear fashion. But in the case of Uig, already an established and fully staffed community enterprise before undertaking its diversification project, this has not seemed to be a problem.

Related to this is any alleged 'inhibition of good working' – i.e. of one activity being constrained by the close proximity of the other – which might undermine, for example, the quality of a service involving private or confidential conversations. We found no example of this, though some inhibition of good working may be inferred from the serious but short-lived disruption of the retail business at Uig while the various building works were undertaken, and by the clear diversion of energy that occurred at Sulgrave while the same very small band of volunteers tried to launch a complex new business while simultaneously overseeing the operation of the core business – the community shop. The well thought-out building layout at Uig with one entrance to the shop/post office/laundrette/refreshment area and separate external

access to the Community Access Room and public toilets has helped to obviate any potential conflict between activities.

Third, co-location can perhaps be criticised in a rural context for in effect creating a service delivery 'desert' across the hinterland from which the co-located businesses draw their clientele. Indeed in a competitive climate that must to some extent happen, if the delivery of the service in some guise in that hinterland is in any sense an alternative option. Again, however, that was not raised as an issue in any conversation that we had with local stakeholders – except in a perverse way when the planned add-on shop at the Murrisk community centre was effectively scuppered by a retail facility being unexpectedly opened at a petrol station just a couple of miles away.

4 SOME CONCLUSIONS FROM COMMUNITY ENTERPRISE AND COMMUNITY DEVELOPMENT PERSPECTIVES

It should be remembered that the community-owned shop was once an unfamiliar concept but over twenty years or so the model has been replicated many times and today there are over 200 in England alone, many of them in rural areas where commercially run shops often struggle to survive and prosper. The rate of establishing new community shops has increased in recent years as the pioneering examples have attracted media attention, as their sustainability has become proven and as financial resources particularly to help with start-up costs, have become available.

But a survey of community-owned shops in England undertaken by the Plunkett Foundation in 2005 found that only 10 per cent of those responding expressed a real desire to diversify beyond their current outlet and business. Given that the vast majority of initiatives of this type had at their outset the sole objective of re-opening or replacing the last general store in the village, it is not surprising that most have remained 'locked into' that original plan and were shown in the survey to be satisfied with their current operation. Those which did express aspirations to diversify into other areas of service delivery cited the difficulty of obtaining commitment from their communities as the main barrier (33%), followed by financial performance (16%) and a lack of space (12%).

Indeed most community owned shops feel that they are working to their practical limit, with their three key resources of premises, people and money fully committed.

In terms of premises, most have difficulty in identifying and acquiring suitable property; space is often at a premium and there is rarely chance for physical expansion even to ease pressure on the core retail activity. Only a minority of shops have buildings or sites which could be extended to accommodate new activity and the more fundamental option of an entire re-location to premises which can accommodate both new and established activities often appears daunting. Clearly the existing premises of a community shop can be an opportunity (Uig) or a constraint (Sulgrave).

With regard to people, the majority of community shops are dependent, in whole or in part, on volunteers, not only as members of the management committee but in an active, hands-on role that is vital to the day-to-day trading operation. Having assembled a team of volunteers with appropriate skills and enough available time to run the shop, many of those responsible feel they have exhausted the pool of local people willing and capable of delivering major community projects. A few communities do have a 'super individual' with endless energy and enthusiasm, always on the look-out for new ideas, open to innovative ways of working and apparently undaunted by the amount of work involved in tackling a whole series of schemes. Such people are 'gold dust' in a community context but experience shows that to be successful they have to carry others with them and can, in any event, eventually suffer burn-out or be distracted by other things.

As for money, while most community shops do make a surplus, it is only very modest and is most unlikely to produce enough funding to launch another enterprise without being substantially supplemented by more community fundraising and/or external grant aid. This too can be very daunting.

Thus, developing further services to any significant extent would represent a major step up for the majority of community shops. For many an exclusive commitment to the original community enterprise may be sufficient to meet local needs, and, if this is combined with a resource base already at (or perceived to be at) full stretch then the chances of achieving multiple service provision is further reduced.

However it should be remembered that all ideas are new and daunting at first and that is why those who act as trailblazers are so important in showing what can be done and what challenges need to be addressed. Such is the value of the three innovations reviewed in this report. The Uig shop has successfully evolved into a thriving community multi-purpose facility. The Murrisk facility, starting not as a shop but as a small community centre, has not managed to add on a genuine shop facility, but has broadened its offer of goods and services nonetheless. And the Sulgrave shop remains just that, but brave attempt of its champions to show how such a shop might be the focus of, and a spur to, a local food supply network has much to offer those who perceive that greater localism in food production and distribution may need to become the norm. All three provide lessons in the search for service delivery mechanisms more attuned to the realities of rural Britain and Ireland in the early 21st century.

Finally we may usefully reflect on the three case studies in the context of the Carnegie Foundation's '*Charter for Rural Communities*', which was published in 2007 following detailed work by a roving 'commission of enquiry' comprising a team of rural community development specialists from England, Scotland, Wales, and the whole island of Ireland. The Carnegie Charter distils ten propositions collectively comprising what it terms 'a profile of can-do communities'. The experience of the three 'Store is the Core' ventures reviewed above, chequered though it may have been, sits comfortably with all of those propositions but six in particular might be revisited – with the italicised text repeating words from the Charter.

1 Optimising Assets. *The vibrant rural community of the future will display an assets-based approach rather than concentrating simply upon needs, will use*

financial and other instruments to take ownership of community assets and will manage assets responsibly and actively over time for public benefit.

That statement sets the tone of the whole 'charter', urging local communities to 'use what you have to secure what you have not'. It advocates 'asset-based community development' in contrast to the more familiar 'deficit regeneration model' which entails local communities bemoaning all the things they lack in order to win resources.

All three ventures reviewed above have championed this principle, each using an existing shop or service outlet as a basis for doing much more.

2 Achieving Fairness for Everyone. *The vibrant rural community of the future will be open, diverse and inclusive, demonstrating a concern for equity and care for each other. It will work to redress and alleviate poverty and disadvantage.*

The Carnegie investigation found evidence of growing wealth and income divisions in rural Britain and Ireland, often linked to various failures in the public and private sector delivery systems charged with delivering services to disadvantaged people. It called for greater participation of local rural communities in the various delivery systems.

'Fairness', or a concern for social justice, has underlain each of the three ventures reviewed – particularly a concern that geographical isolation should not impose unnecessary constraints on those local people without easy access to distant service outlets.

3 Empowering Local Governance. *The vibrant rural community of the future will have the capacity to play an active role in shaping its own future through a revitalised system of elected and participative governance at the local level.*

The Carnegie report expressed concern for the democratic deficit apparent at the very local level in rural England. Many recent developments, it claimed, have 'weakened the capacity of local communities themselves to make substantive decisions appropriate to their locality' and 'measures to rectify the serious weakening of community governance' are proposed.

In this regard the three ventures each exhibit some measure of 'participative governance' – the Uig Community Cooperative, the Murrisk Development Association, the Sulgrave Village Shop Association and its offshoot Rural Community Ventures, each demonstrating this.

4 Enjoying Locally Relevant Services. *The vibrant rural community of the future will enjoy equity of access to essential services and have the ability to shape additional public, private and third sector services that are locally relevant.*

Carnegie champions the cause of public service delivery agencies respecting minimum standards in the provision of essential services but accepts that this requires imagination and innovation in a rural context – in particular with regard to partnership arrangements with the local community. Rural communities, it is argued,

can and should be much more involved in service provision, whether by planning, commissioning, purchasing, managing, publicising, monitoring or evaluating service delivery.

The Uig experience, and to a lesser extent that of Murrisk, has clearly shown that rural communities can indeed be successfully involved in that way. With regard to the seven specific activities listed at the end of the previous paragraph, they provide concrete evidence of successful involvement in planning, commissioning, managing and publicising such services.

5 Enriching Social Capital and Wellbeing. *The vibrant rural community of the future will display high levels of volunteering and social action, high social trust and neighbourliness, and a welcoming ethos that attracts people to remain or to move into the area.*

Social capital – roughly, the trust and networks that bind people together – is identified in the Carnegie study as ‘one of the most important assets that a local community has; it is the association of people working together that builds strong and caring communities.’ But ‘social capital has to be cultivated and invested in, a process that involves skill in building networks and community organisations and in developing a dialogue between local people and external agencies.’

Each of the three ventures reviewed may be seen to have both drawn upon existing local social capital – mutual trust and networks- and to have developed more of it as a by-product of struggling to achieve the add-on activity. Thus the actual endeavour itself has generated social capital as well as any spinning off from specific initiatives such as the Food Fair at Sulgrave and the improved refreshment area at Uig.

6 Supporting a Dynamic Local Economy. *The vibrant rural community of the future will see farming integrated into a wider and more diverse rural economy, a breaking out of the low skills low wages loop – in part through the growth of local social enterprises and the entrepreneurial development of local assets.*

This, the final element of Carnegie’s Charter for rural communities stresses the role of social entrepreneurs in exploiting local assets more effectively for community benefit. But its authors lay equal emphasis on local community institutions being proactive in enhancing the value of the various local capitals as resources for economic development. Thus local communities can and do support the local economy both directly via community enterprise and through various support activities.

Such aspirations underlay the support given by both Carnegie and Plunkett to the ‘Store is the Core’ programme of investment in community owned and managed multi-service facilities. Viewed in retrospect, nearly three years after the three attempts to ‘achieve add-on’ were launched, we may note that the successful Uig venture has placed that enterprise at the heart of its local economy, and that the Murrisk and Sulgrave ventures each constitute bold attempts – as yet only partially successful – to stimulate the local economy in those areas by extracting more value for the local economy from the flow of tourists to that place (Murrisk) and by spawning a thriving local food supply network to the benefit not just of local retailers and local communities but to local growers and suppliers.(Sulgrave)

That was never seen as their prime objective, but a community owned and managed multi-service enterprise could well have that important local multiplier effect; it is too early to be certain, based on the evidence as yet available

To conclude, the Uig, Murrisk and Sulgrave experiences have each thrown up a number of lessons that need to be appreciated by others who would venture down similar routes. But it has also shown that the basic model of community enterprise wedded to community development and to the more equitable and efficient delivery of services in rural areas, is essentially a sound one - even if the primacy of local context has always to be respected. The most important of these are clear local need and support, and substantial and sustained voluntary commitment

5 SOME RECOMMENDATIONS

It is recommended that

- Carnegie be reassured that the promotion of community-owned and managed multi-service facilities, based on an initial community shop or other service outlet, is basically a sound proposition worthy of support, so long as most or all of a number of local circumstances are in place – as discussed above
- this report and its Appendix be placed on the Carnegie and Plunkett websites
- the Uig experience be treated (with local agreement) as a model of good practice, written up and promulgated as a freestanding good practice note
- based on the evidence of this report, a practical 'analytical tool' (along checklist lines) be developed and disseminated, to help those community enterprises considering the option of multi-service delivery do a thorough feasibility study.
- appropriate agencies promoting rural community enterprise and community development be encouraged to support well grounded proposals to add new services to appropriate existing community outlets, by making available both seed-corn funding and ongoing support and advice as well as an ongoing facility for monitoring and evaluation
- with local agreement, each of the ventures at Uig, Murrisk and Sulgrave be revisited in 2011 / 2012 to establish and appraise the situation five years on from inception.
- the scope for further research be considered, which would look comparatively at a much larger sample of rural multi-service enterprises, to establish the contributions to success made by (i) community support (ii) geographical isolation (iii) external support (iv) the premises involved.(v) other factors.

Appendix 3 Store is the Core

Murrisk Community Café

Project final phase - Jan – October 2009.

At the start of the year it was envisaged that the committee overseeing the running of the Community Café would put together a business plan relating to the operational future of the café, especially with regard to the wish to employ paid staff to assist with the future operation of the café.

The committee relies very heavily on one or two individuals to carry through any action and it became apparent that there was insufficient capacity within the group to undertake the task.

It was suggested that business mentoring would be beneficial, enabling the group to be made aware of and prioritise actions that would be helpful for the continuance and development of the Community Café. The committee members eventually decided to avail of this option in the summer of 2009, together with training in food handling for the local volunteers who staff the café.

Training for members of the committee and volunteer workers was arranged through Caterassist (Food hygiene) and Bane Mullarkey (business mentoring).

Both elements of the training have been well received by the organising committee. Angela Bane from Bane Mullarkey has formed a very good relationship with the group and has produced a report that will be very useful to the members over the next year.

The committee members have invited Angela to return towards the end of 2010 to undertake a review and evaluation of recommendations in the Report. After a very slow and somewhat muddled start, the eventual outcome has been that the committee of the Community Café has a much clearer picture of its way forward and have made a link with a business mentor that will be useful to them in the future.

Jo Ortelli
Community Development Officer
South West Mayo Development Company

19 October 2009.