SOCIAL ECONOMY ROUNDTABLES

SOCIAL ECONOMY IN PLACE: How can we create the conditions for community businesses to start, survive and grow in the West Midlands?

Discussion briefing note

Purpose of the Roundtable

BSSEC Roundtables bring together people involved in developing, supporting, financing and operating social economy organisations in the West Midlands. One of our aims is to explore a simple but important proposition: community businesses do not grow in isolation. They grow within places.

Our discussions have focused particularly on organisations operating in designated communities, priority neighbourhoods and other 'hot spots' where there is both significant need and significant community potential. We have explored the challenges faced by people seeking to start and operate a community business, aimed to understand what interventions make the greatest difference, and whether place-based approaches can achieve more than programmes designed around individual organisations.

All our Roundtables are intended to be practical and challenging. It is not simply an opportunity to identify barriers or call for more grant funding. We ask what a different local support system could look like—one that connects community leadership with assets, markets, procurement, investment, skills and networks.

The proposition: why place matters

A national programme can provide valuable resources, expertise and consistency. But community businesses are rooted in particular places where their opportunities and constraints are shaped by local assets, local relationships, local demand, local institutions and local markets.

Our question is therefore not whether local approaches are always better than national ones. It is what a place-based approach can see, connect, and change that a national programme cannot.

- Local intelligence: identifying unused assets, unmet needs, emerging markets and community opportunities.
- Trust and relationships: connecting community leaders with councils, anchor institutions, businesses, housing providers, funders and one another.
- An ecosystem perspective: supporting groups of organisations to collaborate, rather than treating every organisation as a separate project.
- A stronger connection to markets: starting with local demand and procurement opportunities, then developing community businesses capable of meeting them.

- Longer-term local infrastructure: creating the conditions in which community businesses can continue to emerge after an individual funding programme ends.

The challenge facing community businesses

The barriers are often described as a shortage of funding. Funding matters, but the challenge is broader. A community business may have a strong idea and community support but still struggle to turn that idea into a viable trading organisation.

Barrier	What it can mean locally
Leadership	A strong community idea but limited entrepreneurial, governance or management capacity.
Finance	Little working capital, patient investment or development finance at the point when it is most needed.
Assets	Buildings are unavailable, unaffordable, insecure or difficult for communities to acquire.
Markets	Organisations struggle to identify customers or translate community value into viable trading opportunities.
Procurement	Small organisations cannot easily compete for contracts or meet complex procurement requirements.
Skills	Gaps in finance, pricing, sales, marketing, governance, digital and business planning.
Networks	Small organisations operate in isolation and miss partnerships, referrals and collective opportunities.
Infrastructure	There is no trusted local organisation or mechanism helping ideas move from concept to viable enterprise.

A particularly important question is whether there is a 'missing middle' between idea/start-up support and support for established organisations. The journey from community idea → feasibility → market testing → trading → survival → growth may require a distinctive combination of trusted local support, small amounts of patient finance, market intelligence, asset support and introductions to customers.

From supporting organisations to developing local economies

We need a shift in emphasis: from asking how we support individual social enterprises to asking how we build places where social enterprises can thrive.

This suggests we should look at seven connected elements:

- Community leadership – developing people who can identify opportunities and mobilise local action.
- Assets – helping communities access, develop and own buildings and other local assets.
- Markets – identifying unmet local demand and opportunities for community businesses to trade.
- Procurement – creating routes for smaller organisations and consortia to supply public and anchor institutions.
- Finance – combining grants, development finance, patient investment and appropriate growth capital.
- Networks – creating relationships between community businesses and wider economic actors.
- Local infrastructure – trusted organisations that connect all of the above and maintain momentum over time.

What interventions might work?

Rather than designing another generic business support programme, we need discussions to consider a more integrated place-based model.

Local Social Economy Development Hubs or Clusters: with a trusted local intermediary providing or coordinating business support, finance, market intelligence, procurement, asset development, networking and peer learning.

Community Business Launchpads: where priority neighbourhoods provide a local catalyst, small development fund, business expertise, asset intelligence, procurement intelligence and access to finance.

Market makers: understand local unmet demand and emerging procurement opportunities, then work backwards to determine whether community businesses can meet them.

Community business consortia: help small organisations collaborate so that they can share capacity, bid for larger opportunities, buy collectively or provide a joined-up offer.

A community business investment pathway: create a staged route from small-scale idea development and feasibility funding through patient investment, trading support and growth finance.

Place-based 'deals': bringing together local authorities, anchor institutions, businesses, investors and community organisations around shared commitments to assets, markets, finance, leadership and local enterprise.

Learning from the West Midlands and beyond

The West Midlands is particularly well placed to explore this agenda. Previous place-based work, including the development of social economy clusters, provides an opportunity to ask not simply whether place-based working is valuable, but what was learned and what should be done differently.

There is also considerable experience nationally, and we need to consider what has worked in community asset ownership, local enterprise development, social investment, procurement, anchor institution partnerships and neighbourhood-based support.

Power to Change
Plunkett UK
The Access Group Foundation
The-Value-of-Anchor-Institutions.pdf
Community Wealth Building

Questions we should be discussing

- What is different in starting and running a community business in a disadvantaged or priority neighbourhood?
- What can a local place-based approach achieve that a national programme cannot?
- Where are the biggest gaps in the journey from community idea to viable trading organisation?
- Are we investing too much in organisations and not enough in the ecosystems around them?
- What local assets, markets or procurement opportunities are currently being missed?

- How can public bodies and anchor institutions become active market-makers for community businesses?
- What would make a local social economy development hub genuinely different from conventional business support?
- How do we identify the 'hot spots' where concentrated investment could create the greatest social and economic value?
- How can we measure success at place level rather than simply counting organisations supported?

Developments in 'Place' in the West Midlands

Our discussions over recent months have led to key developments in delivery of social economy support in the West Midlands.

These include:

- A West Midlands place-based model for social economy development or 9 'Clusters' operating in all the Local Authorities or Boroughs in the region. This work inevitably varies from Place to Place but anyone seeking support for start-up and growth in that locality can be certain it will be available. Each Cluster has developed based on their local needs, organisational culture and assets.
- A framework is being developed for identifying and supporting priority 'social economy places'.
- There are plans for a pipeline model taking community ideas from early development through to trading and investment. These proposals include the 'Impact Coalition', a region-wide partnership of agencies supporting sector growth.
- More work needs to be done to develop a practical approach to connecting community businesses with local markets and procurement.
- There needs to be recognition that community assets and community ownership are important to local economic development. How can we get recognition for this way of working and support better understanding of the opportunities these assets can provide?
- Recommendations to local authorities, anchor institutions, funders and investors concerning how we can all work differently. Is this possible?
- Potential new pilot areas where a more intensive place-based approach could be tested.

The wider BSSEC agenda

This Roundtable sits alongside BSSEC's wider interest in helping social economy organisations move beyond grant dependency and develop more resilient models based on trading, markets, investment and collaboration.

A place-based approach does not mean abandoning grants. It means asking whether grants can be used more strategically—to build leadership, test markets, unlock assets, develop capability and leverage investment—rather than repeatedly sustaining organisations without changing the underlying conditions in which they operate.

The bigger proposition is therefore: the next phase of social economy development should move from supporting individual organisations to developing local social economies.