

Our Place, Our Prosperity

Community Wealth Building in the Highlands and Islands

Report – September 2025



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

INTRODUCTION AND METHODOLOGY

About this report

This report presents the findings of a mixed-method research project exploring community wealth building in the Highlands and Islands.



Research methods

Stage 1- Scoping and review

Stage 2- Stakeholder interviews
(n=11)

Stage 3- Community survey
(n=284) (undertaken between 21
August and 31 October 2024)

Stage 4- Community interviews
(n=10, sub-sample of survey
respondents)

For details of methods and analysis see Appendix 1.

This report contains findings from Community groups/ organisations taking part in this research, grouped by:

Workforce

Contribution
to People
and Places

Challenges
and
Confidence

Finances

Experiences
of Service
Delivery and
Procurement

Net Zero

Assets

Future
Opportunities

Profile of Community Group and Organisation Respondents

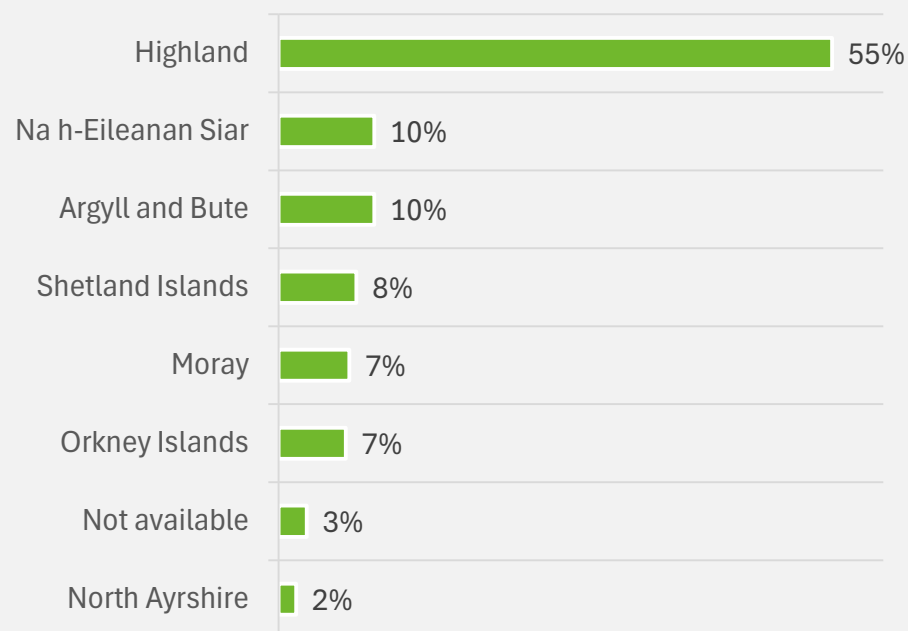


Location of Respondents

284 community groups/ organisations across the Highlands and Islands responded to the community survey. Over a third (38%) were located on islands and under two-thirds (60%) on the mainland. Around two-thirds (67%) were located in remote rural (11%) or 'very remote' (56%) rural areas.

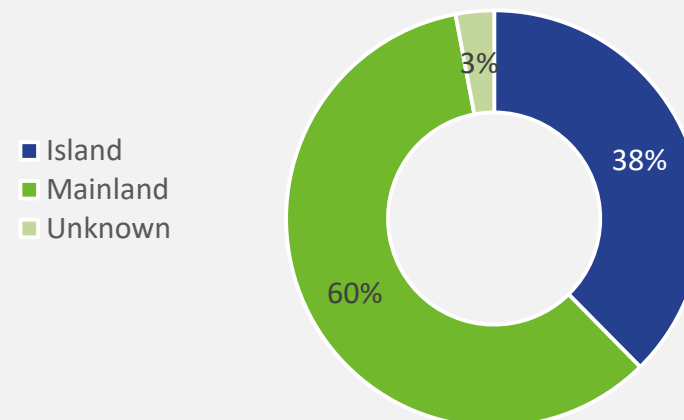
The full postcode of the community group/ organisation enabled further categorisation by:

- HIREP region
- Island or mainland location
- Scottish Government Urban Rural Classification 2020

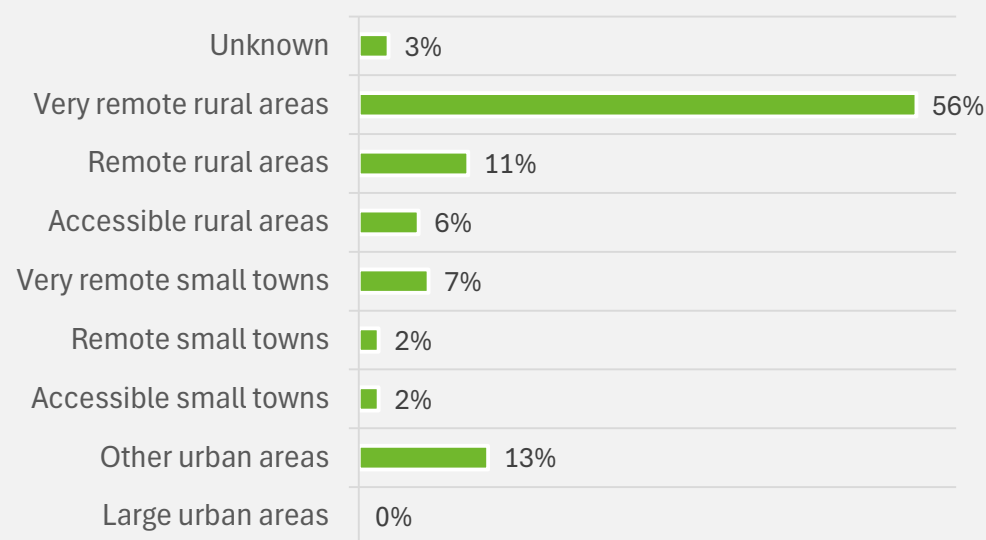


Base: All community groups who responded to this question (277)

Note: For the purposes of this study, the Highlands and Islands region is defined by the Highlands and Islands Regional Economic Partnership (HIREP) geography – the local authority areas of Highland, Moray, Argyll and Bute, Orkney, Shetland and Na-h-Eileanan Siar, along with Arran and Cumbrae from North Ayrshire.



Base: All community groups who responded to this question (277)



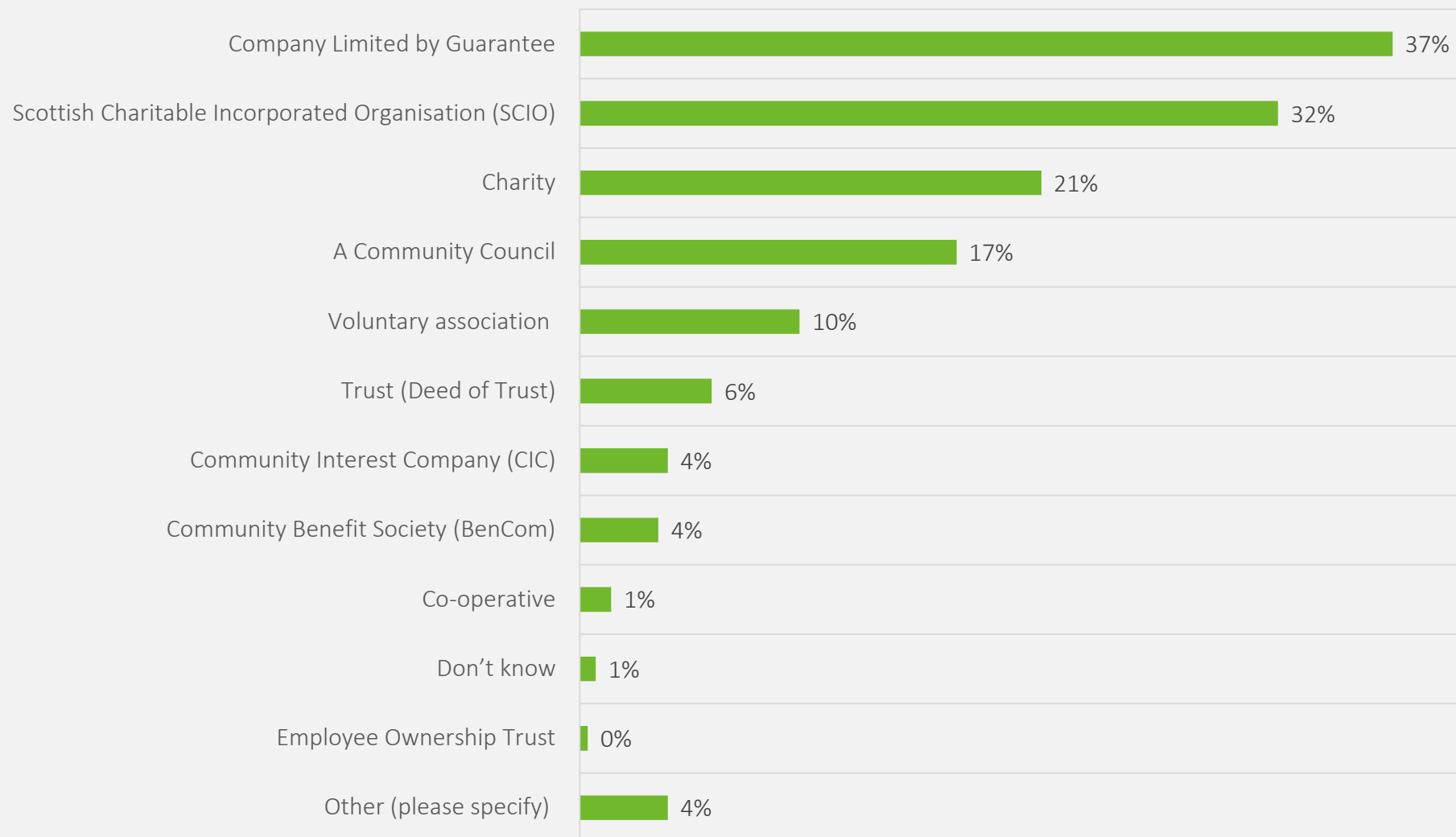
Base: All community groups who responded to this question (277)

Note: Responses on urban/rural location have been condensed throughout this report. Throughout, where we refer to rural, this captures those in very remote rural areas and remote rural areas. Urban refers to the remaining respondents including those in accessible rural areas.

Type of community group/organisation

Respondents were most commonly a Company Limited by Guarantee (37%), a SCIO (32%) or charity (21%).

Q. What is your **type** of community group/organisation? Please select all that apply



Base: All community groups who responded to this question (277)

NB: Charity was not included as an answer category and was derived from the 'other' responses.

Assets of community group/organisation

Seven in ten respondents (71%) indicated that they owned, managed, leased or were in the process of acquiring assets. Higher proportions owned rather than managed or leased assets with buildings and land being the most commonly held assets (both owned and managed/leased). In terms of an asset lock, over half (54%) of all respondents had this in place, higher still (60%) for those with assets.

73 No assets (own/manage/ lease/ acquiring (29%)			
181 Own, manage or lease at least one asset (71%)	45 Own single asset (18%)	96 Own multiple assets (38%)	40 Manage or lease but don't own (16%)

Note: 30 organisations did not provide information on whether they owned/managed/leased assets so breakdowns are provided for 254.

	Buildings	Land	Transport	Energy	Marine
Own/ manage/ leased/ acquiring (n=254)	149	96	46	38	22
Proportion	59%	38%	18%	15%	9%
Own (n=254)	120	75	38	33	17
Proportion	47%	30%	15%	13%	7%

Asset Lock

54% with
19% without
27% don't know



For those with assets, 60% have an asset lock and 13% do not. A further 24% didn't know.

Respondents with energy infrastructure (68%) were more likely than average to have an asset lock.

Asset locks are fundamental features of Community Interest Companies, and two thirds of the 12 that participated in the survey had an asset lock (N = 8) while the remainder didn't know (N = 4).

For those that don't own, manage, or lease assets, 42% have an asset lock, 33% do not and 25% didn't know.

Those without an asset lock:

50 respondents

- 24 of the 50 groups own/manage/lease an asset.
- 15 were Community Councils, which are not eligible for asset locks.
- 12 SCIOs, 11 Companies Limited by Guarantee and 9 voluntary associations.

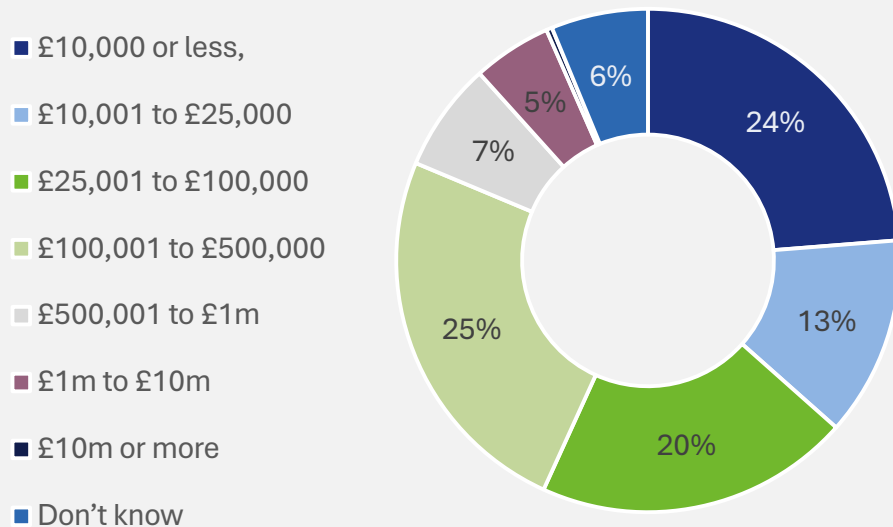
More likely to *not* have an asset lock:

- 33% of those with no assets vs 7% of those with three or more asset types.
- 34% of those with a turnover of £10k or less (vs 8% with turnover £25k to £100k and 10% with turnover £100k to £500k).

Turnover of Respondents

Almost two-fifths (36%) of community groups/organisations had a total turnover of £25,000 or less in the last financial year, while a roughly equal proportion (37%) had a turnover of more than £100,000. Just over one in ten (13%) had a turnover of more than £500,001.

Q. Approximately, what was your community group/organisation's total turnover in the last financial year?



Base: All community groups who responded to this question (254)

0.4% had a turnover of £10 million or more in the last financial year.

Characteristics of the 32 high turnover organisations (£500,0001 or more):

- 81% own at least one asset, while 41% own three or more asset types
- 25% are SCIOs, 75% are Companies Limited by Guarantee
- All have paid employees and 84% have active volunteers
- 38% are urban, while 59% are rural (versus 30% urban and 67% rural overall)
- 47% are in island locations, while 50% are on the mainland of Scotland (versus 38% island and 60% mainland overall)
- 47% own land, 75% own buildings, 28% own energy infrastructure, 38% own transport infrastructure and 19% own marine assets.

Relationship between type and turnover:

Unsurprisingly, community councils were more likely to report turnover in the lower ranges than other groups:

- 83% had a total turnover of £25,000 or less compared to 28% of SCIOs, 20% of charities and 15% of companies limited by guarantee.

Relationship between confidence and turnover:

- Among low turnover organisations (£25,000 or less), 62% are fairly or very confident, while 24% are unconfident
- Among high turnover organisations (£500,001 or higher), 78% are fairly or very confident, while just 9% are unconfident)
- Confidence does not appear to increase linearly – the confidence among organisations with a turnover of £25,000 to £100,000 is greater (88%) than that of high turnover organisations, although this difference is not statistically significant.

Turnover of Respondents

There were several significant differences found in further analysis of turnover. Respondents who owned, managed or leased no assets or just one asset were more likely to have a turnover of £10,000 or less, compared to those controlling multiple assets. Conversely, those owning, managing or leasing 3 or more asset types were considerably more likely to be in higher turnover brackets, relative to those with fewer assets.

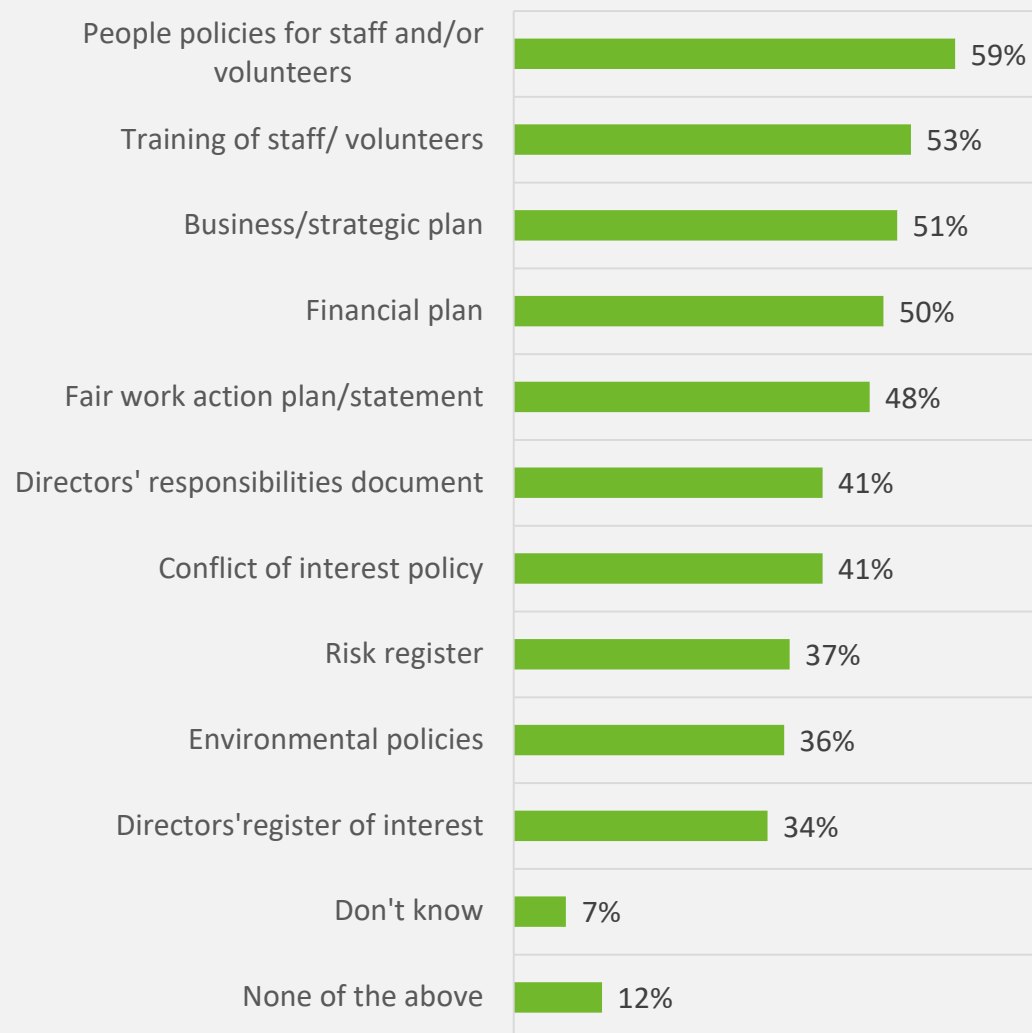
		Assets owned/managed/leased			
	Total	No assets (A)	1 type of asset (B)	2 types of assets (C)	3 or more types of assets (D)
	Base: 270	73	67	55	57
	(%)	(%)	(%)	(%)	(%)
£10,000 or less	24	44 (C, D)	28 (C, D)	9	5
£10,001 to £25,000	13	11	15 (D)	24	4
£25,001 to £100,000	20	10	21	35 (A)	19
£100,001 to £500,000	25	15	24	16	44 (A, B)
£500,001 or more	13	7	9	13	25 (A, B)
Don't know	6	14 (A, D)	3	4	4

In the table above, significant differences are indicated in boxes shaded green. The letters listed in the brackets following the percentage indicate the columns where a significant difference is present.

Policies of Respondents

Most of the responding community groups /organisations had at least one of listed policies in place, ranging from 34% for the Director's register of interest up to 59% for People policies for staff and/or volunteers. Around a tenth (12%) did not have any of the listed policies in place. Variations were evident, with some additional analysis by mainland/island location and turnover outlined on the next slide.

Q. Which of the following do you have in place? Please select all that apply.



Base: All community groups who responded to this question (270)

Any listed policies or plans in place:

- Those with policies or plans in place were more likely to have service level agreements than those without (21% vs 3% without)
- Organisations with plans and policies are also more likely to have a trading subsidiary (23% vs 3% with no policies)

More likely to *not* have any listed policies or plans:

- 33% of those with a turnover of £10,000 or less (vs 4% turnover between £25,001 and £100,000 and 0% of those with a turnover greater than £100,001)
- 23% of those with no assets (vs 4% who had at least one asset)

Respondents more likely to have a business/strategic plan:

- Those with higher turnovers (see next slide for more detail)
- 60% of those who were very confident in their group's viability over the next 3 years and beyond (vs 38% of those fairly unconfident)

Respondents more likely to have a financial plan:

- Those with a business/strategic plan (79% of organisations with a business plan also had a financial plan; 18% with no business plan had a financial plan)

Respondents were more likely to have listed policies relating to employment, if they had paid employees:

- 78% with paid employees had a people policy (compared to 32% without employees)
- 73% with employees had training in place (vs 24% without)
- 69% with employees had a fair work plan (vs 18% without)

Policies of Respondents

There were several significant differences found in further analysis of policies. Respondents with a high turnover of £500,001 or more were more likely to have any type of document/policy in place than those with any other turnover level. However, those with turnover between £25,001 to £100,000 and between £100,001 and £500,000 were also more likely than those with turnover of less than £25,000 to have some of the policies and documentation in place as shown in the table below.

		Island vs Mainland		Turnover				
	Total	Island (A)	Mainland (B)	£10,000 or less (C)	£10,001 to £25,000 (D)	£25,001 to £100,000 (E)	£100,001 to £500,000 (F)	£500,001 or more (G)
	Base: 270	102	163	60	33	51	63	32
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Business/strategic plan	51	61 (B)	46	12	33	61 (C, D)	70 (C, D)	91 (C, D, E, F)
Environmental policies	36	36	36	16	33	24	52 (C, E)	78 (C, D, E)
People policies for staff and/or volunteers	59	63	58	22	52	67 (C)	87 (C, D, E)	94 (C, D, E)
Financial plan	50	52	48	16	36	53 (C)	71 (C, D)	84 (C, D, E)
Risk register	37	42	34	12	21	29 (C)	60 (C, D)	78 (C, D, E)
Training of staff/ volunteers	53	56	52	24	36	43 (C)	84 (C, D)	91 (C, D, E)
Conflict of interest policy	41	37	45	31	18	41 (C)	52 (C, D)	66 (C, D, E)
Directors' register of interest	34	33	34	7	15	43 (C)	52 (C, D)	69 (C, D, E)
Directors' responsibilities document	41	42	42	12	33	49 (C)	67 (C, D)	69 (C, D)
Fair work action plan/statement	48	48	48	12	36	53 (C)	75 (C, D)	84 (C, D)
Don't know	7	9	5	9	9	4	2	3
None of the above	12	8	14	33 (E, F, G)	15	4	0	0

In the table above, significant differences are indicated in boxes shaded green. The letters listed in the brackets following the percentage indicate the columns where a significant difference is present.

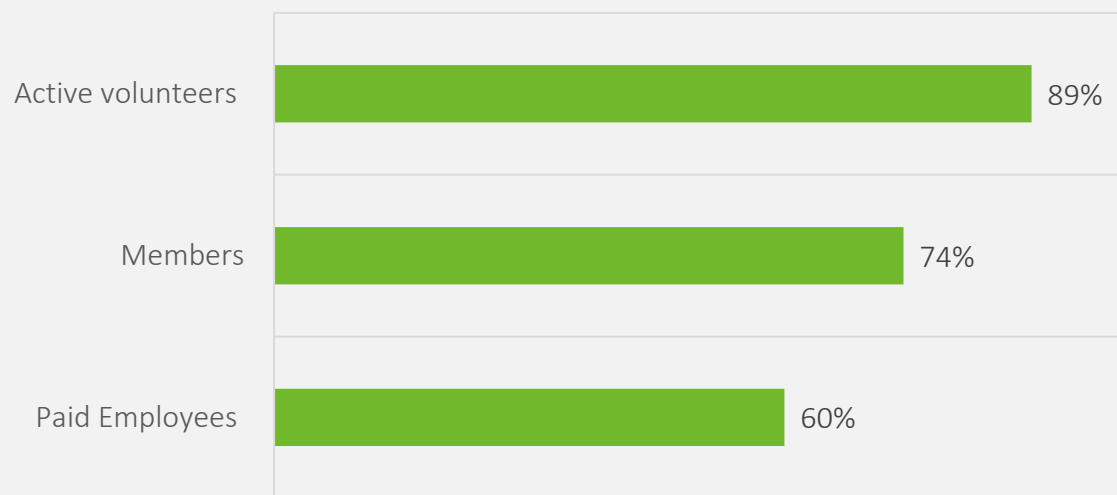
Workforce of Community Groups and Organisations



Workforce

Most community organisations/groups responding to the survey had active volunteers (89%), members (74%) and paid employees (60%). Asset ownership appeared to be associated with the likelihood of having paid employees; organisations with three or more asset types more frequently reported having paid staff than those without any assets. A similar trend was seen when considering the intersection between asset ownership and membership.

Q. Including yourself, does your community group/organisation have the following? Please select all that apply.



Base: All community groups who responded to this question (266)



Variations were found between types of group/organisation - SCIOs and Companies Limited by Guarantee were most likely to have active volunteers (both 95%). Community Councils were least likely to have paid employees (16%).

Analysis was conducted to see if any differences were observed when comparing urban vs rural organisations and island vs mainland organisations – none were found.

Asset ownership and their employees and volunteers:

- Respondents with three or more asset types were more likely to say they had paid employees (89%) compared to those with 2 asset types (62%), 1 asset type (71%) or no assets (43%). There were no significant variations when considering asset ownership and volunteers.

Asset ownership and their members:

- Respondents with three or more asset types were more likely to have members (89%) compared to those with 1 asset type (71%) or no assets (66%). No significant differences were found between those with two assets and those with three or more assets.

Volunteers

The importance of volunteer effort was strongly evident among community groups.

Number of volunteers:

- Of the 235 community groups and organisations providing detail on their number of active volunteers, an estimated 5,000 volunteers were involved in total.
- The mean number of volunteers per community group/organisation was 22, while the median number was 12.

About their volunteers:

- 87% agreed (either strongly or somewhat) that they could not operate without the day-to-day support of their volunteers.
- 89% agreed that they could not progress projects without the input of their volunteers.
- 58% agreed that their volunteers are largely retired and 60% disagreed (either strongly or somewhat) that young people were getting involved in volunteering.

Q. To what extent do you agree or disagree with the following statements about volunteering in your community group/organisation?



Base: Community groups with volunteers who responded to this question (234)

Respondents more likely to agree with 'We could not operate without the day-to-day support of our volunteers':

- Respondents without service level agreements were more likely to strongly agree (75% vs 51% with service level agreements).
- Respondents with lower turnover (87% of £10,000 or less vs 53% £100,001 to £500,000).

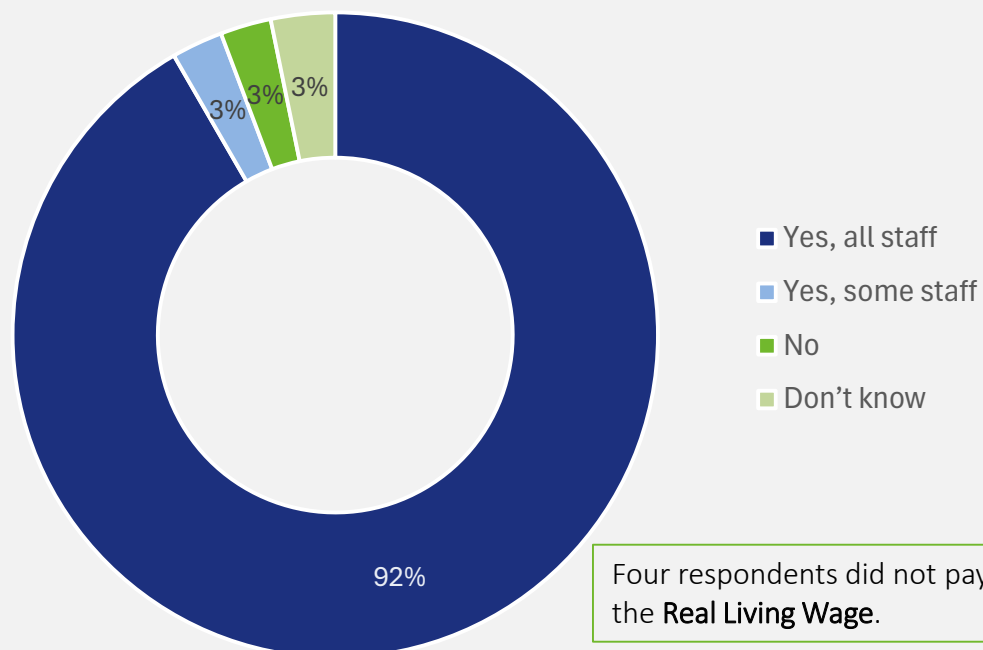
Employees

Most respondents (60%) had paid employees and the vast majority (92%) paid the Real Living Wage to all their staff. Almost all respondents who provided data on age groups had staff within the 35-64 year old age band (95%) and 61% had employees aged 16-34 years old.

The 159 groups/organisations with employees employed:

- 677 full time employees (working 30 hours or more per week), an average of 5 per group/organisation
- 741 part time employees (working less than 30 hours per week), an average of 5 per group/organisation
- 264 seasonal workers, an average of 2 per group/organisation

Q. Does your organisation pay at least the 'Real Living Wage in Scotland' to all paid employees? This applies to all employees aged 18 or older.



Base: Community groups with employees who responded to this question (156)

Q. In terms of those employed, what proportion are in each of the following age bands?

	Groups with any employees within the age band	Groups with more than 50% of employees within this age band	Groups with more than 75% of employees within this age band	Groups with 100% of employees within this age band
	N	N	N	N
Total	153	153	153	153
16-34	94	5	1	1
35-64	145	56	36	25
65+	41	1	0	0

Base: Community groups with employees who responded to this question (153)

Age of employees:

153 respondents provided estimates for the proportions of their staff in each of the age brackets. From this data it can be established that:

- 95% had employees aged between 35-64 years old.
- 61% had employees aged 16-34 years old.
- 27% had employees aged 65 and over.

Those without employees:

A large minority (40%) of respondents did not have paid employees. Most of these (68%) do not own any assets.

Contribution to People and Places



Challenges in Communities

In follow up interviews, community groups shared the challenges they experienced in their rural and remote rural areas.

Many brought up the dispersion of populations or the demographic make up of populations.

Community groups and organisations are subject to these challenges themselves, whilst trying to work to alleviate these challenges.

Dispersed populations:

‘We're running an area which extends to 2000 square miles. With a population scattered around the coast. There are development trusts in every kind of corner doing their best to make things happen, trying to fight against depopulation, but you get ground down by the sheer amount of work you have to do to keep fighting against the establishment to make things happen. So volunteer fatigue is a major problem, and also the population demography is a major issue.’ (Charity, Caithness and Sutherland)

Job availability:

‘At the moment, I mean our village is probably below 150 people and it's an ageing population so it's quite hard. I mean, we have the salmon farm which provides employment, we have the estate, you know, some local business and stuff like that but it's quite dependent on only a few factors. You know, there's not a big backbone to it. We could be really adversely affected if something happened to the salmon farming industry or that type of thing could have a big impact on us.’ (Company Ltd by Guarantee, Orkney)

Ageing populations:

‘The Highland Council has the three Ps as its aim, direction of travel - People, Place, Prosperity. Where we are now are the three C's - Care home, Crematorium, Cemetery. It's a dire ageing population and I'm part of it, It's ailing and failing and we're looking at a type of age and decay which is fairly dispiriting. We're losing so many young people from the area. Some are managing, working from home, some are managing to find their way back, but they're fighting against the uplift in property prices.’ (Charity, Caithness and Sutherland)

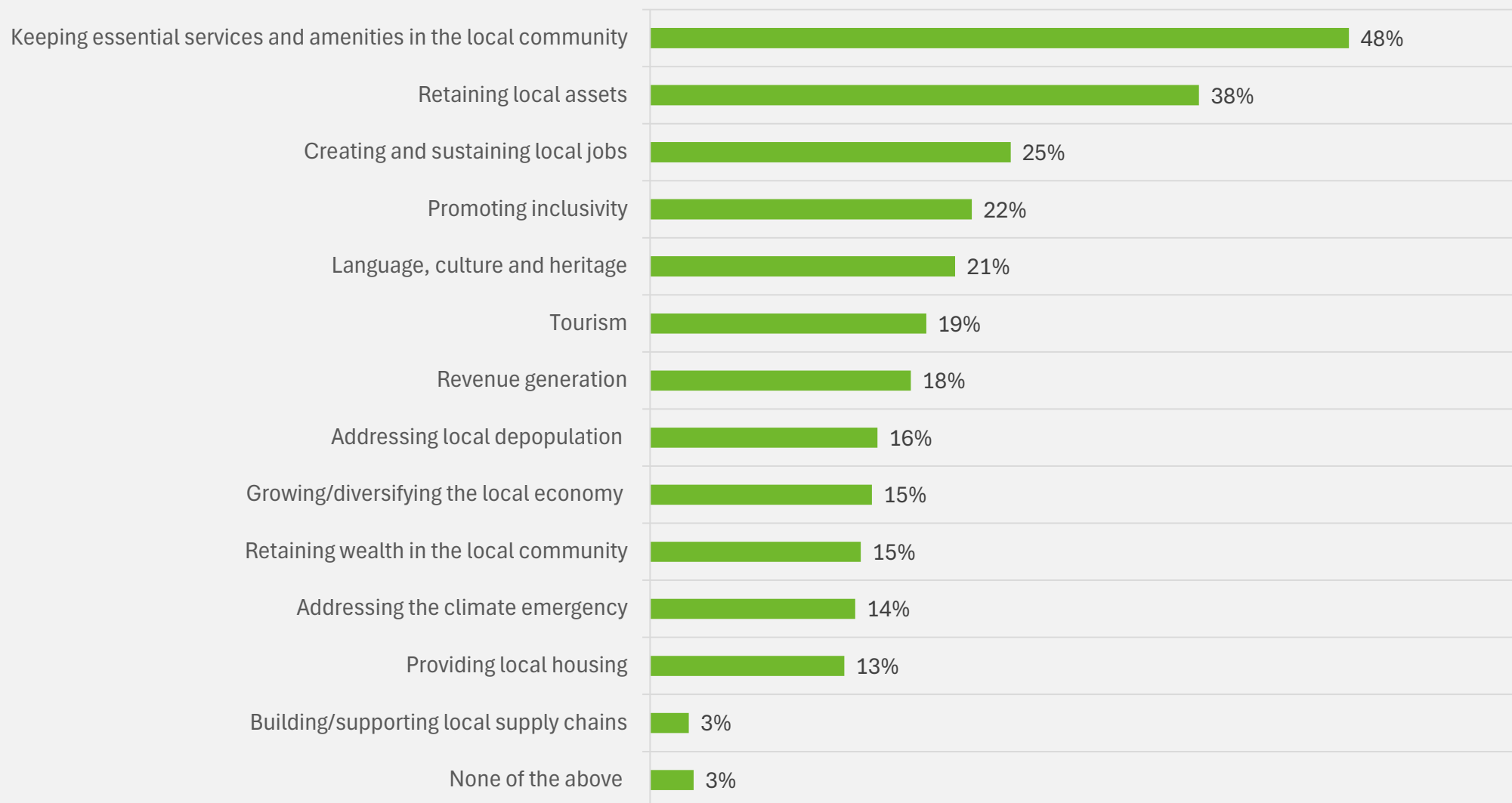
Suitable housing for the population:

‘In order to address depopulation, we need housing because that's one of the key reasons why nobody else can move here now is there is no spare housing...And even if depopulation wasn't a thing, you still need houses, because you want to grow the population, but beyond where you are because our population has slightly increased and, you know, people also want to have better quality houses.’ (Company Ltd by Guarantee with charitable status, Lochaber)

Focus of Community Groups

Keeping essential services and amenities in the local community (48%) and retaining local assets (38%) were the most common focus areas for community survey respondents. Variation by location, asset ownership and turnover is outlined on the next slide.

Q. Which of the following would you say are a key area of focus for your community group/organisation? Please select up to three.



Base: All community groups who responded to this question (262)

Focus of Community Groups

Variations in the focus areas of community groups/organisations were evident in terms of location, turnover and asset ownership. Addressing local depopulation and providing local housing were both more likely to be selected by those in rural areas, island areas and owning three or more asset types. Providing local housing was also more likely to be selected by those with high turnover.

Relationship between focus and location

The strength of focus of several aspects differed between those in urban and rural areas. Those in urban areas were more likely than those in rural locations to select:

- Addressing the climate emergency (22% vs 11% rural)
- None of the above (8% vs 2% rural)

Whereas those in rural areas were more likely than those in urban locations to select:

- Addressing local depopulation (19% vs 8% urban)
- Providing local housing (17% vs 2% urban)

This was also observed between island and mainland locations. Those on islands were more likely than those in mainland locations to select:

- Addressing local depopulation (29% vs 8% mainland)
- Providing local housing (19% vs 9% mainland)

Relationship between focus and turnover

The strength of focus of several aspects differed between those with high (£500,000 or more) turnover and those with low turnover (£10,000 or less). Those with high turnover were more likely than those with low turnover to select:

- Providing local housing (19% vs 3% low turnover)
- Retaining wealth in the local community (28% vs 8% low turnover)
- Revenue generation (38% vs 7% low turnover)
- Creating and sustaining local jobs (56% vs 7% low turnover)

Whereas those with low turnover were more likely than those with high turnover to select:

- Tourism (22% vs 0% high turnover)
- Keeping essential services and amenities in the local community (59% vs 34% high turnover)
- Retaining local assets (49% vs 9% high turnover)

Relationship between focus and asset ownership

The strength of focus of several aspects differed between those respondents who own three or more assets and those who own one or no assets. Those with three or more assets were more likely to select:

- Addressing local depopulation (32% vs 11% 1 type of asset, 12% no asset ownership)
- Providing local housing (34% vs 7% 1 type of asset, 4% no assets)
- Growing/diversifying the local economy (26% vs 9% with 1 type of asset)
- Retaining wealth in the local community (21% vs 4% with 1 type of asset)

Focus of Community Groups

In follow up interviews, community organisations explained more about local services they provided in their local communities.

Some explained they were providing services previously provided by Local Authorities.

Some were providing services in connection with education or health and well-being, but not within Service Level Agreements.

Overall, motivations for running services stemmed from being aware of a local population identifying a need or desire for a service.

‘If we could work with the neighbouring community, you know, we might build a scale big enough to then be able to deliver a care service, but it's something that community bodies haven't really worked. We haven't really got there yet, and the public agencies really haven't been hugely helpful in that area.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

Community groups explained how they provide these services at a loss, or possibly break even due to in-kind support from local people.

Some were looking at generating income from other sources, such as assets, so they could cover the costs of these services.

‘We've used some of the surplus to sort of support services like pavement clearing and stuff, which the council were just never doing, you know, they're statutory required to do it. But we bought a quad bike and a plough and it's a local contractor who's then paid. So it's local jobs. And they will go in and they'll clear. Also, the elderly couldn't get out of the houses, you know, they'll go in and do that service with that.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

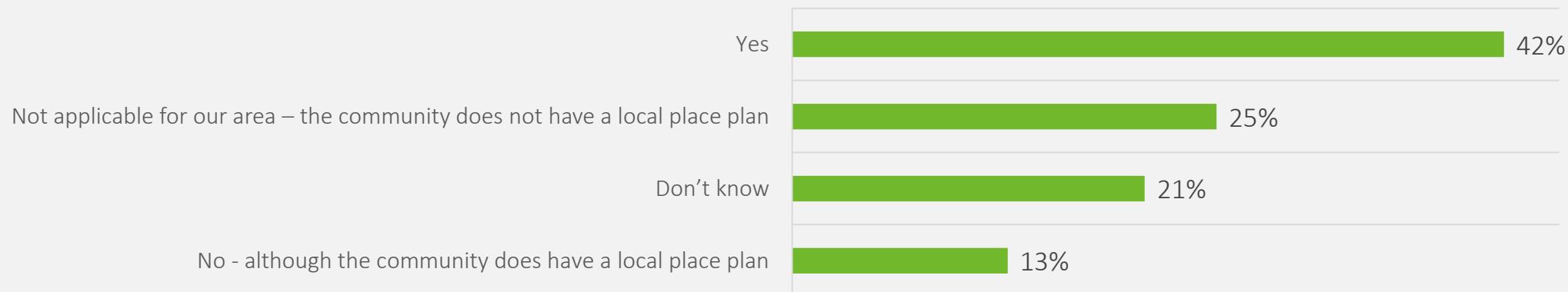
‘We do a lot of things like health walks and rambling, which is about bringing people who are certified with mental health problems. And a part of the, what do they call it in GP practises, the green agenda, all of these things. The challenge we have at the moment is that's all very well, but none of it is income generating.’ (Charity, Caithness and Sutherland)

‘We do provide well-being support, we provide business support, we provide spaces, all of these sort of things that, you know, are the sort of things that you do tend to see coming up in public contracts. But it's about the organisation moving towards feeling comfortable to do that and then feel comfortable that they have the staff and the, you know, the operational capacity to manage that as well.’ (CIC, Arran and Cumbrae)

Role in Communities

Around two in five respondents (42%) were contributing to their local Place Plan.

Q. Does your community group/organisation contribute to a Local Place Plan?



Base: All community groups who responded to this question (261)



No significant variations were evident in terms of contributions to place plans when considering rurality or island vs mainland geography.

There were some variations based upon their turnover and their types of assets.

Respondents more likely to contribute to a local place plan included:

- Those with transport infrastructure (61%) vs respondents with building assets (43%)
- Turnover of £10,000 or less (51%) vs those with a turnover of £10,001 to £25,000 (27%)

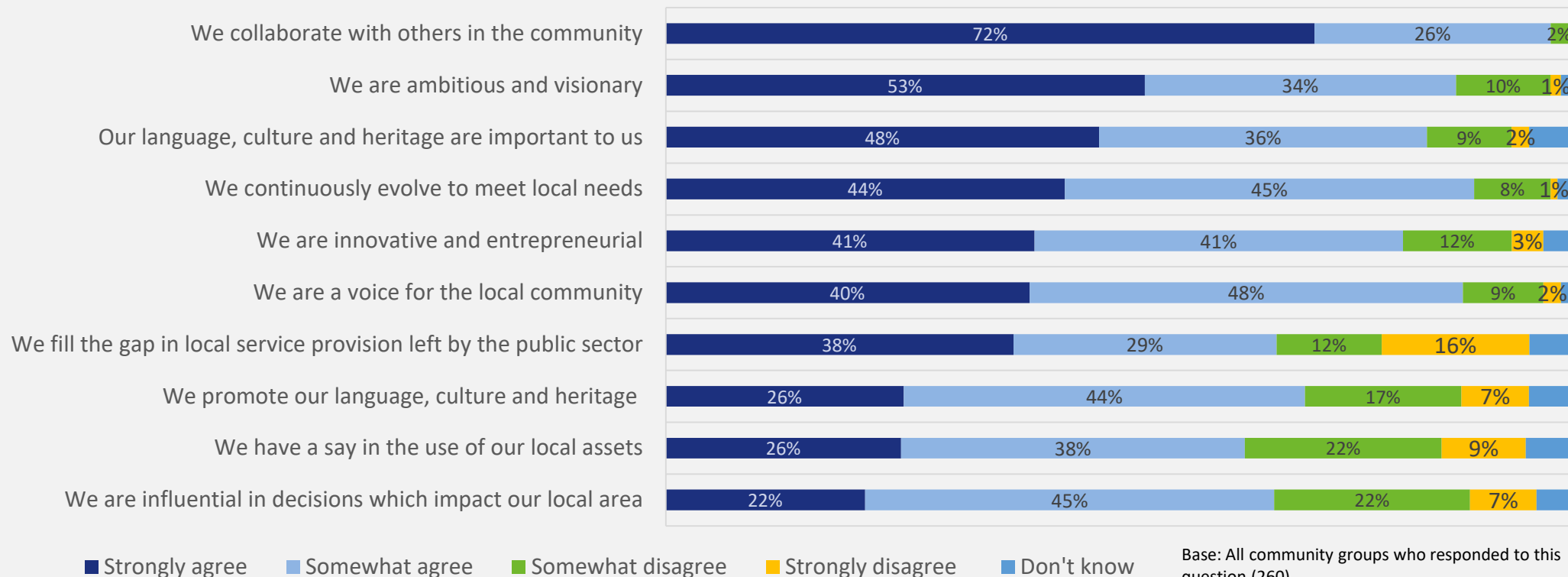
More likely to select 'no, although the community does have a local place plan':

- Turnover of £25,001 to £100,000 (24%) vs turnover of £10,000 or less (5%)

Role in Communities

The vast majority of respondents collaborate with others in the community (98%), continuously evolve to meet local needs (89%), are ambitious and visionary (87%), feel they are a voice for their local community (88%) and are innovative and entrepreneurial (81%). Language, culture and heritage is important to 84%.

Q. To what extent do you agree or disagree with the following statements about your community group/organisation?



Base: All community groups who responded to this question (260)
DK data labels not included in graph

Around three in ten disagreed

(either somewhat or strongly):

- They have a say in the use of local assets (31%; while 64% agreed)
- They are influential in decisions which impact their local area (29%; 67% agreed)

Owning at least one asset is associated with:

- Being influential in local decisions (80% vs 57% with no assets)
- Having a say in use of local assets (78% vs 53%)
- Being innovating and entrepreneurial (89% vs 77%)
- Promoting language culture and heritage (76% vs 64%)

Island respondents are more likely than mainland respondents to report:

- Being influential in local decisions (79% vs 64%)
- Having a say in use of local assets (77% vs 60%)

Importance of Language, Culture and Heritage to Community Groups

Able to select up to three options, a fifth (21%) of respondents selected language, culture and heritage as a key area of focus. However far more (84%) selected language, culture and heritage as being important to their community group, and an open question asked community organisations to explain why.

Many explained this was not central to their community group's purpose as they were addressing social challenges for their local communities:

'We do not actively promote these roles, not because we don't want to - but because our resources go towards providing specific mental health support, training for the community or employability work.'

Even if not a focus, most acknowledged their community organisation as sitting as an important organisation within their locality and their place having significant culture, heritage and identity:

'Language, culture and heritage are not a focus for the activity of our organisation but we recognise its importance to the community.'

Other responses emphasised the natural heritage of their area and this as their primary focus:

'Our ethos is to engage the whole community in understanding and enjoying nature.'

Some saw preservation and promotion of tangible heritage as an important part of their role as a community organisation. Some mentioned one particular building or monument they were trying to restore. Whilst others described themselves as caring for sets of buildings or areas with historic significance:

'We are the custodians of heritage in our parish.'

A couple explained how there were tensions in their community between those wanting to develop the area and those wanting to preserve its built heritage:

'For some this is critical, for others a menace for future development...Highly divisive issue!'

Some regarded their building assets as important for local culture and lived practices to continue:

'Small social gatherings; weddings, funerals and other ceremonies; practical support and conversation; hospitality; learning and cultural development; and programmes for health and well-being.'

Importance of Language, Culture and Heritage to Community Groups

Community organisations explained more about the importance of this to them and their communities as follows.

Some mentioned how their community organisation promoted the heritage of populations, industries, hobbies and pastimes affiliated with their area of Scotland.

Some respondents emphasised the importance of creating an inclusive culture, for example involving immigrants from Ukraine in their activities.

Others emphasised how their community organisation's programming and location was conducive to forming links between different cultures in northern and arctic regions.

Along with responses explaining the importance of culture to the tourism industry in their area, a few responses included scepticism about the role of tourism in promoting language and heritage:

'Our language is dead. Our heritage and culture commodified for tourism.'

Others referred to positive actions taken to help preserve their local languages and intangible cultural heritage. For example, events, concerts and festivals. Examples were given of organisations running courses in traditional skills like blacksmithing, woodworking, pottery. Storytelling traditions were being supported through programming:

'Encouraging the passing on of traditional stories and creation of new ones - with school pupils and others.'

Efforts to support communication in Gaelic and British Sign Language were included. Some explained Gaelic was at the centre of everything they did, whilst others acknowledged it did not feature as much as they would like it to in their community organisation.

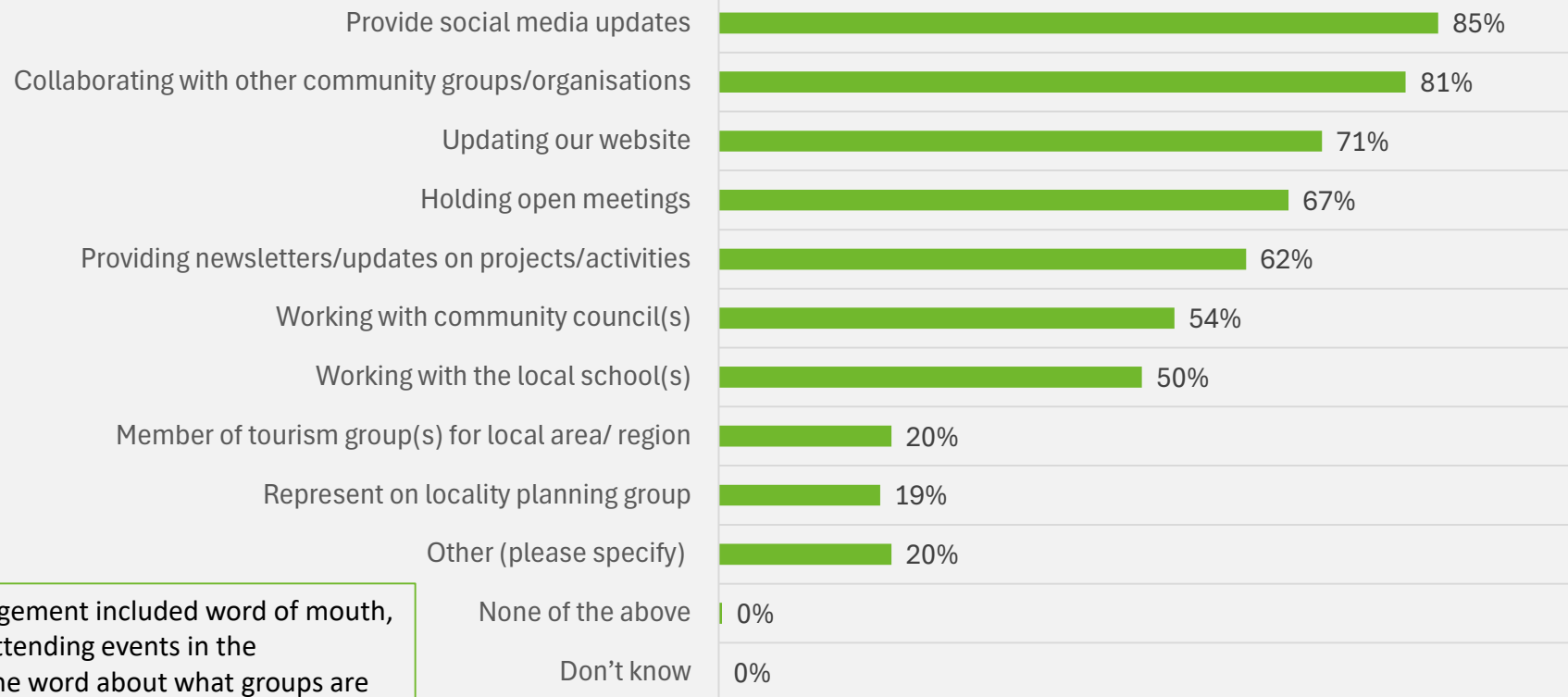
Respondents saw local culture as the foundation for future development:

'We have young people who start small businesses and run them for a year. Their ideas and the values they choose for their company can be influenced by language, culture and heritage.'

Community Engagement

Community groups/organisations used a variety of different methods to engage with their local communities, most commonly social media updates (85%), collaborating with other community groups (81%), website updates (71%) and holding open meetings (67%).

Q. How do you typically engage with your local community? Please select all that apply



Other methods of engagement included word of mouth, and both hosting and attending events in the community to spread the word about what groups are doing.

Base: All community groups who responded to this question (261)

Those with 3 or more types of assets were more likely than those with no assets to select the following:

- Member of tourism group: 32% with 3 or more assets vs 13% no assets
- Providing newsletters: 87% vs 54%
- Updating our website: 84% vs 65%
- Working with local schools: 63% vs 43%
- Working with community councils: 71% vs 47%

Those in rural areas (70%) were more likely than those in urban locations (56%) to say they hold open meetings.

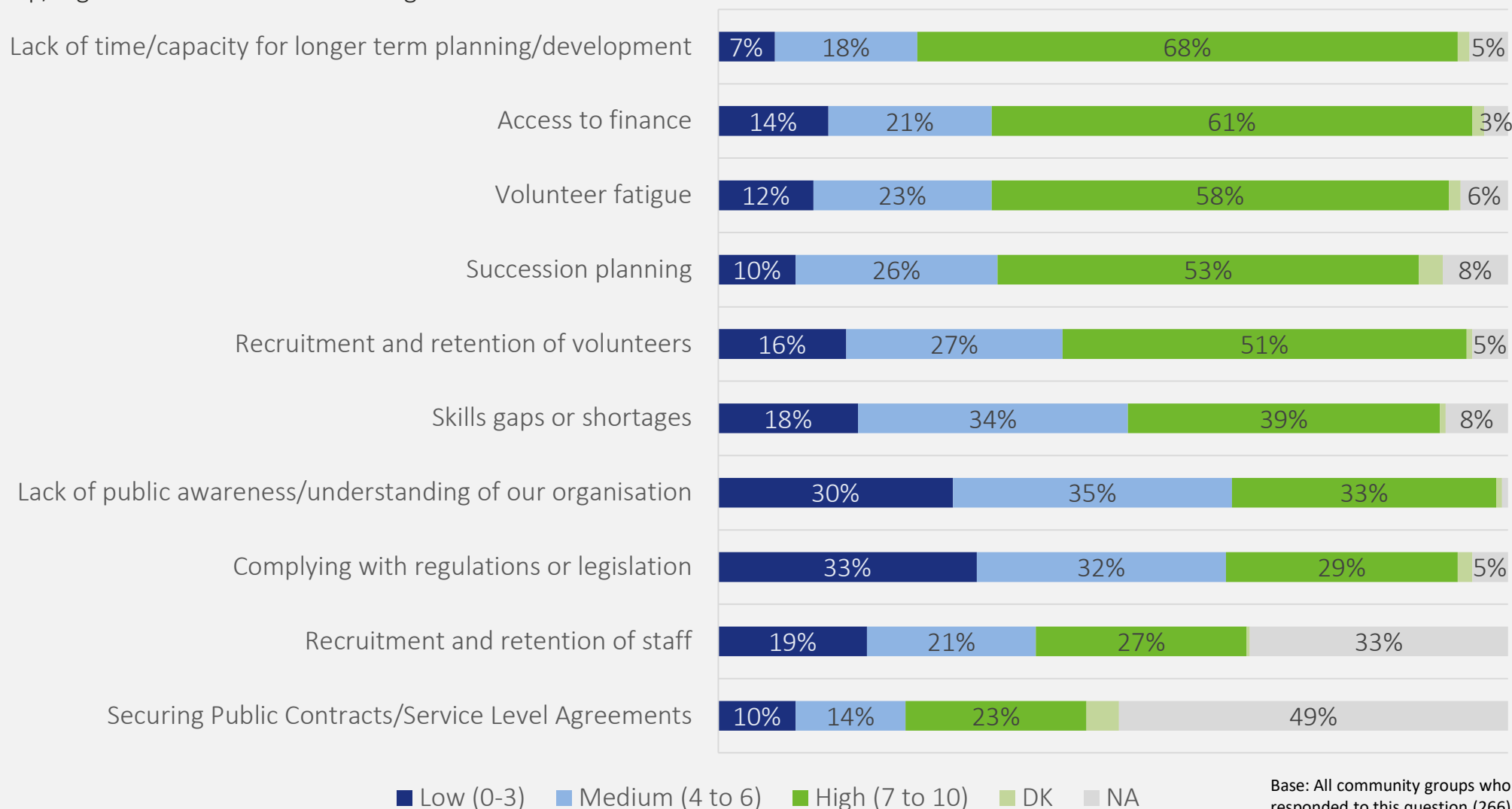
Challenges and Confidence



Challenges Faced by Community Groups

Using a scale of 0 (not a challenge) to 10 (extremely challenging), where scores of 7 -10 indicated highly challenging issues, over two-thirds (68%) of community groups/organisations cited lack of time/capacity for longer term planning/development as highly challenging, and around three in five cited access to finance (61%) and volunteer fatigue (58%). Recruitment and retention of volunteers was cited more frequently as highly challenging (51%) than recruitment and retention of staff (27%).

Q. On a scale of 0 to 10, where 0 is 'not a challenge' and 10 is 'extremely challenging', to what extent has your community group/organisation found the following:



Base: All community groups who responded to this question (266)

Challenges Faced by Community Groups

In terms of challenges faced by community groups, some geographic variations were evident. Respondents in mainland areas were more likely than those in islands to rate 'lack of public awareness/understanding of our organisation' as highly challenging. Those in rural areas were more likely than those in urban locations to rate access to finance and complying with regulations or legislation as highly challenging. No consistent variation was evident in terms of asset ownership or turnover.

		Island vs Mainland		Urban vs Rural	
	High (7-10) (%)	Island (%)	Mainland (%)	Urban (%)	Rural (%)
Lack of time/capacity for longer term planning/development	68	69	69	73	67
Access to finance	61	59	63	64	60
Volunteer fatigue	58	62	55	48	62
Succession planning	53	48	56	51	54
Recruitment and retention of volunteers	51	49	52	57	49
Skills gaps or shortages	39	39	40	43	38
Lack of public awareness/understanding of our organisation	33	25	38	37	31
Complying with regulations or legislation	29	30	28	17	34
Recruitment and retention of staff	27	31	24	25	28
Securing Public Contracts/Service Level Agreements	23	22	22	28	20

Significant differences are indicated in boxes shaded green.

Challenges Faced by Community Groups

In follow up interviews, community groups explained the challenges for people involved actively in community groups/ organisations.

Availability of large enough numbers of actively involved people:

'A lot of folk are on a lot of different things and then there's not a lot of people and you have the percentage that don't go on to committees but will help on the day. So it does end up being very hard to just get enough folk to do the bits and pieces...We were spread really thin. I mean, this very, very sparse population in this corner really, you know, there's not a lot of people.' (Company Ltd by Guarantee, Caithness and Sutherland)



Challenges of retention and succession of committees:

'I think a lot of people support what we do and a lot of people say they'd like to help, but then when you come to say, "Well, do you want to join the board?", "Oh no I don't have time." And I totally understand that because we can't lie to them and say, "Oh, it's only a few meetings a year." It's not - there's a lot more to being a volunteer now. Yeah. So, I think the recruitment and retention of volunteers is always going to be an ongoing concern.' (Company Ltd by Guarantee, Orkney)



Considerations for wider relationships within a community:

'This is a massive problem where you have small communities where it might be a cousin or someone that's applying for the job that you're involved in the development of...and it can create a lot of friction within communities as well because years ago when the council did it or whoever did it, you know, you had a faceless thing....but now it gets really challenging ...it's fine when things go well, but there is, there's a lot of room for conflict, isn't there?' (Company Ltd by Guarantee, Caithness and Sutherland)



Criticisms directed at community volunteers:

'So new people coming in and go, which is great because you get new blood, but they also maybe don't always understand some of the subtleties of within communities and they want to do something full of enthusiasm. They get put off quite quickly because there's a kickback and I've got to the stage where you'll do something and there'll be this sort of flurry of comment on Facebook...People could take quite personally. I just ignore most of it and it just washes away, you know, after a week or two, these things just die off and you plough on, but other folk maybe are a bit more sensitive or don't want to be subject to that.' (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

Challenges Faced by Community Groups

In follow up interviews, community groups explained the challenges for people involved actively in community groups/ organisations.

Community members may be making trade-offs to help their community groups:

'I run my own business. So my business will suffer because I will put time towards community work consultation. If I wasn't doing so much community work, I could run my business a lot better, you know, so that is, I suppose that's my choice to make that sacrifice. But actually, if I don't do it, then there actually isn't anybody else to do it, because there's so few population and everybody's kind of done their bit.'
(Company Ltd by Guarantee with charitable status, Lochaber)

Succession was a concern for active volunteers:

'With the best one in the world, I'm 64 now. I don't want to retire totally, but I know I can't do the same amount of effort or undergo the same amount of stress that you get at the moment. And so I'm looking to other people and saying, you know, I would like to bow out, but who in the community, who in the company is willing to take that on?' (Company Ltd by Guarantee, Argyll and Bute)

Many pointed out the need for a paid role to take on a significant project, rather than volunteers:

'You can imagine there would be no business, I don't think there would be any commercial business that would set up a £1,000,000 or £1,500,000 project without having a project manager for it. So maybe it's a bit unrealistic to be expecting volunteer community people, you know, who obviously have got a huge amount of skill, but maybe not the technical knowledge to take forward that project so that's the whole thing about capacity. And that's what we were talking about the other day is, you know, you might get a development worker for a new project.' (Company Ltd by Guarantee with charitable status, Lochaber)

Some shared how community consultation was laudable, but communities can get fatigued by requests:

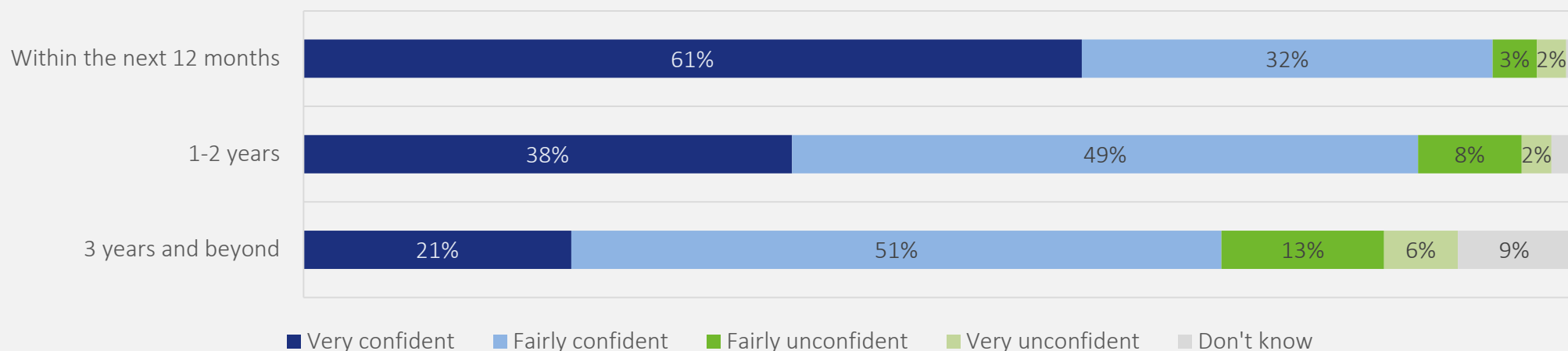
'We did a big piece of work around, you know, developing a community survey and developing some priorities that we thought were community priorities and we put those out for consultation, and we just didn't get the responses back to make that survey viable. So yeah, there's a big piece around long-term planning and succession planning.' (Company Ltd by Guarantee, Moray)

'The 2015 act which government passed about community empowerment, you know, talks at a very high level of, the communities must be involved, engaged, all this sort of thing and there's a bit of a disconnect, I think with that and what's happening actually on the ground. So our small community of 650 people, you know, is expected to comment because consultation with communities' involvement is all the rage. And then suddenly you've got, you know, nearly 1.5 billion pounds worth of capital expenditure. And we're supposed to make intelligent comment on that is quite a massive ask and that's the slight, slight downside. And people get exhausted or burnt out or apathetic or outraged or whatever. You know, there's numerous emotions about it.' (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

Levels of Confidence

The vast majority of respondents (93%) were confident in their viability over the next 12 months (61% very confident and 32% fairly confident). This dipped slightly to 87% being confident in their viability over the next 1-2 years though more were fairly (49%) rather than very confident (38%). Looking ahead 3 years and beyond, 72% still expressed confidence, though again, more were fairly (51%) rather than very (21%) confident in their viability.

Q. What level of confidence do you have in the overall viability of your community group/organisation over the following timescales?



Base: All community groups who responded to this question (264)

Relationship between levels of confidence and asset ownership

Those that **own at least one asset were more likely than those with no assets to say they were very confident** in their viability over:

- The next 12 months - 66% of those with assets vs 51% of those without
- The next 1-2 years - 44% vs 25%
- 3+ years - 25% vs 11%

Respondents more likely to be confident 3 years and beyond:

- Turnover of £25,001 to £100,000 (71% fairly confident) vs 47% with a turnover £10,000 or less and 52% of those with a turnover £100,001 to £500,000

Respondents more likely to be confident over the next 1-2 years:

- Those who contribute to a local place plan (47% very confident vs 29% of those without a place plan in their local area)

Unconfident Community Groups

50 community groups who responded to the survey were fairly or very unconfident in their group/organisation's viability 3+ years into the future. Of those, about half (46%) were fairly or very unconfident about their viability over the next 1-2 years and 18% were not confident in their viability over the next 12 months. Further analysis revealed some patterns in their characteristics and the support they desired.

Of those respondents who were unconfident in their viability 3+ years into the future:

- 73% were located in 'very rural remote' areas, compared to 56% overall.
- 62% had paid employees, similar to the proportion from the full dataset (60%).
- 50% were not looking to secure new assets, compared to 45% of the whole sample.
- 78% rated 'lack of time/capacity for longer term planning/development' as 'highly challenging' (7 or higher on a scale from 0-10), compared with 68% of the total sample who said the same.

Desired support for those unconfident in viability:

- Capacity
 - A need for more volunteers
 - Assistance recruiting volunteers
 - Encouraging young volunteers to get involved
- Finance
 - Funding for staff
 - Long term/multi-year funding
- Skills support
 - Practical knowledge, training and advice
 - Particularly when it comes to accessing funding
 - Transition to net zero



'More capacity within organisation - don't have enough people.'

'Long term funding to help us realise our ambitions particularly with regard to tackling both the depopulation and housing crises.'

'Practical knowledge, assistance and finance to move from harmful and expensive electricity and biomass to power generation from solar and wind.'

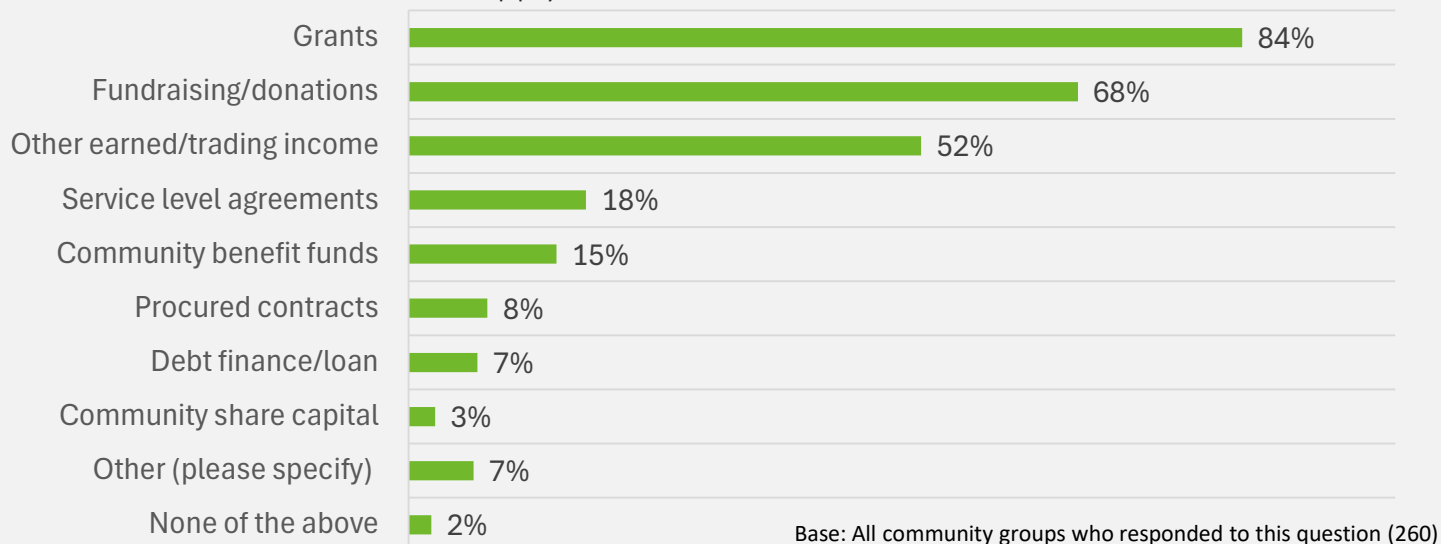
Finances of Community Groups and Organisations



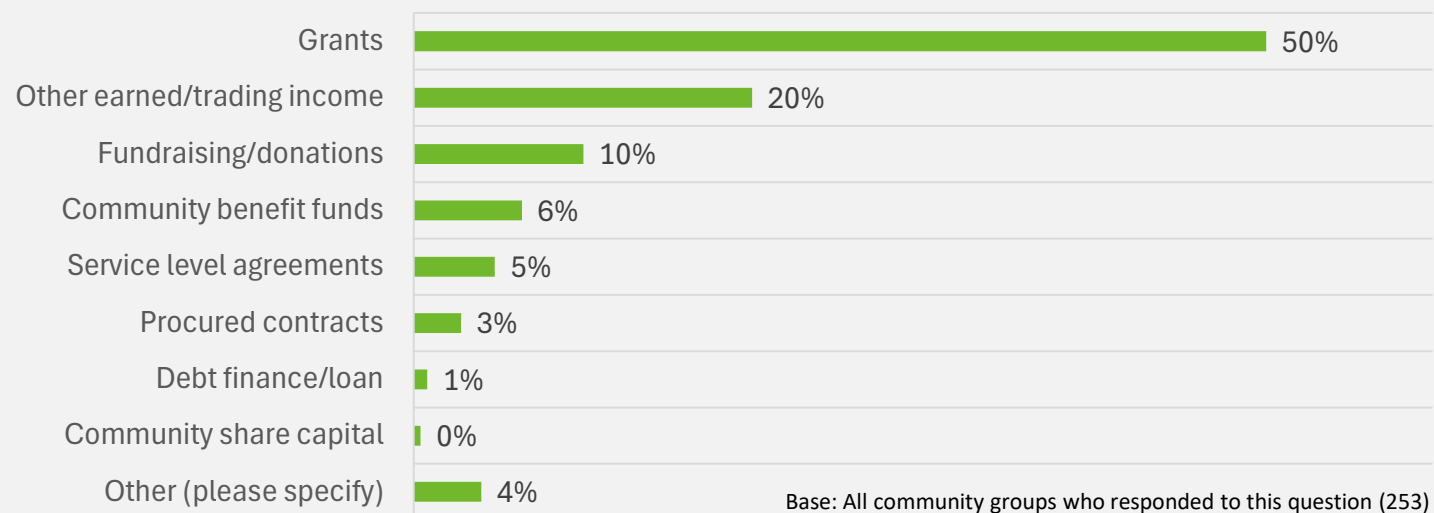
Funding Sources

Community groups secured funds from a range of sources; the vast majority (84%) securing grants. Grants were the biggest source of income for half (50%) of community groups, while a fifth (20%) reported other earned/trading income as their largest income source.

Q. Over the last 12 months, which of the following has your community group/organisation secured? Please select all that apply



Q. Over the last 12 months, which has been your largest source of income?



Turnover of Community Groups:

Respondents with a turnover of £100,000 or more were more likely than those with low turnover (£10,000 or less) to raise funds through:

- Grants (94% vs 69% low turnover)
- Fundraising/donations (69% vs 56% low turnover)
- Service Level Agreements (31% vs 5% low turnover)
- Procured contracts (22% vs 2% low turnover)

Location of Community Groups

Groups on islands were more likely than those in mainland areas to raise funds through:

- Fundraising/donations (72% island, 65% mainland),
- Other earned/trading income (57% island, 50% mainland)

A small minority (13%, 34 respondents) had only one funding source in the last 12 months. In total, 59% of these respondents used grants, 24% used fundraising, the remainder used other earned/trading income.

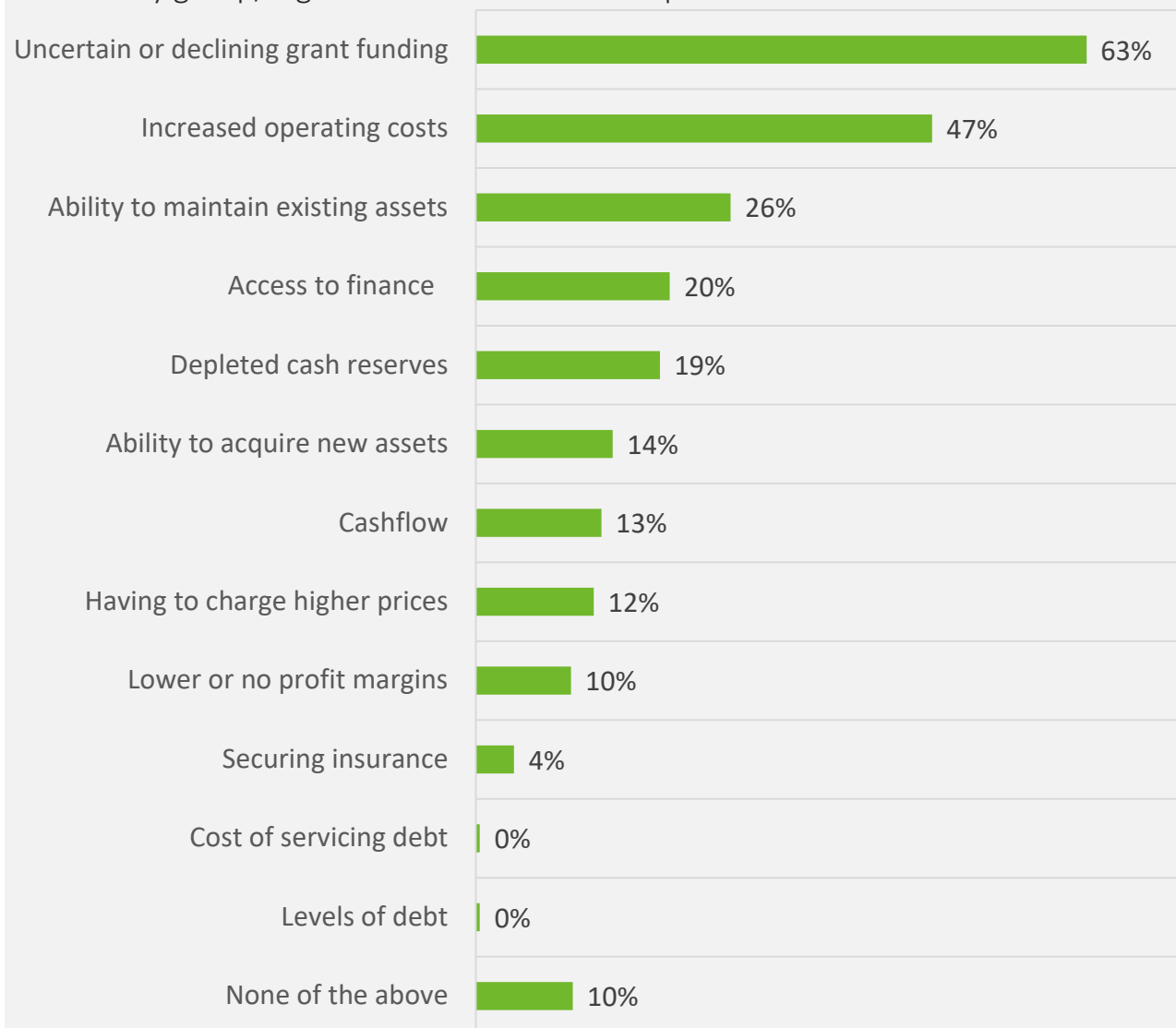
Asset ownership did not differ significantly between:

- Those who did and did not secure grants in the past year
- Those whose largest income source was and was not grants

Financial Challenges

The most pressing challenges affecting community groups were uncertain or declining grant funding (63%) and increased operating costs (47%).

Q. Which of the following, if any, are the most pressing challenges for your community group/organisation? Please select up to three.



Base: All community groups who responded to this question (257)

Respondents more likely to select:

Uncertain or declining grant funding

- 75% with turnover £100,000 or more vs 47% with turnover £10,000 or less
- 75% with a Service Level Agreement vs 58% without

Increased operating costs

- 68% with a Service Level Agreement vs 40% without
- 65% with a trading subsidiary vs 42% without
- 60% who own assets vs 31% who don't

Access to finance

- 27% island vs 16% mainland
- 29% who don't own assets vs 12% who do

Depleted cash reserves

- 24% who own assets vs 14% who don't

Having to charge higher prices

- 22% urban vs 9% rural;
- 20% with a trading subsidiary vs 10% without
- 18% with a Service Level Agreement vs 9% without
- 16% who own assets vs 7% who don't

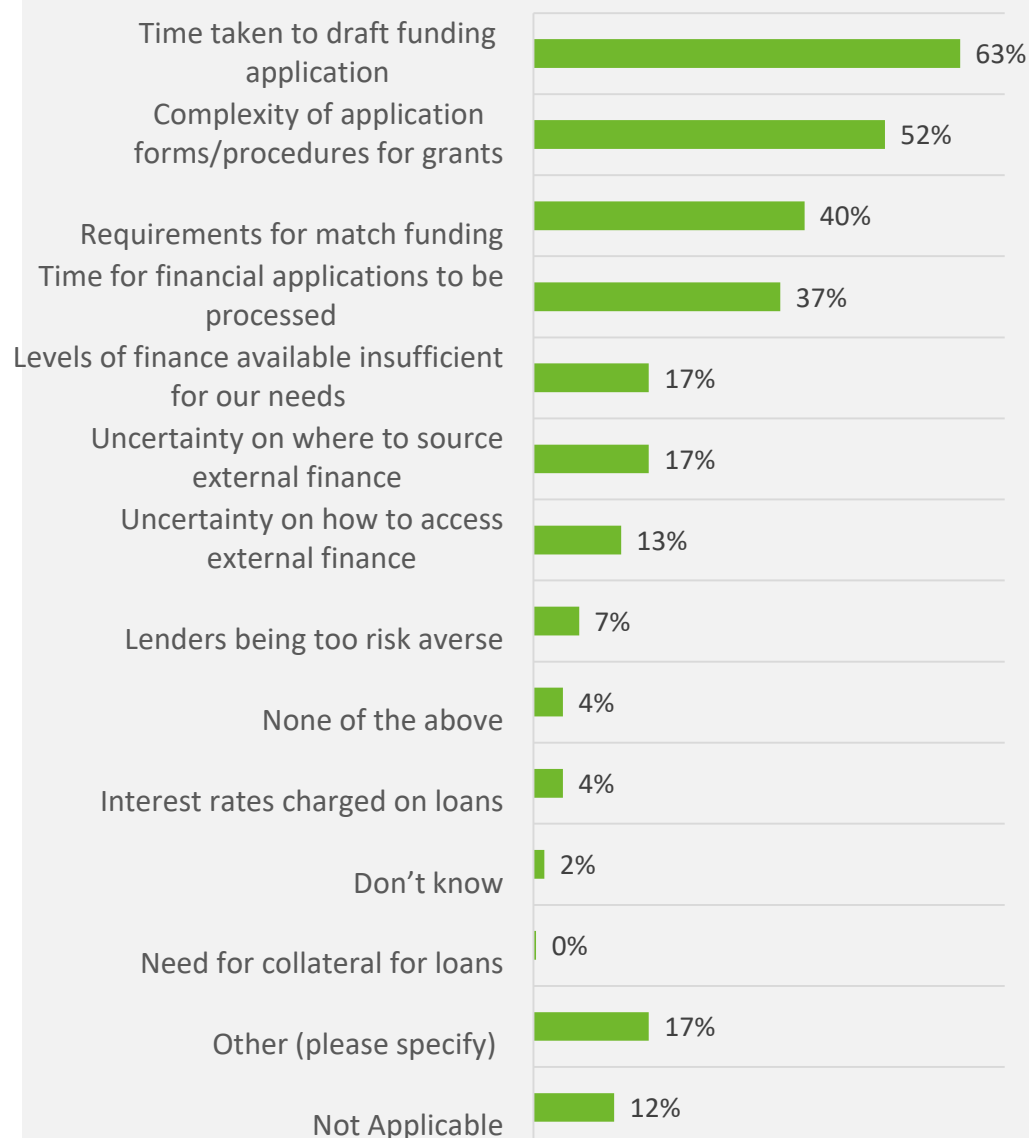
Lower or no profit margin

- 22% with a trading subsidiary vs 6% without
- 15% who own assets vs 4% who don't

Barriers to Accessing Finance

Time to draft (63%) and complexity of application forms (52%) were the greatest barriers to accessing finance.

Q. What barriers, if any, did your community group/organisation experience in accessing finance? Please select all that apply.



Base: All community groups who responded to this question (254)

Respondents more likely to select:

Time taken to draft funding applications

- 70% own at least one type of asset vs 47% with no assets
- 67% island vs 52% mainland

Complexity of application forms

- 59% island vs 48% mainland
- 58% own at least one type of asset vs 38% with no assets

Requirements for match funding

- 54% with service level agreements vs 38% without

Time for financial applications to be processed

- 44% own at least one type of asset vs 21% with no assets

Uncertainty on how to access external finance

- 25% own one type of asset vs 5% own 3 or more asset
- 16% looking to acquire land in the future vs 3% looking to acquire transport infrastructure in the future

Not applicable

- 28% with no assets vs 5% own at least one type of asset

The other (please specify) option was mostly used by companies limited by guarantee. They explained other barriers as follows:

- Accessing finance is a lengthy process with often short deadlines, it takes too long for application success.
- Finding people with the right skills to complete the application process is difficult.
- The number of finance options appears to be declining.

Financial Climate

In follow up interviews, community organisations explained more about how they felt the financial climate was for community groups/ organisations.

The funding landscape was intimidating for some:

‘There's a lot of potential funding pots out there, but they all take time to apply for. There's no guarantee of success. They all come with certain time constraints and spending. So, yeah, the more I talk about it, the more I'm getting a headache. It's quite a thought.’ (Company Ltd by Guarantee, Orkney)

Revenue funding has not been readily available:

‘Access to finance has been, it varies. It's definitely getting more difficult I would say. So it's a bit of a multi layered problem here, so the access to finance depends on what you're looking for. I would say for capital grants, it's not as difficult as it is to access finance for revenue. So a lot of the public funding that we see at the moment and certainly for the last year or two has been that there is quite a few opportunities to get capital funding for community projects. But to get revenue costs to cover, well to cover salary costs, to cover things like that is very, very difficult. So access to finance is quite difficult depending on what particular finance you're looking for.’ (Company Ltd by Guarantee, Orkney)

When funding and support has been secured from public bodies, there have been hold ups from other parts of the system:

‘We're borrowing money from the council. We get grants from the council. We get grants from other agencies to make it happen and yet you can't make it happen because you're held up by the council.’ (Company Ltd by Guarantee, Caithness and Sutherland)

Private investors want results quickly:

‘We've done okay through help from like private landlords, we've been able to lever some money out of them, which is working. But they're needing results. One of the problems with them is that because they're used to doing things with their own money, you know, if there's a need, they can do it. Whereas the like of this, we're trying to get money from different streams and time just goes round very, very quickly. You know, and all of a sudden you're two or three years in the project, they're not seeing results and they're kind of thinking that it's not going to happen. Whereas you need the confidence of the funders, you need funders to accept that it might be a long game... Now trying to keep them interested in saying, well actually if this is successful, you know, the PR that you're going to get back out of it is massive... But there's only so long you can keep that game up, you know, when you don't actually get the thing built.’ (Company Ltd by Guarantee, Caithness and Sutherland)

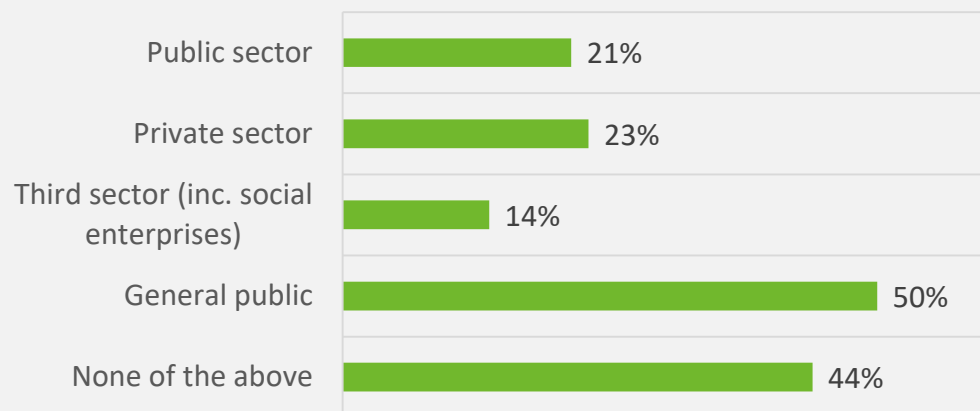
Experiences of Service Delivery and Procurement



Trading and Providing Services

Over half of community groups (56%) sold goods or services, including under contract/agreement, most commonly to the general public (50%). Around a quarter (24%) had at least one service level agreement currently in operation. Around a fifth (21%) had a trading subsidiary.

Q. Does your community group/organisation sell goods or services, including under contract/agreement, to any of the following customer groups?



Base: All community groups who responded to this question (249)

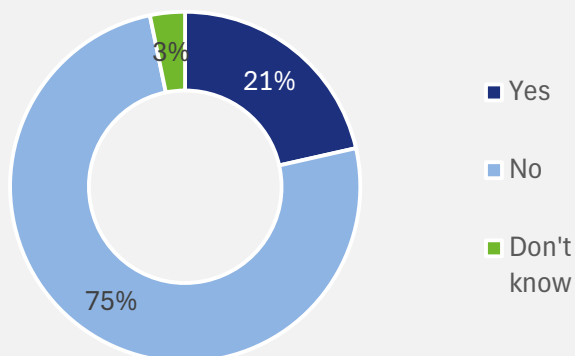
Around a fifth (21%) of community organisations had a **trading subsidiary**.

Groups more likely to have a trading subsidiary:

- Community groups with assets - 27% compared to only 7% of organisations without assets

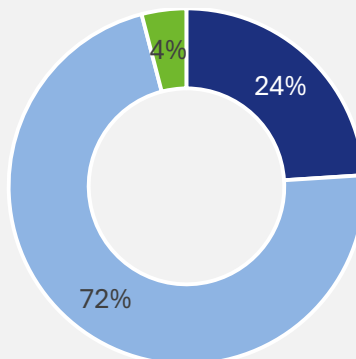
Trading subsidiaries were also slightly more prevalent among island groups (23%) compared to mainland groups (20%), but this difference did not reach the threshold for statistical significance.

Q. Does your community group/organisation have at least one trading subsidiary?



Base: All community groups who responded to this question (247)

Q. Do you have any service level agreements/contracts currently in operation?



Base: All community groups who responded to this question (246)

Around a quarter (24%) of community groups had at least one **service level agreement (SLA)** currently in operation.

SLAs were more prevalent among certain groups (although differences were not statistically significant):

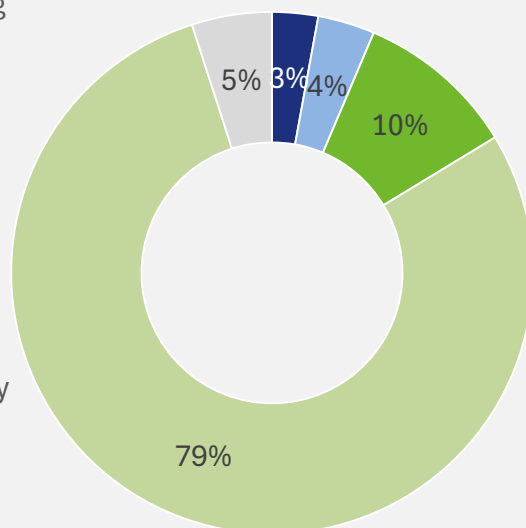
- Island (28%) than mainland (21%) groups
- Those with assets - 27% compared to only 19% of organisations which did not have any assets

Public Sector Procurement

Of community groups who sell goods or services, most (79%) had not participated in public sector procurement over the past 2-3 years. Nearly three-quarters (72%) said they were somewhat/very unlikely to bid for future public sector contracts.

Q. Over the past 2-3 years, has your community group/organisation participated in any public sector procurement?

- Yes, but we were unsuccessful in bidding for contract/s
- Yes, we won a contract as part of a consortium
- Yes, we won a contract bidding alone
- No, we didn't bid for any contracts
- Don't know



Base: Community groups who sell goods or services who responded to this question (141)

Overall, only 17% of all groups who sell goods or services had participated in any public sector procurement in the last 2-3 years. One in ten (10%) won when bidding alone, 4% as part of a consortium and the final 3% were unsuccessful in their bid.

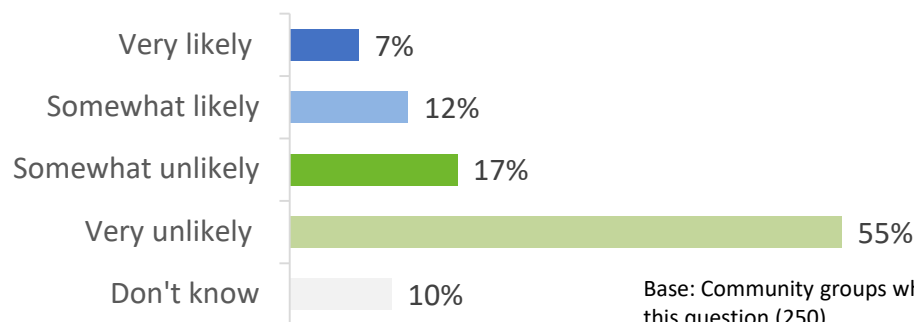
Community group/organisation type

- One-sixth (16%) of SCIOs had bid for a public sector contract, 5% had won bidding alone
- Around one-fifth (18%) of companies limited by guarantee had bid for a public sector contract, 11% had won bidding alone
- Around a quarter (23%) of charities had bid for a public sector contract in the last 2-3 years, 18% had won bidding alone

Asset ownership

- Those without assets (36%) were more likely than those who own/manage/lease assets (13%) to have bid for a public sector contract over the past 2-3 years

Q. How likely is your community group/organisation, if at all, to bid for future public sector contracts?



Base: Community groups who responded to this question (250)

- Only 19% of respondents were somewhat or very likely to bid for future public sector contracts, while 72% were unlikely
- Similar proportions of community groups with (20%) and without (18%) assets were at least somewhat likely to bid for a public sector contract in the future

Barriers to Public Sector Procurement

Most respondents who sold goods and services (54%) said they did not experience any of the listed barriers to considering public sector contracts. A fifth experienced barriers of time taken to prepare bids (20%) and with the complexity of the overall process (20%).

Q. What barriers, if any, has your community group/organisation faced when considering public sector contracts? Please select all that apply.



Base: Community groups who sell goods or services who responded to this question (247)

More than half of respondents indicated that they did not face any of the listed barriers when considering public sector procurement (54%). However, a large proportion of those who sell goods or services (79%) have not actually bid for any contracts. Only 13% of those who had engaged in public sector procurement had experienced none of the listed barriers.

Respondents without members of staff were less likely to mention the most popular barriers than those with staff:

- Time taken to prepare bids (32% with staff; 4% without)
- Complexity of the overall procurement process (29% with staff; 6% without)

Organisations that bid for public sector contracts were more likely to select certain barriers compared to those that had not:

- Time taken to prepare bids (57% who bid vs 25% who didn't)
- Complexity of the overall procurement process (61% vs 19%)
- Costs associated with the bid preparation (43% vs 15%)
- Lack of expertise in writing bids (30% vs 12%)
- Requirements not being proportionate to the contract (30% vs 10%)

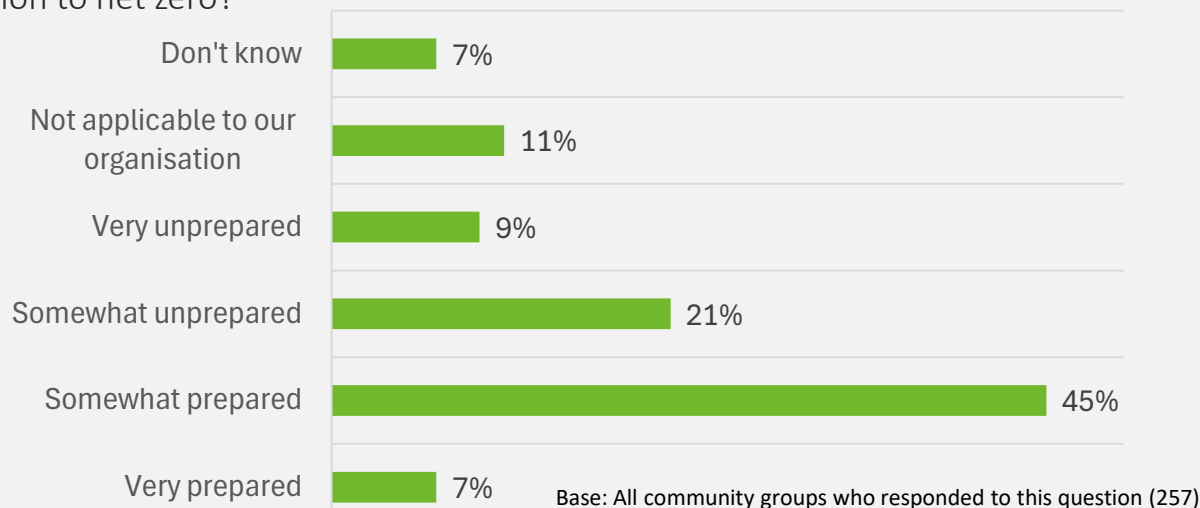
Preparedness for and Actions Towards Net Zero



Level of Preparedness for Net Zero

Around half (52%) of community groups felt at least somewhat prepared for the transition to net zero while (30%) were unprepared. Groups on islands were more likely to be prepared than those in mainland locations (59% vs 47%).

Q. How prepared or unprepared is your community group/organisation for the transition to net zero?



Respondents more likely to be somewhat or very prepared:

Turnover (vs 36% of those with turnover of <£10,000)

- £10,000 to £25,000 - 52%
- £25,001 to £100,000 - 52%
- £100,001 to £500,000 - 83%
- £500,001 or more - 75%

Local place plan - Organisations in communities with local place plans (whether they contribute to it or not) are more likely to be prepared compared to organisations in communities without these plans (57% vs 38%)

Own **3+ assets** - 58% versus 37% with no assets

In interviews, community organisations less prepared for net zero explained the reasons for this.

Some wanted to know more about their current environmental impact before working out what they should do. Many felt they lacked specialist knowledge of all the options available, or the best options for them. There was a sense that funding existed, but that this was bitty, subject to change in policy and hard to navigate without fundamentals in place or specialist knowledge of net zero measures.

‘To access that funding, we need to have a net zero plan. And that's probably the first step for us is to baseline our current emissions and develop a plan to reduce those and then we can access, hopefully access some funding to help us reduce our emissions.’

(Company Ltd by Guarantee, Moray)

A sense of frustration and a feeling of helplessness was expressed because they felt urgency for action:

‘there's a lot of people at the moment that are talking about lots and lots of things like carbon and the climate and they're talking about housing, but they're doing a lot of talking and nothing's happening. It's not moving fast enough. It's like being on a burning ship and everybody talking about who's going to get off first and what the rota should be while the boat's going down. That's what you feel.’

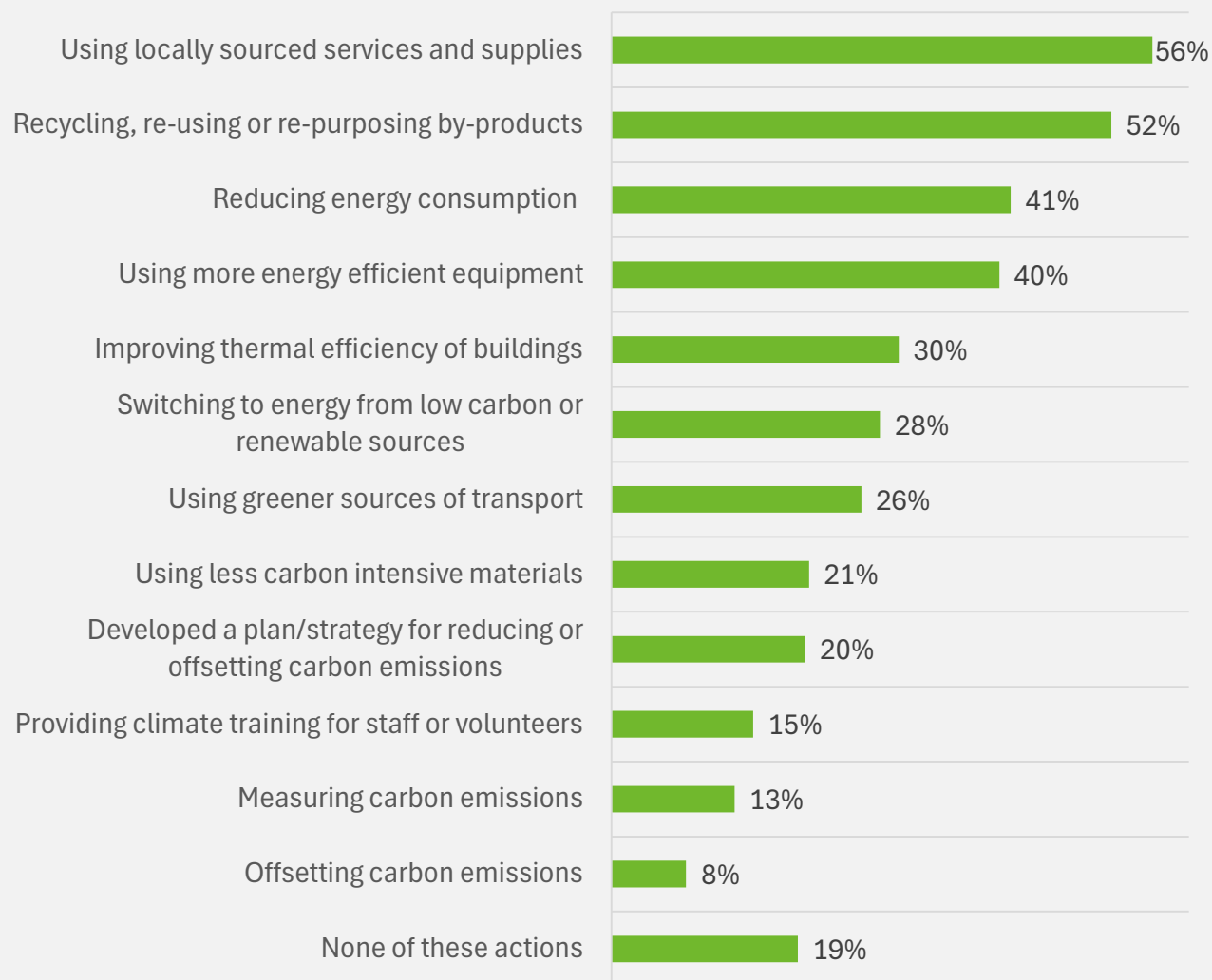
(CIC, Arran and Cumbrae)



Net Zero Actions

Respondents had undertaken a wide range of actions to reduce or offset their greenhouse gas emissions, most commonly using locally sourced services (56%), recycling, re-using or re-purposing by-products (52%), reducing energy consumption (41%) and using more energy efficient equipment (40%). However, about a fifth had not taken any of the actions listed (19%).

Q. Which of the following actions, if any, has your community group/organisation taken to reduce or offset your greenhouse gas emissions? Please select all that apply.



Base: All community groups who responded to this question (260)



81% of respondents were taking at least one of a range of actions listed to reduce or offset their greenhouse gas emissions.

Relationship between taking actions and location.

- Switching to energy from low carbon or renewable sources: 38% island vs 22% mainland; 32% rural vs 19% urban
- Developed a plan/strategy for reducing or offsetting carbon emissions: 27% island vs 15% mainland
- Providing climate training for staff and volunteers: 22% urban vs 12% rural

Community groups/organisations taking none of these actions (19% of respondents):

- Respondents with a turnover of less than £10,000 (41%) vs 14% £25,001 to £100,000, 6% £100,001 to £500,000 and none with a turnover of £500,001 or more
- Those with no assets (38% vs 4% those who own at least one type of asset)

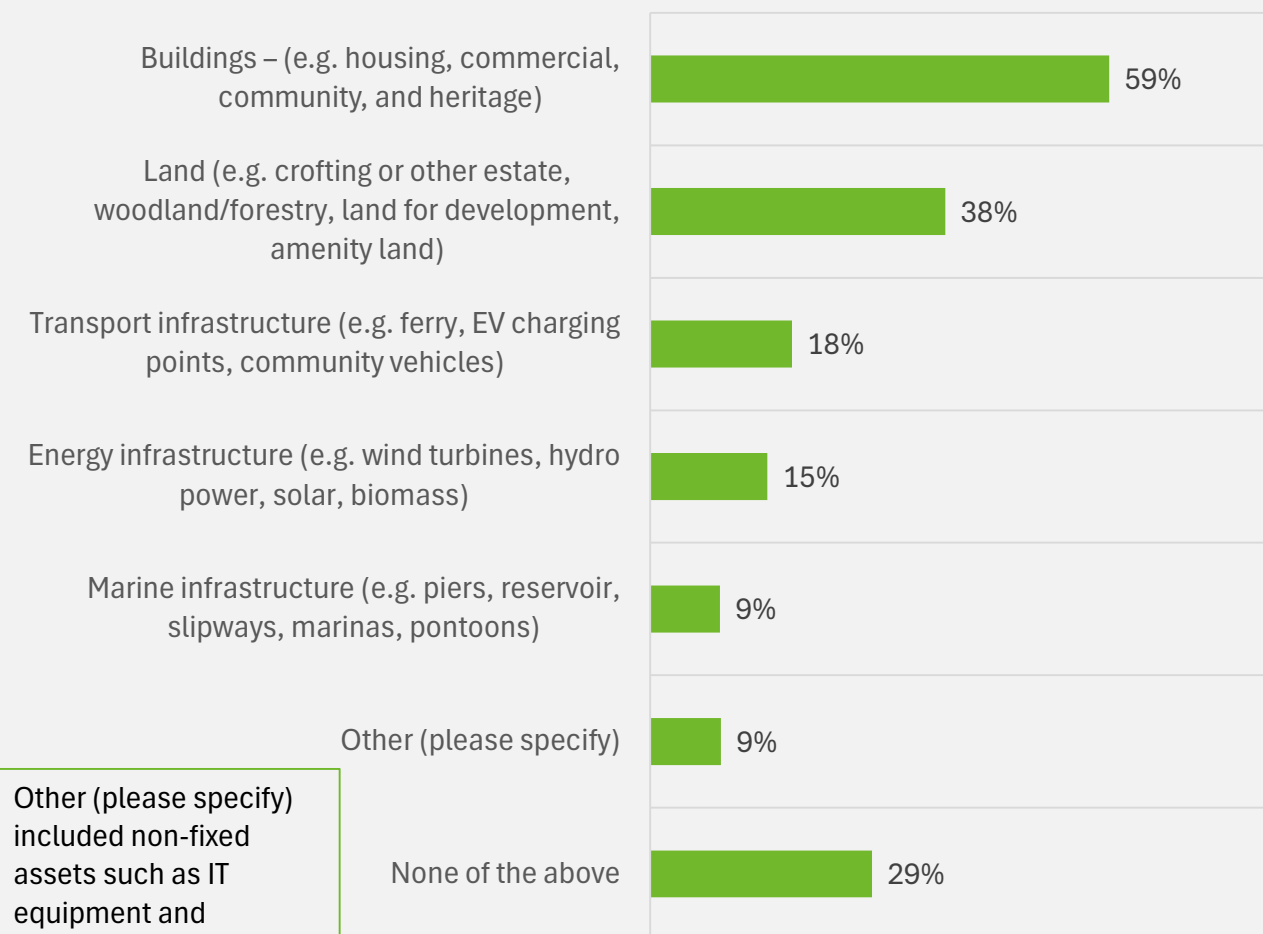
Community Groups and Organisations' Assets



Assets owned, managed or leased

Overall, 71% of community groups which responded to the survey owned, managed or leased at least one asset. Buildings were the most commonly owned, managed or leased assets (59%), followed by land (38%). Fewer groups had transport infrastructure (18%), energy infrastructure (15%) and marine infrastructure (9%).

Q. Does your community organisation currently own, manage, or lease, or are you in the process of acquiring, any of the following types of assets? Please select all that apply.



Base: All community groups who responded to this question (254)

Rural and Island respondents are more likely than urban and mainland respondents to own, manage, or lease, or be in the process of acquiring a range of assets:

- **Buildings** – 66% island vs 52% mainland; 63% rural vs 42% urban
- **Land** – 46% island vs 31% mainland; 43% rural vs 19% urban
- **Transport** – 27% island vs 12% mainland; 22% rural vs 6% urban
- **Energy** – 24% island vs 9% mainland; 20% rural vs 9% in urban areas;
- **Marine** – 16% island vs 4% mainland; 11% rural vs 2% urban
- **None of the above** – 39% urban vs 24% rural

Motivations to Own Assets

Retaining community facilities or amenities (48%), keeping essential services (38%) and safeguarding assets for the future (36%) were the key motivations for purchasing assets.

Q. What were your community group/organisation's key motivations for wanting to purchase or acquire the asset(s)? Please select up to three.



Base: Community groups who own, manage or lease assets that responded to this question (178)

Respondents more likely to select motivation:

- Keeping essential services available to our community –
 - 53% with transport assets vs 34% with land assets
- To create jobs locally –
 - 32% turnover of £100,001 - £500,000 vs 14% £25,001 - £100,000
 - 31% with service level agreements vs 15% without
 - 22% rural vs 5% urban
- We saw income generation potential –
 - 32% with energy assets (vs 16% with building assets)
- To celebrate our cultures and languages –
 - 14% island vs 4% mainland



Motivations to Own Assets

In follow up interviews, community organisations explained more about the motivations of owning their own assets. Many touched on advantages and disadvantages of ownership.

Communities explained that funding to develop owned assets was more available than for those on long-term lease:

‘It's often a condition of funding that if you're trying to secure funding to improve an asset, it's often easier to get that funding if you own rather than lease the asset. You know, some funders will still look at long leases. We know that HIE [Highlands and Islands Enterprise] will look at long leases, look at funding refurbishment of properties and improvements to properties as long as there's a long lease in place, but Heritage Lottery Fund in particular, were adamant that it needed to be ownership rather than a lease. So I'd say that's one of the key things for us is that it's easier for us to secure funding against an asset that we own rather than we lease. But we also obviously have more control over that asset if we own it.’ (Company Ltd by Guarantee, Moray)

Many pointed out that ownership is tied to community empowerment:

‘So the advantage [of acquiring assets] is that it's how everybody feels about the place and how everybody feels that sense of ownership and development and growth. But in terms of being a useful business thing, I suppose they're good in terms of reputation because people can see that we've got a track record and we've done things...and we've sustained it successfully. So in that way, assets are useful because they can show our abilities and potential. These are like, they're kind of like building blocks of taking ownership of your own community and driving your own future, so it's all about that whole, yeah. So it is ownership in lots of ways, but it is making money. Yeah. So sense of pride, sense of ownership and opportunity to make some of your own funding.’ (Company Ltd by Guarantee with charitable status, Lochaber)

Communities described a move towards acquiring assets which would generate income, rather than become a burden:

‘Everybody wants assets, but I think the move is now more towards income earning assets, not to take everything on, you know, because the council and others have got statutory responsibilities. They would happily have us filling their potholes, but you know, we're not going to do that.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

‘But what you don't want is the assets to become liabilities. Well, you know, your community could say we want a swimming pool and you could get money for a swimming pool, but you're going to struggle to pay for the heating and running costs for the next 25 years unless you've got a lot of people willing to pay good money to come in for a swim.’ (Company Ltd by Guarantee, Shetland)

Motivations to Own Assets

In follow up interviews, community organisations explained more about the motivations of owning their own assets. Some had acquired assets decades ago and others more recently.

One shared their community organisation's motivation for acquiring the village hall; it was the top priority in a community planning consultation conducted:

'The community centre was originally an old church and in the 1960s it was turned into a facility, so it's quite dated. It's at the top of a hill, there's not a lot of parking. And just for good measure, it's also in the town's conservation zone...it's a bit of a problem child....it would be great if they said, "Oh well, it would be great if you did a priority of something smaller", but they didn't - that is what they came back with. So we felt if we didn't do it and we did something else, they would be like, "Well, what about the community centre?"' (Company Ltd by Guarantee, Orkney)

Communities shared instances of acquiring land, helped by grant aid, but then their plans for the use of land did not come to fruition. Instead of disposing of the land, especially as often low value land, they are keeping for future development. For example:

'We bought land, but the cost was going to be £2,000,000 I think to put up a building with - I mean it was quite a big building - with a bigger shop space, shed, recycling area, meeting place, a community laundry and changing places, disabled toilet and all the rest of it. And then even a scaled back version with dropping a few of these things was going to be over a...We just didn't feel that we would make enough, generate enough income. I mean a second-hand shop, you've got bigger premises and you've got to pay the insurance and the heating and all the rest of it. I don't think, because of our population...we'd make enough money to pay the bills basically. So we might have got the money to build it, but to run it and keep it going, it might have been just a millstone around our neck.' (Company Ltd by Guarantee, Shetland)

In follow up interviews, examples of disposing of assets were rare

One community organisation had built a number of homes, and had, as planned originally, sold a proportion of those to feed that income back into those kept in community ownership.

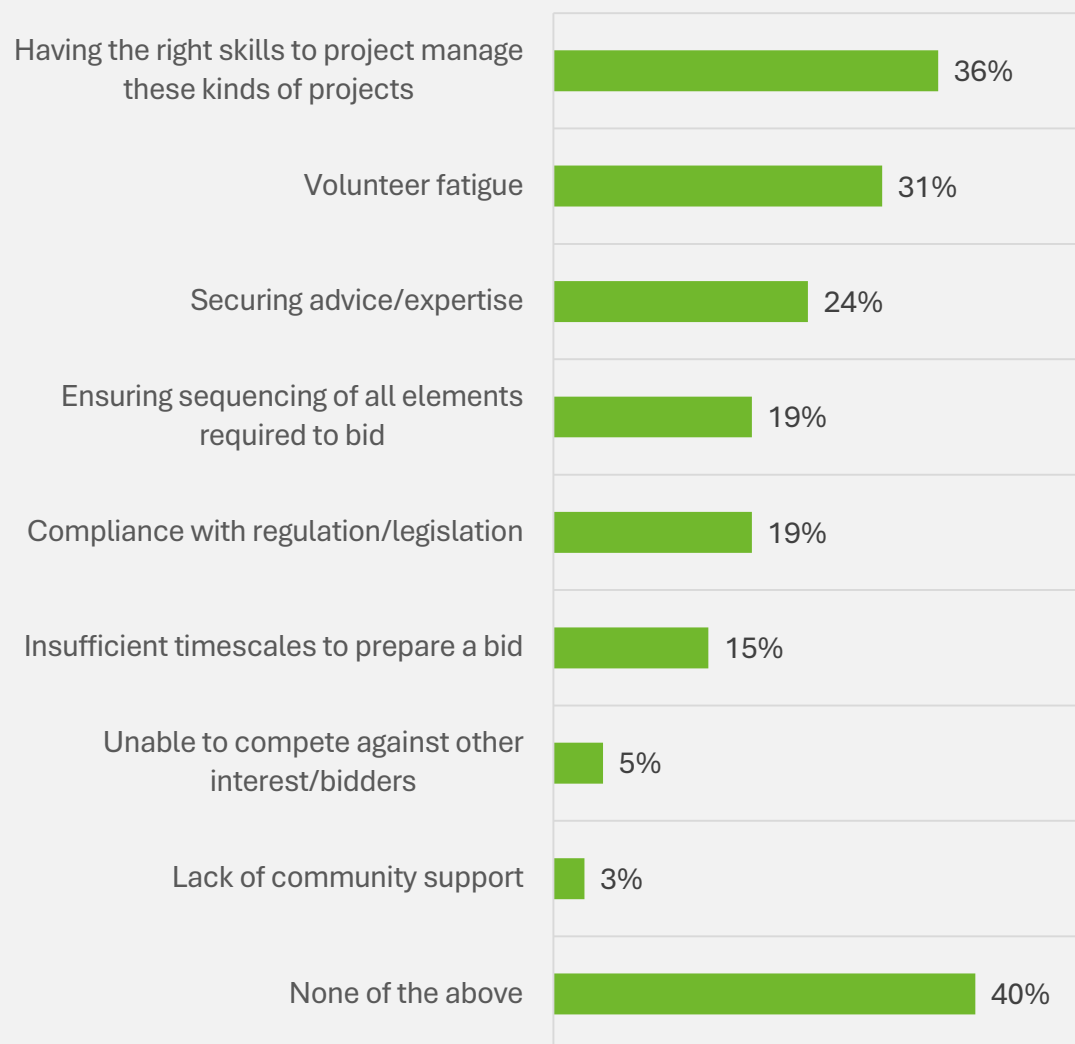
One community organisation explained they had owned marine infrastructure which came at significant maintenance cost. Because cruise tourism had come to the area, they had transferred it back to the Local Authority who could pay for its maintenance and ensure that ships anchored had a suitable place for charters to berth.



Challenges Acquiring Assets

The most common challenges faced by groups when acquiring assets were having the right skills to project manage the acquisition (36%) and volunteer fatigue (31%).

Q. Which, if any, of the following challenges did your community group/organisation experience when seeking to acquire assets?
Please select all that apply.



Base: Community groups who own, manage or lease assets and responded to this question (172)

Respondents more likely to select:

- **Volunteer fatigue** - 50% of those with energy assets vs 27% of those with building assets (31% overall)
- **Securing advice/expertise** – 36% of those with a trading subsidiary vs 20% of those without

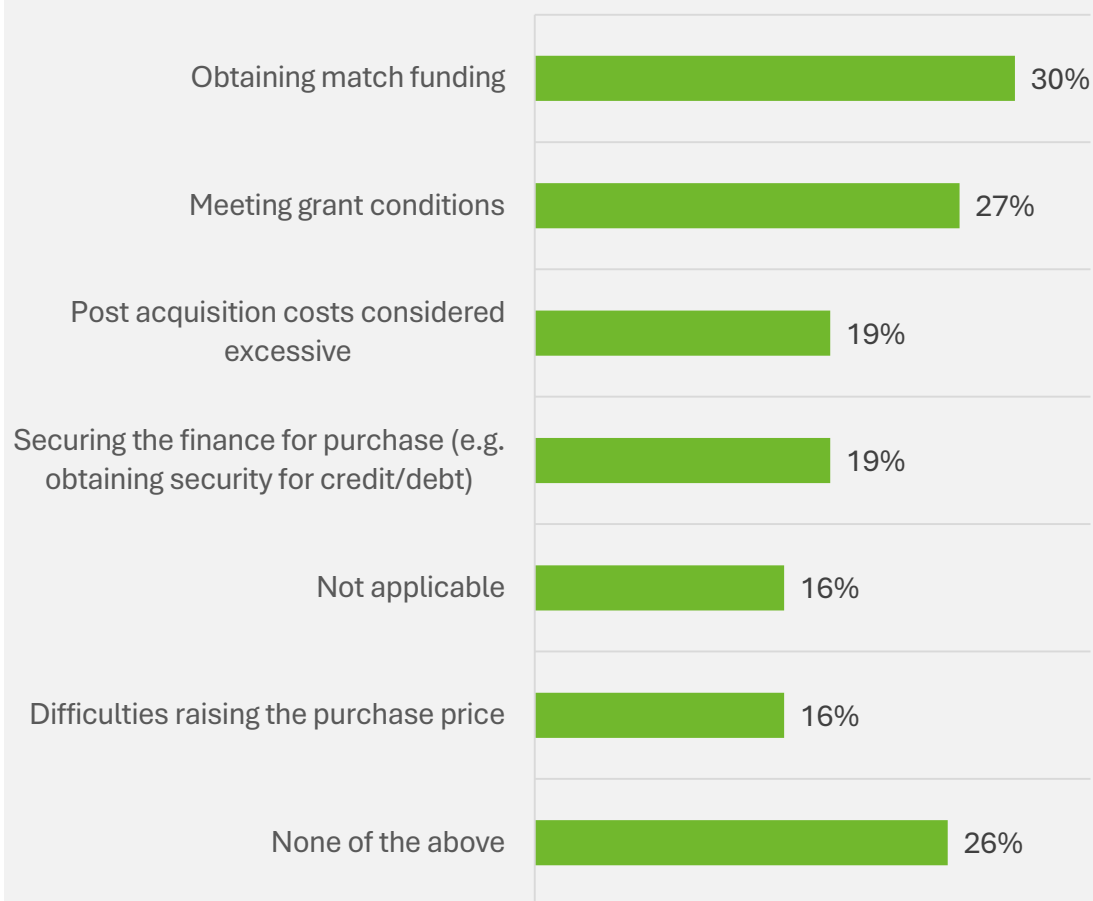
Respondents less likely to select:

- **None of the above** – 19% of respondents with energy assets vs 41% with building assets (40% overall)

Challenges Relating to Costs

Match funding (30%) and grant conditions (27%) were the most commonly experienced challenges relating to the cost of acquiring or owning a community asset. Around a quarter (26%) did not experience any of the cost-related challenges listed.

Q. Which, if any, of the following challenges relating to costs of acquiring or owning assets did your community group/organisation experience? Please select all that apply.



Base: Community groups who own, manage or lease assets that responded to this question (178)



Respondents more likely to select:

- Obtaining match funding – 32% mainland vs 26% island
- Meeting grant conditions – 28% mainland vs 23% island
- Securing the finance for purchase –
 - 37% with energy assets vs 17% with building assets
 - 28% with a trading subsidiary vs 14% without
 - 26% island vs 12% mainland
- Difficulties raising the purchase price – 27% urban vs 12% rural
- None of the above – 29% with building assets, 24% with land assets vs 9% with transport assets (26% overall)

Challenges for Community Group Developing Assets (1)

In follow up interviews, community organisations explained more about the challenges of developing assets as a community organisation.

For some, they had to acquire land before building another asset. One organisation who did so explained the timeline and difficulty of the whole journey:

‘It's just been so long and it's just absolutely, that's the worst point, is that if communities want to build housing and are prepared to take on the weight of that project, they should just get support thrown at them. Really it's been a huge long-winded process and you can imagine some communities just kind of giving up, although you kind of don't have the option to give up because you just need the houses.

‘For 40 years, [public body] told us that they could not sell us land for housing, for 40 years. And I said, “Right, you know what? What we're gonna do is we're just gonna start the housing project and we're just gonna start barrelling on with it. And they will just have to get on board because you know, what's the headline? “[Public body] stops housing development, stops development of communities.” So we just took that approach. It's like we're just gonna start the housing project and do everything we have to do and they will have to get on board. And they did.’ (Company Ltd by Guarantee with charitable status, Lochaber)

Many mentioned the availability of contractors in remote rural areas as causing issues with their funders for development projects:

‘You need two or three quotes. I said, “I don't, long-term I can't even get two or three people coming over from the mainland to come and give us, so how can I get two or three quotes?” And they said, “Well, therefore you can't have your solar grant. You meet all the criteria, but you haven't got two or three quotes.”’ (CIC, Arran and Cumbrae)

Many gave examples of building regulations they had to understandably comply with, but these brought unexpected complications and costs:

‘If you build above a certain space, you then need a water supply capable of firefighting so Fire and Rescue come along and say, “Well, I'm sorry, the water supply into the village isn't big enough. So what you need to do is build this massive tank underneath your car park kind of thing and fill it full of water.” OK, but you know, that's another £20,000 on top. You don't get this kind of advice from the public sector because they just don't know, you know, your heads of community in public bodies. I've never had to do it therefore, they don't know about these sort of things.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

Challenges for Community Group Developing Assets (2)

In follow up interviews, community organisations explained more about the challenges of acquiring assets as a community organisation.

Availability of assets such as land to acquire in their areas was described as a postcode lottery. Some organisations and groups were situated in areas where the largest current landlord was a public body, others it was private ownership, and others it was community-owned land:

‘Despite the fact we have heaps of land around here, it's all in private ownership. And trying to get hold of any sort of land within a village context that's actually developable and isn't some sort of vertical cliff face or, you know, some place liable to flooding or a complete bog.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

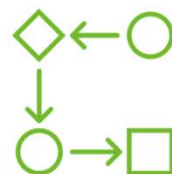
Acquiring assets was described as a complex process. In general communities felt that policy and public bodies were trying to make this easier for communities, but introducing more and more measures, initiatives, funding and support, can mean there is even more to navigate.

One community organisation shared their experience as an early adopter of asset transfer:

‘Council was still developing their policy on asset transfer. So we were trying to hit a target that was moving effectively and moved a number of times through the process. So this was probably a two year process and [redacted] Council's community asset transfer policy wasn't signed off, I think, until just before we went through it.’ (Company Ltd by Guarantee, location retracted)

Examples were given for unexpected processes and costs for communities developing building assets, for example:

‘You know, we didn't expect to have to complete a valuation for the properties. So there were little bits of funding that could have completely scuppered the project, you know, because we didn't have a huge reserve. Because we were quite a new trust, so we hadn't built up a reserve. And yeah, those little bits of funding were absolutely crucial to the project going forward.’ (Company Ltd by Guarantee, Moray)



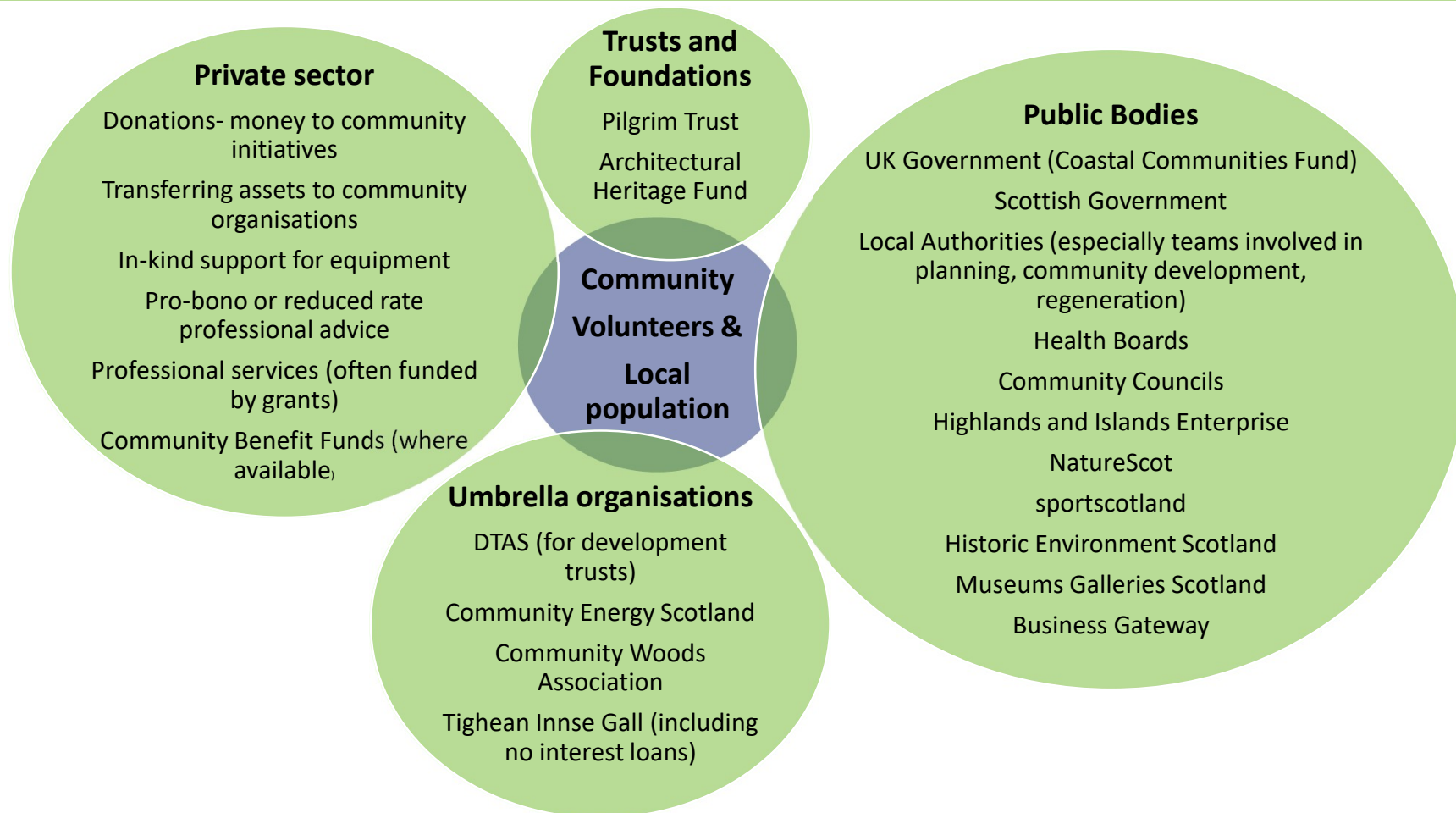
Support to Acquire Assets

Community groups/organisations who had acquired assets were asked – ‘What support was most beneficial to your community group/organisation in acquiring assets?’

Many mentioned the community itself - all those who take on trustee positions, volunteer or feed in their thoughts and aspirations for their community.

Many stakeholders were mentioned across public, private and third sector (see visual summary for support organisations included in text responses to survey). Some were providing grants, others advice and support, others leased or transferred an asset to their community.

Communities also appreciated support they had received from political representatives (Councillors, MSPs or MPs) as they can bring attention and traction to their aspirations amongst wider stakeholders.



Community Benefits

Safeguarding assets and providing services that would otherwise not be available were the top two ways in which organisations thought communities benefit from their assets (both cited by 72%). Around half thought communities benefit from their asset(s) through job creation (52%) and through asset(s) supporting local projects (47%).



Respondents more likely to select:

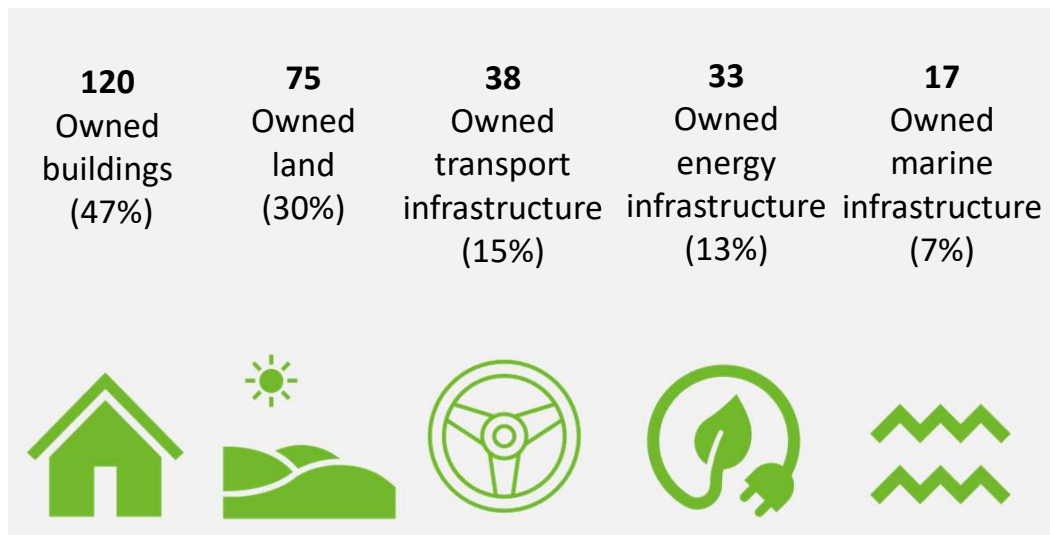
- **Job creation** – 83% with a trading subsidiary vs 39% without; 75% turnover £100,000 or more vs 20% turnover £25,000 or less; 69% with SLAs vs 44% without; 57% rural vs 32% urban
- **Revenue is invested back into other community projects** – 66% with a trading subsidiary vs 22% without
- **Funds are invested in the acquisition or development of other community assets** – 51% with energy assets vs 29% with building assets and 27% overall; 47% with a trading subsidiary vs 20% without
- **Donations are made to fundraising events** – 26% with a local place plan vs 9% of respondents in communities with no local place plan
- **We provide funds that individuals or community groups can apply to** – 43% with energy assets vs 15% with building assets and 14% overall; 26% with a trading subsidiary vs 10% without
- **Vouchers or grants are provided to local residents** – 22% with energy assets and 20% with transport assets vs 7% building assets and 6% overall; 15% with a trading subsidiary vs 2% without

Asset Types Owned by Community Groups and Organisations

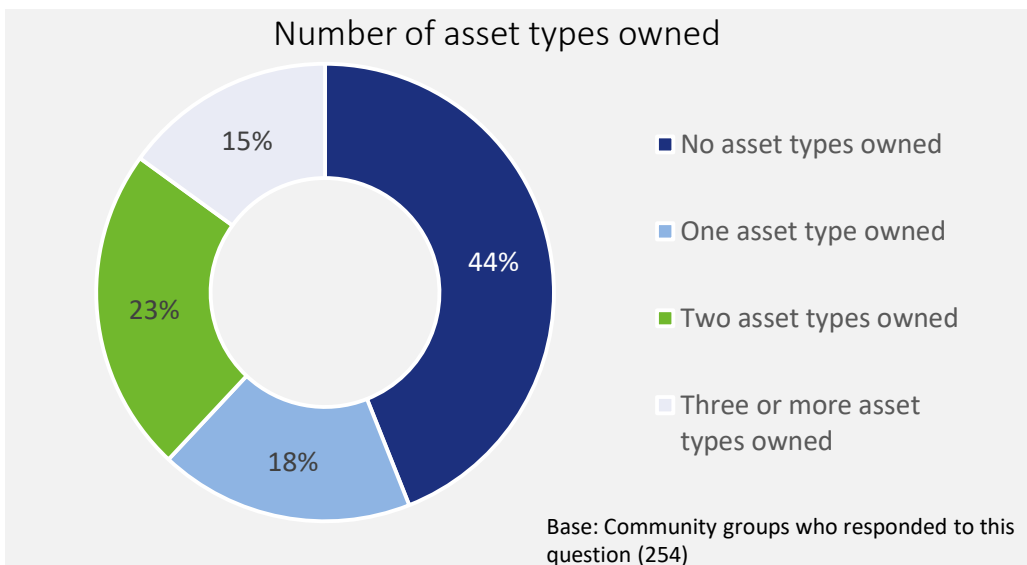


Assets owned

Overall, 254 community groups provided information about whether they own, manage or lease any assets. In total, 56% owned at least one asset, while 44% did not own any type of asset. The most common types of assets owned were buildings (47%) and land (30%).



Those in rural areas were more likely to own any type of asset than those in urban areas (64% of rural respondents own at least one asset type vs 38% of urban respondents).



Single Asset Ownership

45 community groups owned only one asset type (18% of those who provided information about whether they own, manage or lease assets). This was comprised of:

- 32 with building assets, 4 with land assets, 6 with transport assets, 2 with energy assets and 1 with other assets. None had only marine assets.

Multiple Asset Type Ownership

96 community groups (38%) owned more than one asset. Of these, 60% (58 groups) owned two types of assets, 25% (24 groups) three and 9% (9 groups) four asset types. Five owned all five types of asset listed (5% of those with more than one asset type).

Many had built these up over time, for example:

‘When I joined in 2015, we went through the community asset transfer process and acquired the ownership of the hostel and the museum and that gave us a base on which to build effectively, gave us a sort of asset base to build on. We then were involved in a landscape partnership programme, which is a £3.6 million heritage lottery funded programme of heritage and sorry, cultural and natural heritage development in our area and we were one of the lead partners on that programme. And most recently, following the end of the landscape partnership in 2020, we've developed an affordable housing project’ (Company Ltd by Guarantee, Moray)

No Assets Owned

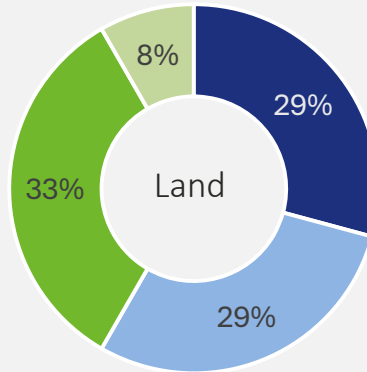
A total of 113 community groups/organisations did not own any type of asset. This was 44% of all respondents who provided details of assets owned, managed or leased. 40 of these organisations (16% of the whole sample) managed or leased assets but did not own them. 30 respondents did not complete the questions on assets.

Assets Owned

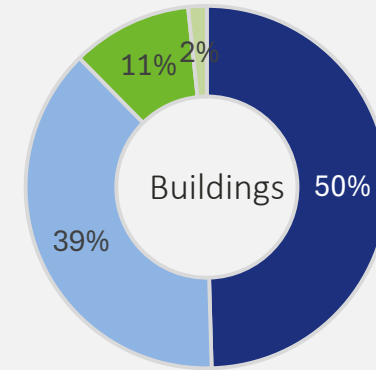
Respondents owning land, building, energy, transport and marine assets were asked to what extent these generated income for their community group/organisation. While the majority for each type indicated assets were income generating, this was not always enough to cover asset costs. Three-fifths (60%) of those with energy assets were generating enough revenue from the assets to cover costs. However, fewer with buildings (39%), land (29%), and transport assets (17%) were generating enough revenue from these assets to cover costs.

Does [asset] generate income for your community group/organisation?

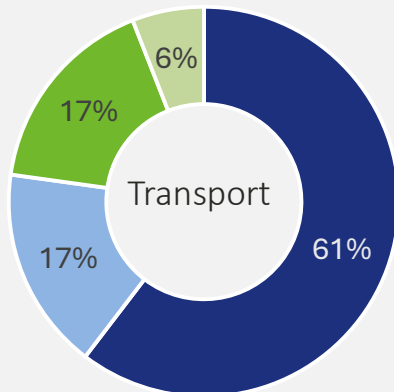
- Yes, but not currently enough to cover its costs
- Yes, and this is currently enough to cover its costs
- No, it does not currently generate any income
- Don't know



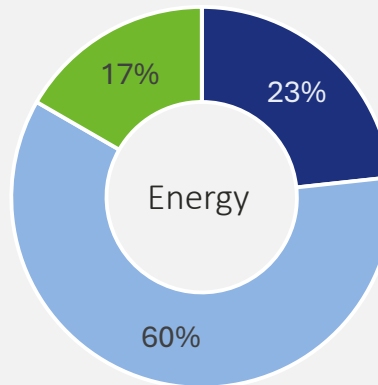
Base: All community groups with land assets (72)



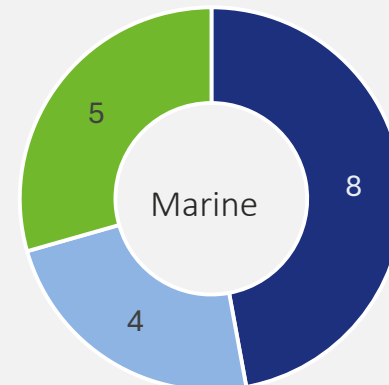
Base: All community groups with buildings (120)



Base: Respondents who own at least one transport asset (36)



Base: Respondents who own energy infrastructure assets (30)



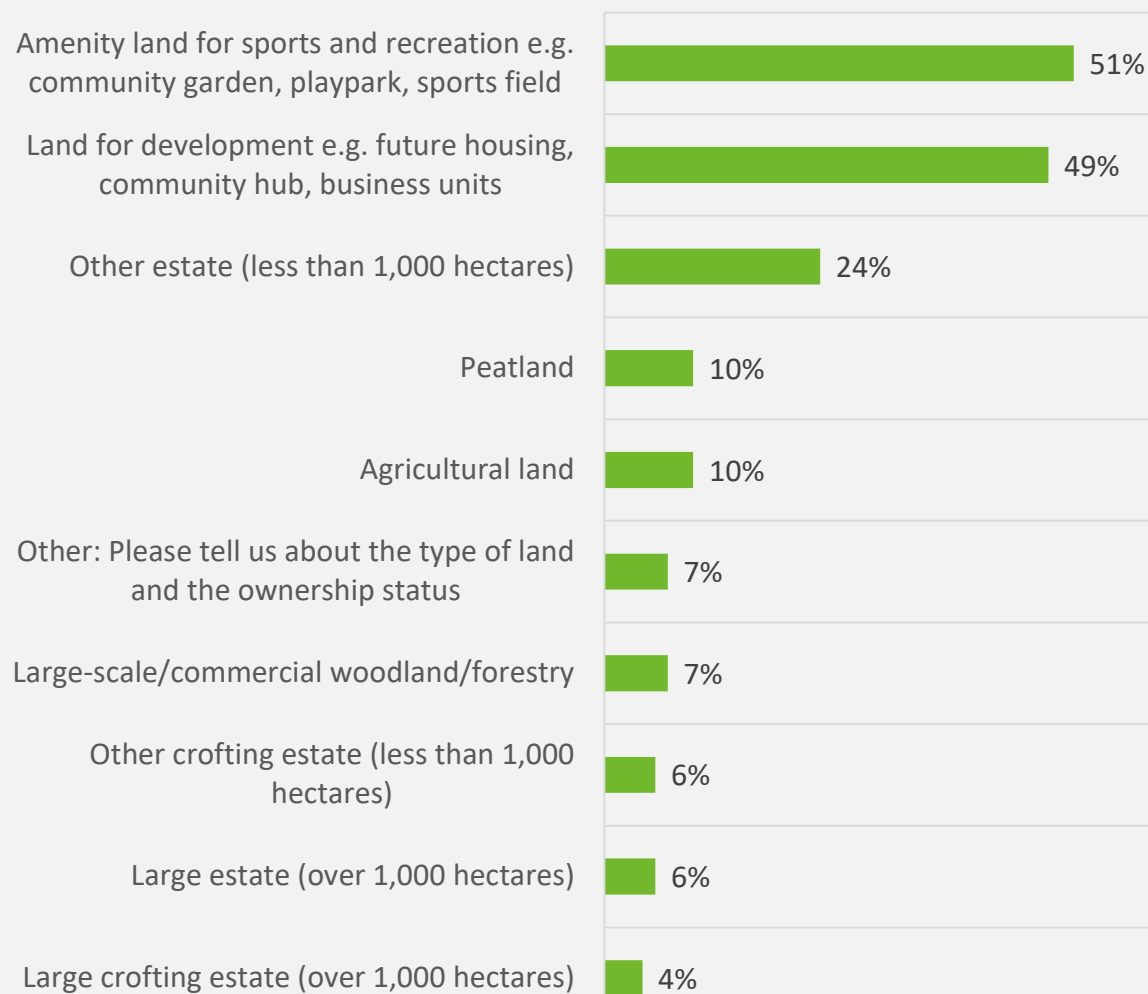
Base: Respondents who own at least one marine asset (17)

Sample sizes were larger for owners of land assets and owners of building assets, but small for respondents with the other types of assets. Where sample sizes are smaller than the ownership numbers on the previous slide, this is due to question non-response.

Land Assets – type

In total, 75 respondents owned land assets. This was 41% of all respondents who owned, managed or leased any assets, and 53% of all those who owned assets. In terms of land owned, this was most commonly amenity land for sports and recreation (51%) or land for development (49%). A quarter (24%) of respondents owned estate land (not crofting estate) of less than 1,000 hectares.

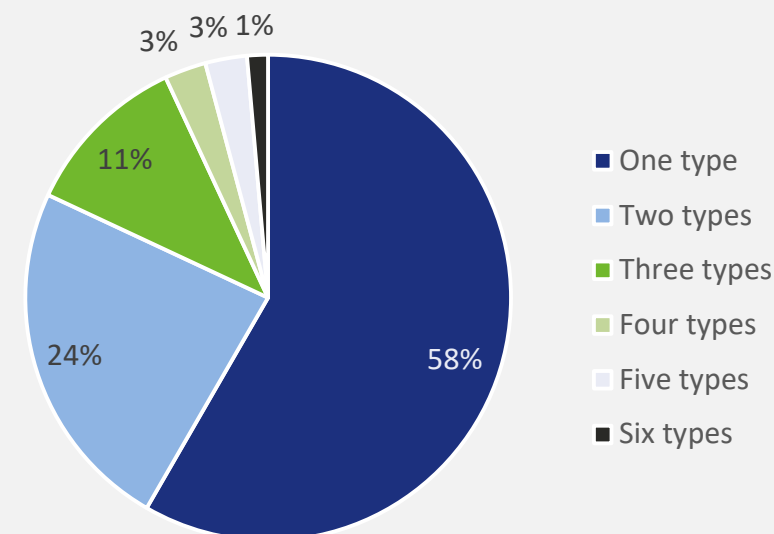
Q. Which type(s) of land does your community group/organisation have?



Base: Community groups which own their land assets who responded to this question (72)

Around three in five respondents who owned land only owned one distinct type of land (58%). A quarter (24%) owned two types of land while 19% owned three or more types of land.

Number of types of land for those who owned land



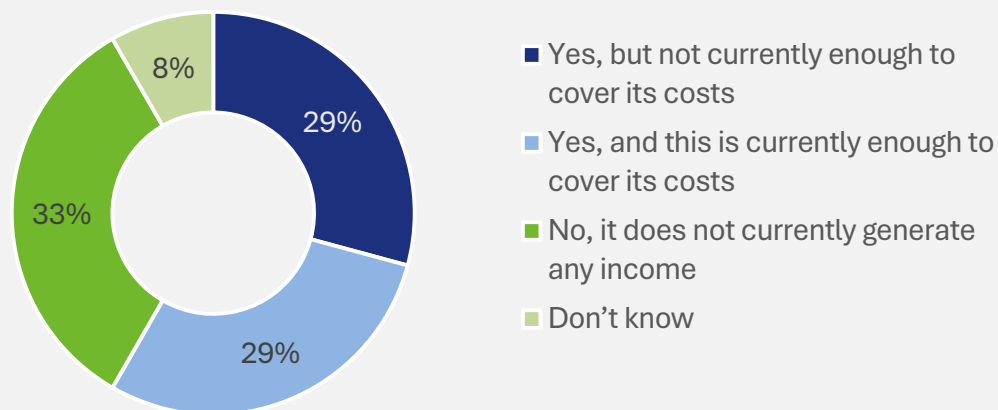
Base: Community groups which own land assets who responded to this question (73)

Respondents reported owning a total of approximately 71,400 hectares of land. Nearly eight-tenths of this (56,000 hectares, 78%) is owned by two community groups.

Land Assets – income generation

Around three in five with land assets (58%) stated that the land owned was income generating, although less than a third (29%) said that this was sufficient to cover costs. A third (33%) reported that the land did not generate any income (33%).

Q. Thinking of all the land your group/organisation has, does it generate income for your community group/organisation?



Base: All community groups who own land assets assets who responded to this question (72)

As shown in the table below, of those whose land generated income from their land assets:

- 3 had a turnover of £10,000 or less
- 15 had a turnover of between £10,000 and £100,000
- 13 had a turnover of between £100,001 and £500,000
- 10 had a turnover of £500,000 or more

Of the 24 whose land did not generate income from their land assets:

- 3 had a total turnover of £10,000 or less
- 9 had a turnover between £10,000 to £100,000
- 7 had a turnover between £100,001 to £500,000
- 4 had a turnover greater than £500,000

There were no statistically significant differences between land income generation and turnover.

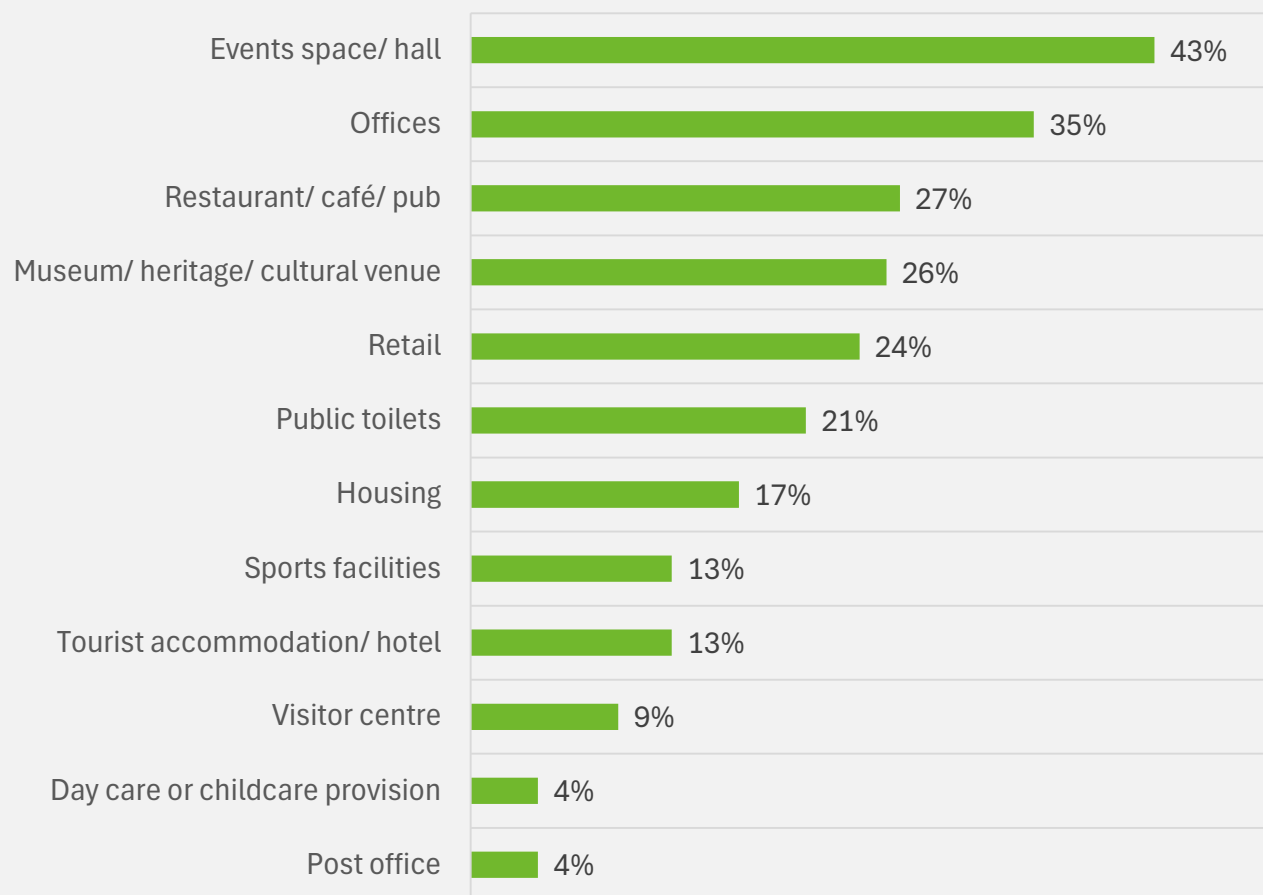
Turnover ranges for those who own land assets	£10,000 or less	£10,001 to £25,000	£25,001 to £100,000	£100,001 to £500,000	£500,001 or more	Don't know
Total	6	12	16	22	14	2
Yes, but not currently enough to cover its costs	2	3	4	7	5	1
Yes, and this is currently enough to cover its costs	1	3	5	6	5	0
No, it does not currently generate any income	3	3	6	7	4	1
Don't know	0	3	1	2	0	0

Note: The breakdown results for land assets are reported as numbers as breakdown numbers are small.

Building Assets - type

In total, 120 respondents owned building assets. This is 66% of all respondents who owned, managed or leased any assets and 85% of all those who owned assets. Building assets were used for many functions by community groups/organisations, most commonly for events spaces/halls (43%) and offices (35%).

Q. What is the function(s) of the building/s you own? Please select all that apply.



Note: 36% of respondents selected 'Other (please specify)' as an answer option, often to provide more detail on the functions outlined in other categories.

Base: All community groups which own their building assets (120)



Respondents in *rural* locations more likely than those in *urban* areas to select:

- Retail – 28% vs 4%
- Public toilets – 25% vs 4%
- Tourist accommodation/hotel – 16% vs 0%

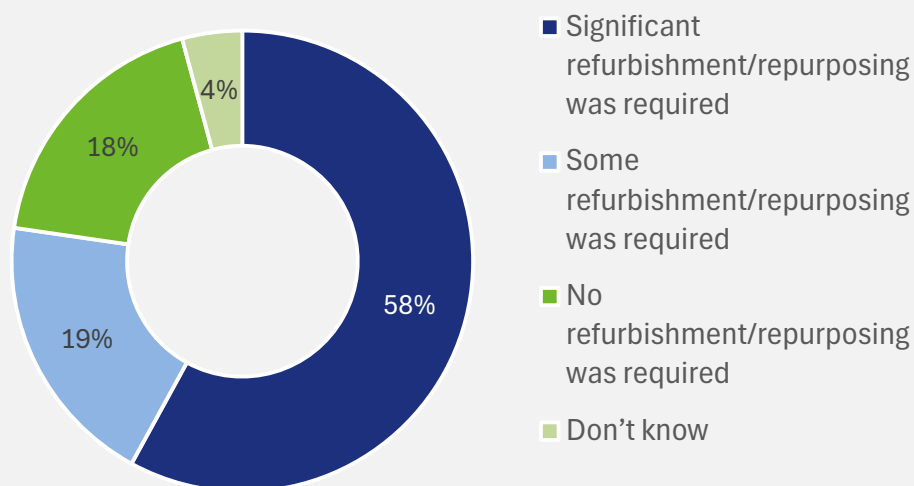
Respondents in *island* locations more likely than those in *mainland* areas to select:

- Retail – 33% v 15%
- Housing – 25% island vs 8% mainland
- Tourist accommodation/ hotel – 19% vs 6%

Building Assets – refurbishment and renovations

Around four in five respondents with building assets (77%) indicated that they needed refurbishment/repurposing on initial acquirement, with most (58%) saying they required significant refurbishment/repurposing. Two-thirds (67%) anticipated further work would be required to achieve acceptable energy efficiency standards for all (48%) or some (21%) of their buildings. Nearly four in ten respondents (39%) who needed work to achieve acceptable efficiency standards also reported being somewhat or very unprepared for the transition to Net Zero.

Q. How would you describe the building(s) when initially acquired by your community group/organisation? If you have multiple buildings, consider them in their totality.

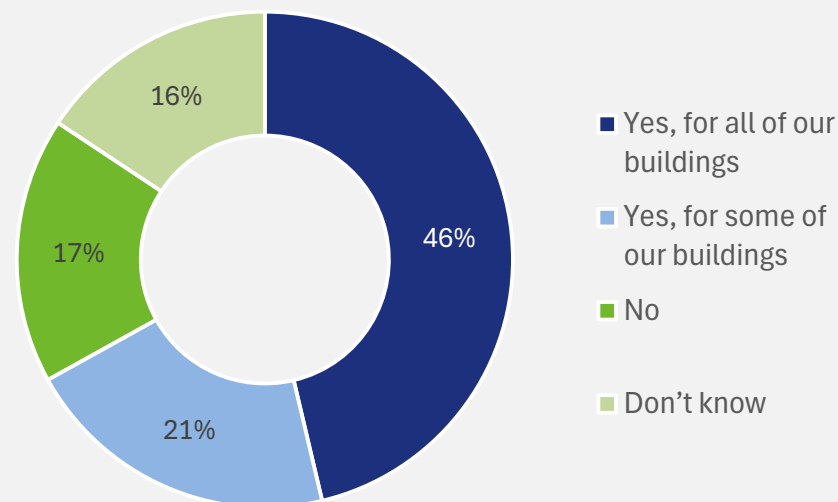


Base: All community groups who own buildings assets who responded to this question (119)

Respondents more likely to select:

- Significant refurbishment/repurposing was required – 62% island vs 53% mainland; 81% restaurant/café/pub vs 58% events spaces
- Some refurbishment/repurposing was required – 25% island vs 15% mainland

Q. Will work be required to achieve acceptable energy efficiency standards? This would mean achieving an EPC rating of C or above.



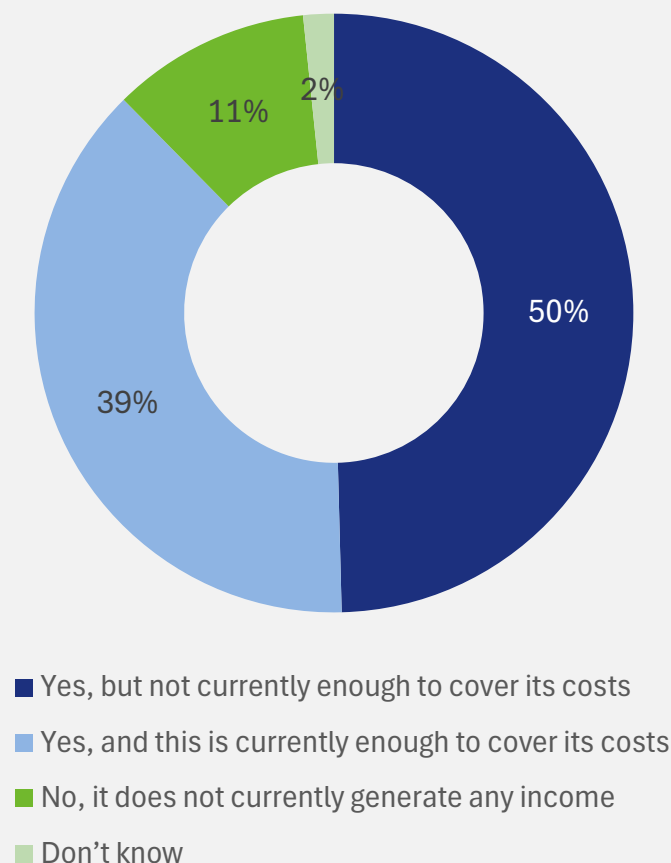
Base: All community groups who own buildings assets who responded to this question (120)

There were no significant differences found when looking at the extent of work required to achieve acceptable energy efficiency standards

Building Assets – income generation

Most community groups/organisations with building assets (89%) stated these generated income, with around two in five (39%) generating enough to cover costs. Half (50%) were not generating sufficient income to cover costs.

Q. Do the building(s) generate income for your community group/organisation?



Base: All community groups who own buildings responding to this question (120)



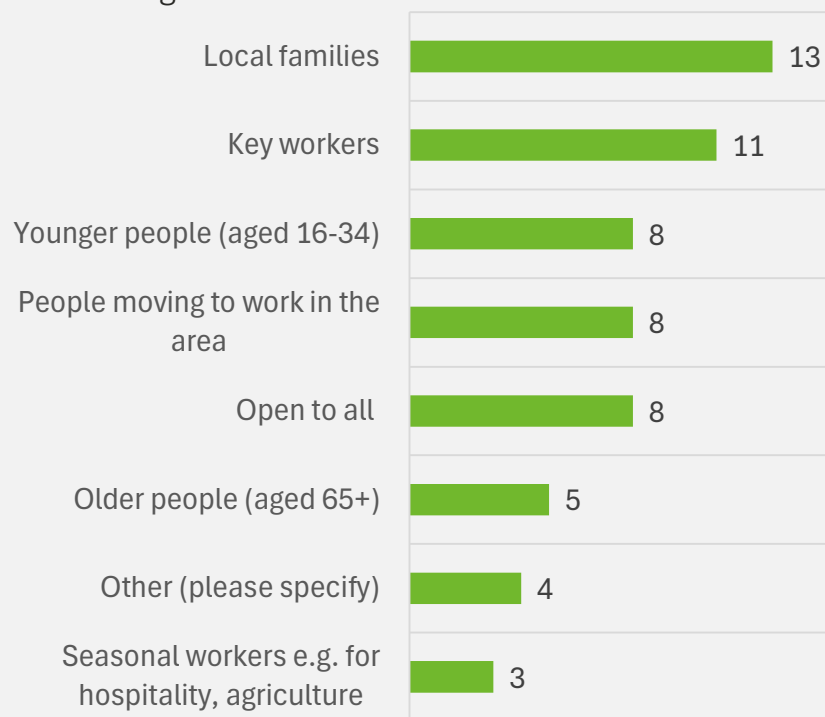
Income generation by building type:

- Less than half (45%) of respondents with **events spaces/halls** had buildings which generated enough income to cover costs, an additional 51% had buildings that generated income but not enough to cover costs
- Four in five (38%) respondents with **offices** had buildings which generated enough income to cover costs, over half (55%) had buildings that generated income though not enough to cover costs
- One in three (34%) with **restaurants/cafes/pubs** had buildings which generated enough income to cover costs, over half (53%) had ones which generated income but not enough to cover costs
- Three in ten (28%) with **museums/heritage/cultural venues** had buildings which generated enough income to cover costs, almost two in three (63%) also had buildings which generated income but not enough to cover costs

Housing Assets – type and income generation

20 respondents owned housing assets (8% of all respondents). Most owning housing assets reported that these were income generating (17), but only 7 indicated that this was sufficient to cover costs. Local families were the main target group for 13 housing providers, while 11 groups targeted key workers. Most operated their housing assets as landlords (17).

Q. What are your main target groups for the occupiers of this housing?



Base: All community groups which own housing assets who answered the question (19)



Note: The breakdown results for housing are reported as a number due to the small sample.

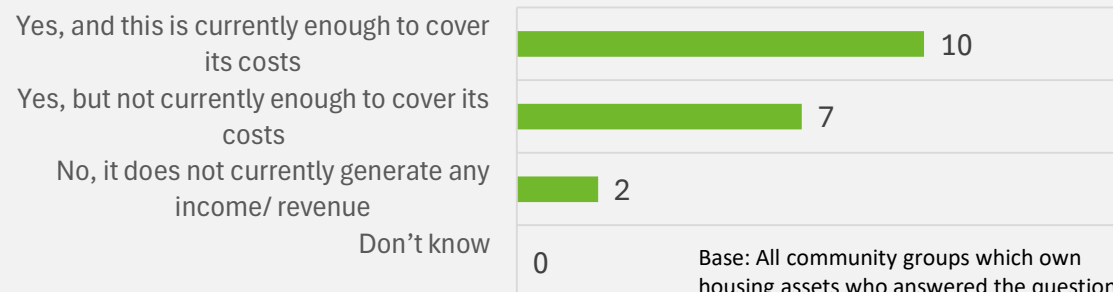
One respondent was a social landlord with over 2300 units. Removing that outlier, the remaining community groups/ organisations responding to the question had a total of 168 units including:

- 65 existing housing (fit for purpose)
- 51 new build housing
- 49 existing housing (needed refurbishment)
- 3 buildings repurposed to housing

In terms of their models of operation (they could select more than one) the housing owned was predominantly residential accommodation (145 units), some holiday accommodation (8 units) and the remainder (15) unspecified.

17 owners of housing assets operated as landlords. One built or acquired the housing to pass onto another organisation to run, and one built or acquired specifically to sell on. Two had collaborated with housing developers to deliver, while seven had collaborated with an organisation such as Communities Housing Trust or Rural Housing Scotland to deliver.

Q. Does the housing you own generate income/revenue for your community group/ organisation?

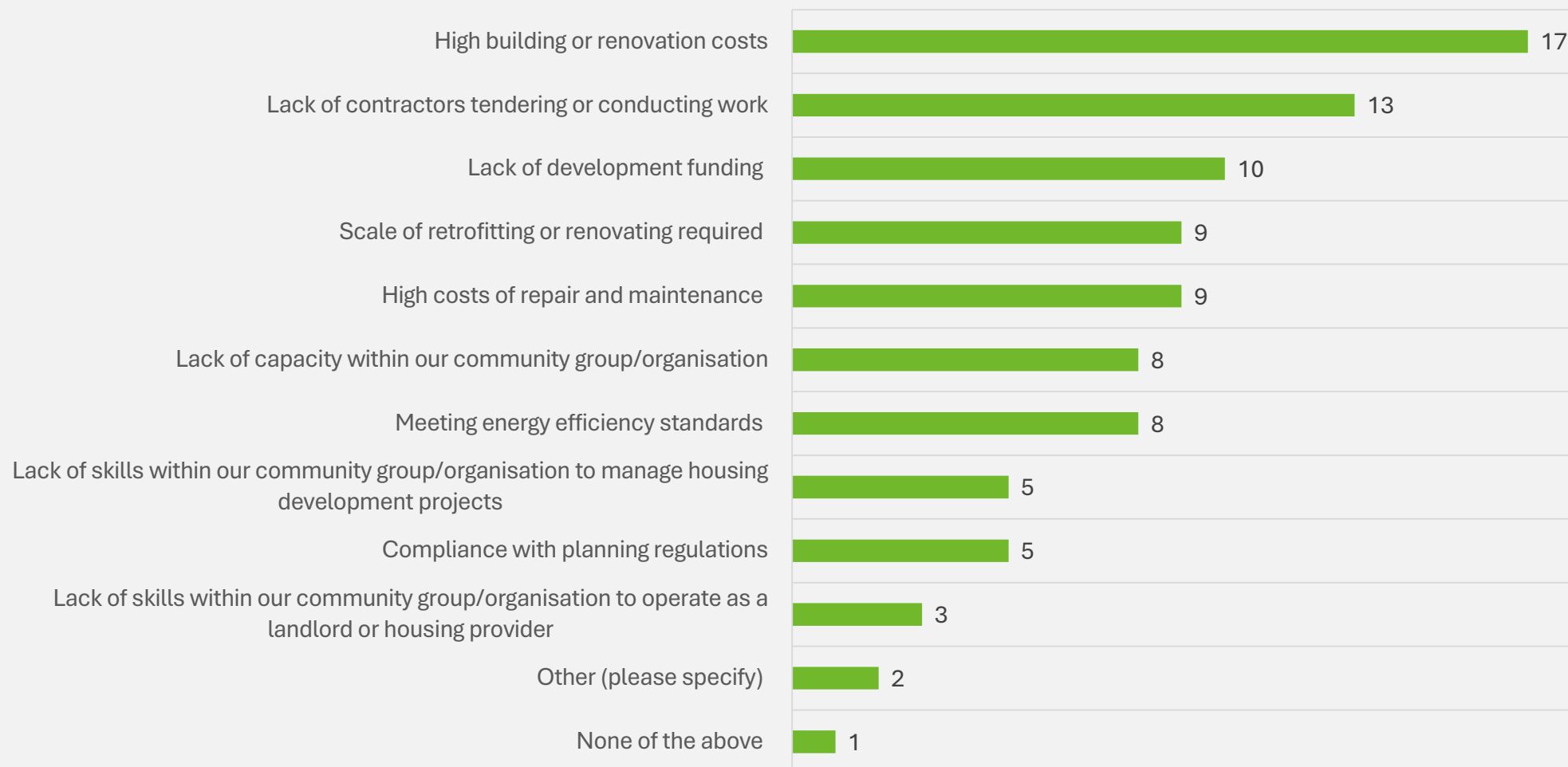


Base: All community groups which own housing assets who answered the question (19)

Housing Assets - challenges

In terms of challenges encountered in developing or managing housing, nearly all had encountered high building or renovation costs (17), and most had been constrained by a lack of contractors tendering or conducting work (13).

Q. What challenges, if any, did your community group/organisation encounter when developing or managing housing? Please select all that apply.



Note: The breakdown results for housing are reported as a number as only 19 is a small sample.

Base: All community groups which own housing assets (19)

Housing Assets (1)

In follow up interviews, community groups who were interested in addressing local housing shortages explained their wishes, and in some cases their hesitations.

Some explained they would have to carefully consider how to proceed based on feasibility studies:

'We do currently have an aspiration to acquire some land to build housing on. So we're just going through the feasibility kind of phase of the SLF [Scottish Land Fund] stage 1 application to do a feasibility study for housing. Purely in terms of - because the housing need is so huge, we want to understand if and how we can support that housing need and we're not sure if we can at the moment. We don't know if we have the capacity or but we, you know, we want to do that feasibility study to understand whether it's something we should be doing or shouldn't be doing as an organisation.' (CIC, Arran and Cumbrae)

Some saw retrofitting rather than new builds as more appropriate for their community:

'We're always looking at empty properties in the town to see if we can get sort of housing - like all areas in Scotland, our housing shortage is getting chronic. So we're looking at trying to see what we can do to support that and other sources of income generation. The building with homes is one thing, but retrofitting existing housing, getting houses that are derelict into community use, all of that would make a big difference and would hopefully help the vibrancy of the town.' (Company Ltd by Guarantee, Orkney)

Many were thinking about the implications for their community organisation of becoming landlords:

'I think it's definitely been a positive thing for us because of the circumstances that we're in. It's, it kind of secures our future in a way, you know, gives us a firm foundation. It's definitely, it feels like roots, you know, it feels like you're putting down roots when you acquire property. And that, in itself is quite nice and it's beneficial for your community. But it's equally, you know, you've got to weigh up the possible downsides and think, you know, 5, 10, 15 years ahead. So in terms of like roof replacements and maintenance schedules, things like that. So it does need careful thought, although it's definitely a nice thing to do and a worthwhile thing to do. You know, it's something that needs to be thought through very carefully because it's also a big commitment because effectively, you know, you're taking on a liability. You know, it's a liability transfer as well as an asset transfer.' (Company Ltd by Guarantee, Moray)

One explained they could only progress this if they work in partnership:

'Well, it's very difficult because a) the lack of available land is a challenge. The cost of building is a massive challenge and these are the two big issues, access to land and also both cost of land and building...I mean, we're no experts in building houses. So what we would plan to do is partner with either the local housing association or community housing trust or one of these social enterprises to try, you know, to work together for us to build that.' (Charity, Caithness and Sutherland)

Housing Assets (2)

In follow up interviews, community groups who were interested in addressing local housing shortages explained their wishes, and in some cases their hesitations.

There were many frustrations expressed on the time planning permission takes, and the approach of different agencies involved:

‘Although we're in a housing crisis and they want housing built and we're working with Community Housing Trust, there's still major blockers. Like the fact that you can't reassume the ground from the Crofters Commission until you have planning permission. Now planning seems to be on a blinking go slow. So like we've been sitting with planning for months in fact, if not a year. And that means that until planning says yes, we can't start the process. I mean, the hope is that once planning says yes, we can go to the tenders while the process is running. But considering like you hear it on the news all the time that it's a crisis, how the organisations like the Crofters Commission and Planning and all these things can't have a wee get together and say, well, let's change the law in some way, that if there's a majority in vote in favour of this ground coming out of grazing, it can happen...I mean, they're government funded to enable this housing to take place.’ (Company Ltd by Guarantee, Caithness and Sutherland)

Changes to planning policy had caused overhaul of plans:

‘We couldn't do it without the Rural Housing Fund. It's obviously a key supplier. This is our sort of second attempt at it. The first one we were working with the Council, We had like 12 units identified. But in the middle of that came National Planning Framework 4...NPF 4 made that solution just unworkable, so we had to halve the number of houses to build on the higher ground. And that's a sort of typical example of changing legislation, but also landowners willing to give up suitable land within a suitable distance of a village, close to public transport, close to schooling, close to shops, you know, within walking distance. Because any developable site, they will probably develop it for their own gain or you know, they use it for farming or whatever. So getting access to land has been a real challenge and then when you do get it, it is very expensive.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

One pointed out that the lack of a standard set of designs means that community groups are all trying to do the same thing in different places:

‘We employ an architect, the next village employs an architect, the next village employs an architect...Each village is building different housing and like years ago, like the council housing was all the same, which made things easy really because then a contractor once they started building them knew. Now they're not wanting concrete because it's not good for the environment. They want timber, but timber is not going to last in our environment...if you had a standard council house style and materials spec, you know that you could say...There's style ABC...having standardisation would help...So again, it seems that there's quite a lot of, I guess, attempts in lots of different areas to improve the housing emergency, but it's all being done kind of differently in different places and slowly everywhere.’ (Company Ltd by Guarantee, Caithness and Sutherland)

Housing Assets (3)

In follow up interviews, community groups all saw a need for affordable, good quality housing. Some were hesitant because they could not see enough revenue-making potential, after securing any grant for the development.

Costs were described as very high:

'So the groundworks are a really high part of the capital cost. The unit cost comes in about £300,000 per house and you can only, you can't recoup that value because it's an affordable house. You know, if that was open market, you could probably begin to make a bit of a surplus, if you're building them and selling them. But as you're trying to keep the rents at an affordable level, you don't get your payments back on your capital. Therefore, you need a grant, you know, to offset that....And people will sort of go, "Well, why is it so expensive?" You know, and you go, "Well, that's what the regulations say." If you want the grant, you have to build it to that standard. You can't just build the cheap house. So the regulations are good, but they also bring sort of financial challenges...And then once all the euphoria of building these things, they'll probably work fine for the first five years, but then you'll need to replace boilers and, you know, all the other bits and pieces. So there's quite a commitment there to manage these things because you've got them in perpetuity now.'

(Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

'The Scottish islands, they're speaking about £300,000 to build the house, and you might get negative equity, you might not be able to sell it for that price or 10% more in 10 years time, you know, you might lose money on it. If it's rental, maybe that's not such a big issue. But constructing houses, a lot of these housing firms in the Western Isles have said they're quite happy to build them around Stornoway, but they're not willing to go to Benbecula or Barra and build a set of houses there because it's dearer.'

(Company Ltd by Guarantee, Shetland)



Housing Assets (4)

Stakeholders explained there were challenges for communities to create housing assets. One support body explained these in more detail:

There are good conditions in theory:

‘There's been quite positive funding mechanisms put in place like the Scottish Land Fund and Rural and Island Housing Fund, which are both targeted at sort of community wealth building, you know helping communities build their own houses and access land and assets.’

Conditions are making creating housing assets increasingly difficult in practice:

‘They were working slightly better before Brexit and COVID, but they're not working now. I think bureaucracy is taking over a little bit. I think some of the guidance is getting lost on it now. The Scottish Government and some of the strategic bodies are potentially confusing some of these models that were set up to help rural areas, and community specifically not just rural areas, are now getting subsumed back into mainstream if you like.’

Efforts have to be made to de-risk, but then this can come back onto communities:

‘We've done a lot of projects where the main issue is cost – and it always has been the cost. So we've used feasibility funding which was great, And gone and got tenders for design and build contracts. So that puts all the risk on the contractors. So the contractors are then responsible for going to get the planning permissions and all the statutory permissions, which is a costly piece of work in itself. But by the time we go to tender, we know that they're going to get planning because we've worked with the planners and we've worked with the communities and we know there's not gonna be any real show- stoppers that's gonna stop the planning. So the risk is relatively low.

‘But because that process could take a while, because you're relying on the planners turning it around and that can take time – they were taking about four months before Brexit and COVID, now they could take anything up to a year. The Scottish Government are saying no, we're not gonna be doing that. You have to get your contract price and your planning and everything in place before we'll consider an award and that puts all the risk in the communities’.

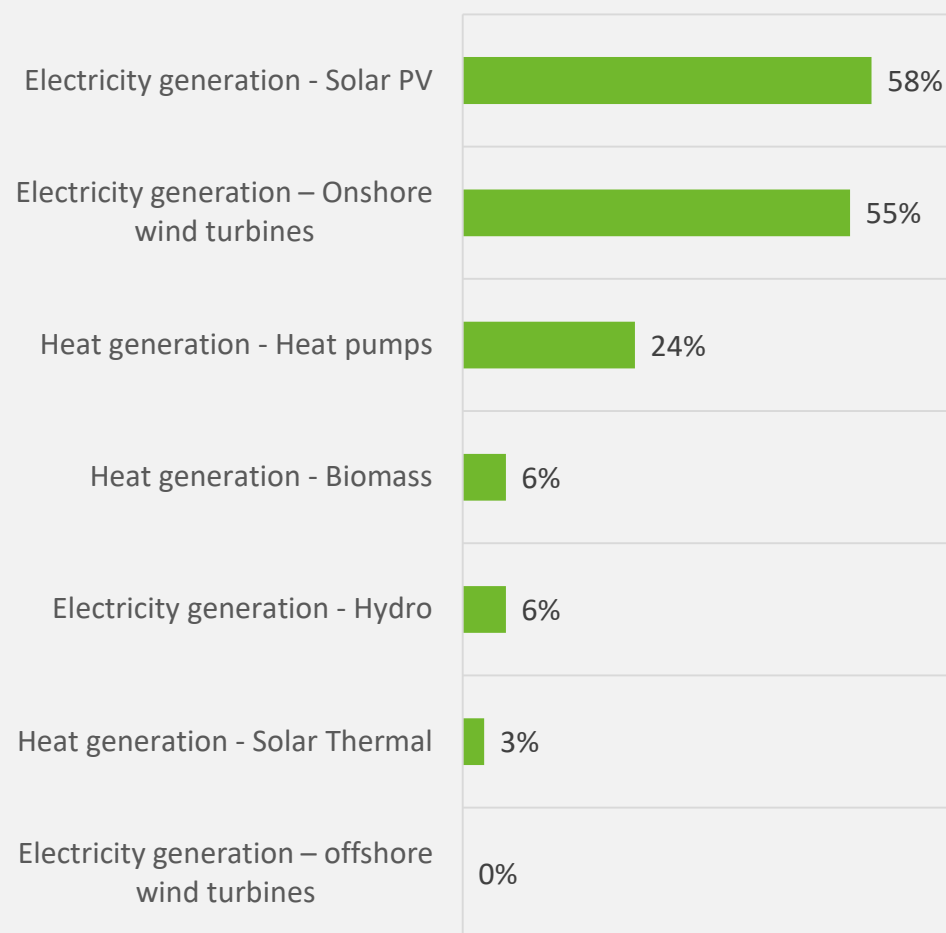
Siloed-strategy working is an issue:

‘There's been a lot of good policy and there's all these action plans, rural and Island Housing Action Plan, there's a depopulation plan. There's all these things which in theory should help communities with the community wealth building and being more sustainable, but they're all dealt with in isolation and they're not coordinated. And when they're all working in isolation, they're totally useless. They're doing nothing.’

Energy Infrastructure Assets - type

33 community groups own energy infrastructure. This is 18% of all respondents who own, manage or lease assets and 23% of all those who own assets. The most commonly owned energy assets were Solar PVs (58%), followed by onshore wind turbines (55%).

Q. Which type of energy infrastructure does your community group/organisation have?



Base: Respondents who own energy infrastructure assets (33)

The total number of renewable energy installations owned:

Community groups had a total of 96 energy assets; spanning from solar panel arrays to wind and hydro turbines. Nearly half of these energy assets (43, 45%) were owned by four community groups/organisations. All four were located on islands, and all held multiple assets (predominantly buildings and land).

The total operational renewable energy capacity of the renewable energy installations owned:

There was great variation on the amount of energy generated. Operational renewable energy capacity ranged from 5kW to 25,000kW per asset. Across all respondents who reported energy capacity, this totalled approximately 34,200kW.

The total renewable energy capacity still in development:

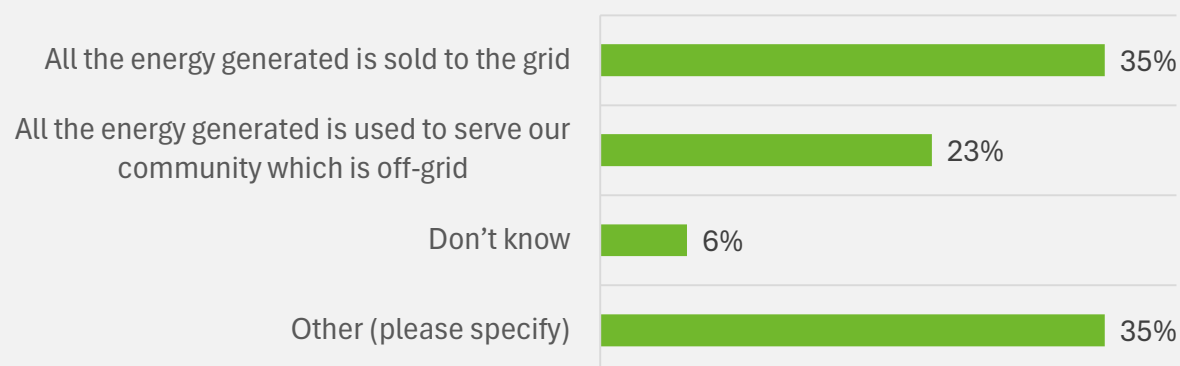
Four community groups/organisations still had renewable energy capacity in development. This equated to around 43,500kW of energy.

Just over nine in ten (94%, 31) of the 33 respondents who own energy assets also own other types of assets. 58% own land, 85% own buildings, 45% own transport infrastructure, and 18% own marine infrastructure.

Energy Infrastructure Assets – use and income generation

Just over a third (35%) of respondents with energy assets sold all the energy generated to the grid, while 23% used the energy generated to serve their off-grid community. In total, 11 respondents (35%) used the energy generated for either a mix of grid and private use, or for specific buildings or facilities. The majority (83%) of respondents with energy assets generated income from them. Most (60%) earned enough income to cover costs although just under a quarter (23%) did not.

Q. Which of the following best describes the use of the energy generated by your energy infrastructure?



Base: Those who own energy infrastructure assets responding to the question (31)

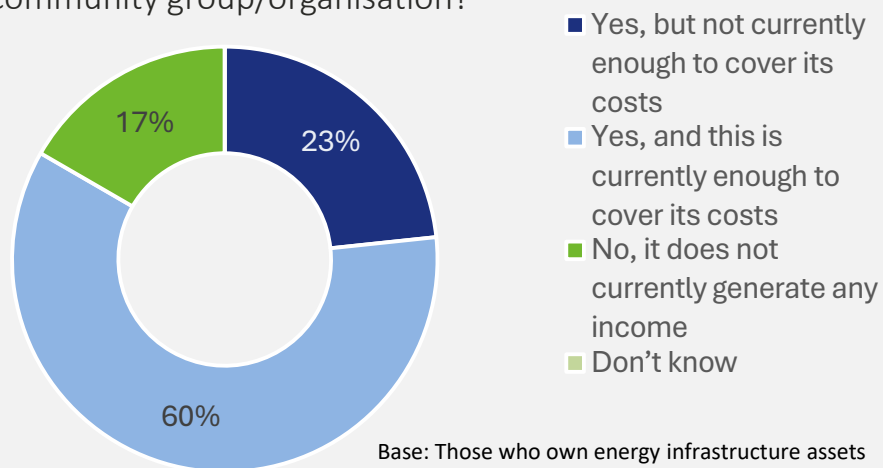
Other (please specify included)-

6 explained some is sold to grid and some kept
2 used energy for community facilities, but these were not off grid

1 had arrangement where energy goes to a business who maintain the turbine in exchange

The table shows the relationship between the use of energy generated and whether the asset generates income. Although a small sample, results could indicate a mixed picture for those using the energy to serve their community and whether costs are covered or not.

Q. Does the energy asset generate income for your community group/organisation?



Base: Those who own energy infrastructure assets responding to the question (30)

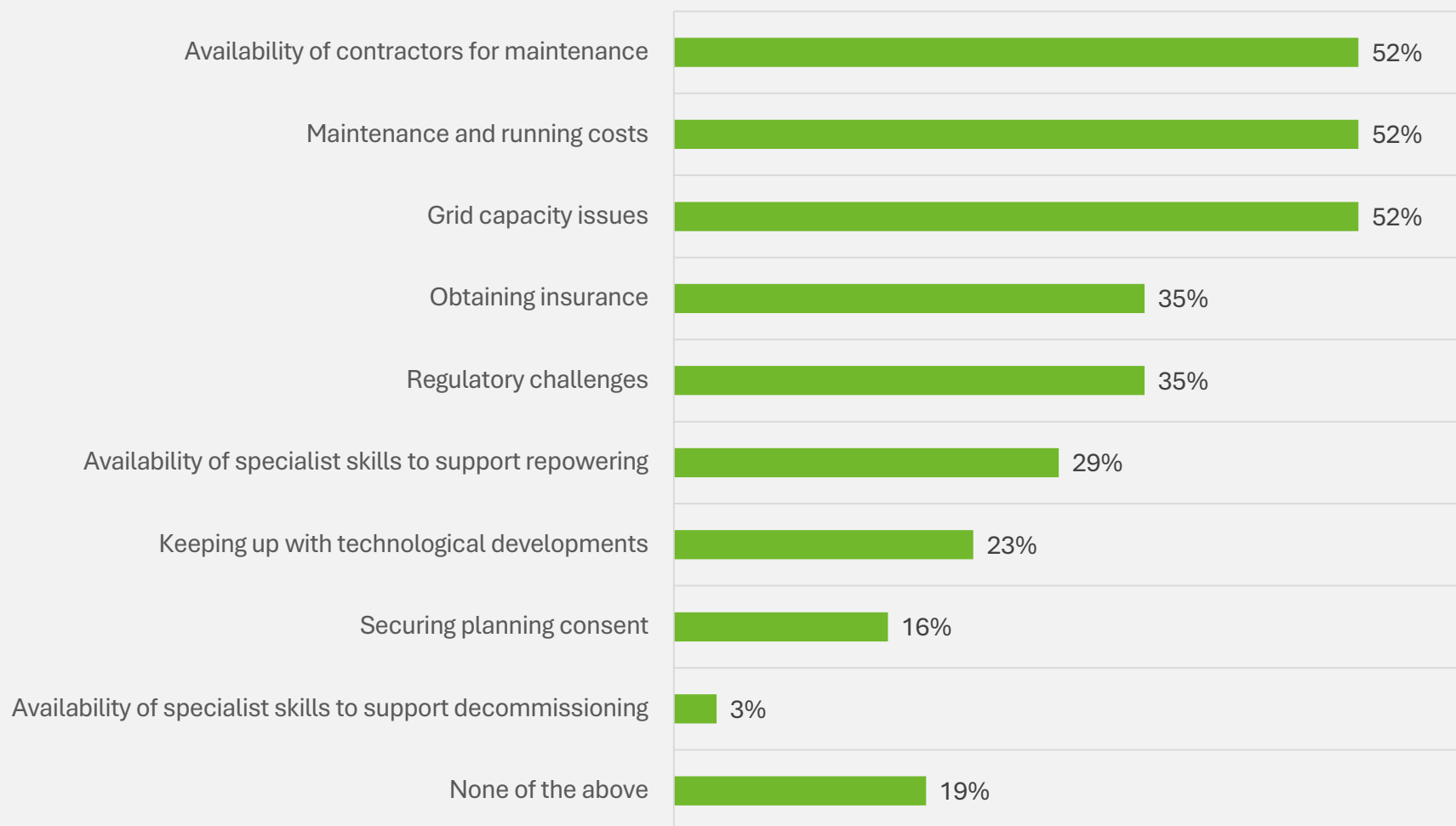
	Total	All energy is sold to the grid	All energy is used to serve community (off-grid)	Other	Don't know
Total	31	11	7	11	2
Yes, and this is currently enough to cover its costs	18	10	4	4	0
Yes, but not currently enough to covers its costs	7	0	3	2	2
No, it does not currently generate any income	5	1	0	4	0
Not answered	1	0	0	1	0

Base: Those who own energy infrastructure assets responding to one, or both questions (31)

Energy Infrastructure Assets - challenges

A range of challenges were experienced by respondents owning energy infrastructure assets. Half (52%) had been challenged by the availability of contractors for maintenance generally, maintenance and running costs specifically, and grid capacity issues. Obtaining insurance was mentioned by just over a third (35%) of respondents, as were regulatory challenges (35%). Around a fifth (19%) of all respondents who owned energy infrastructure assets did not face any of the challenges listed.

Q. What challenges, if any, has your community group/organisation encountered with the energy infrastructure you own?

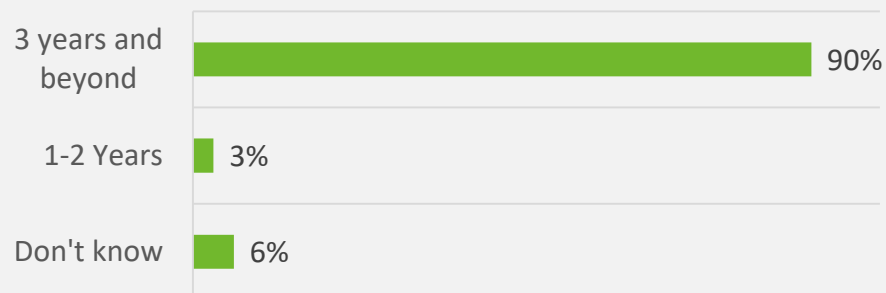


Base: All community groups with energy infrastructure responding to the question (31)

Energy Infrastructure Assets – end of operational life

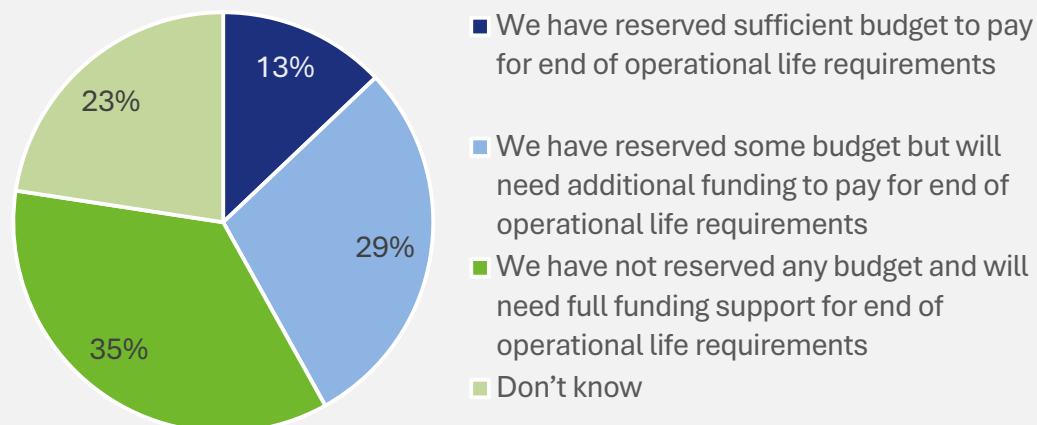
The vast majority (90%) of energy assets reported on were due to reach the end of their operational life in 3 years and beyond. Given this, most needed more information about options (26%) or were yet to decide (42%) on their plans for the end of operational life of their asset. Only 13% had reserved sufficient budget to pay for end of operational life requirements.

Q. When are your renewable energy installations due to reach the end of their operational life?



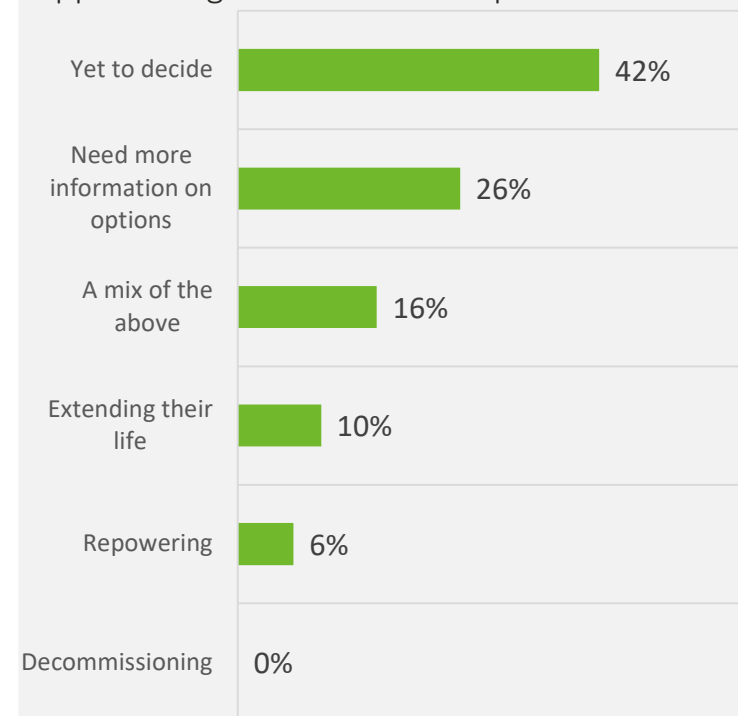
Base: All community groups that own energy infrastructure responding to this question (31)

Q. Which of the following best describes your financial situation in terms of addressing the end of operational life requirements on your energy installations?



Base: Community groups that own energy infrastructure responding to this question (31)

Q. Which of the following best describes your plans for renewable energy installations approaching the end of their operational life?



Base: Community groups that own energy infrastructure responding to this question (31)

Energy Infrastructure Assets (1)

In follow up interviews, community groups with energy assets shared their experiences.

Company Ltd by Guarantee with charitable status, Lochaber, explained more about their wind turbine:

Some financial benefit:

‘It doesn't make us like masses of money, but you know, we have to pay like £11,000 insurance a year so it covers that cost...And it still makes us a bit of money over and above that.’

Ongoing management:

‘The slight downside of that is ...you have to make sure that the insurance is paid, and the maintenance is done. So, for the renewable energy, we do have two ten-year maintenance contracts which will run out in 2028 so that's a big milestone for us, but we also have built our own renewable energy teams. So, we have a battery check team...and we have a physical check team.’

A consultant is advising them on what they should do next:

‘Looking at what our future capacity needs might be and what are some of the ways that might be achieved. So is it repowering our turbines or is it more battery storage or is it more PV's or what, you know, what's the mix that's going to give us that increase in energy that we might need? So we've been looking at that. We haven't come to any conclusions, but yeah, it's part of it. So we've got part of our whole development of our renewable energy and we've got our decarbonisation project so they're all sort of tied together.’

CIC, Arran and Cumbrae, had recently installed solar panels on their community hub building. This was the largest financial investment they had made to date. They shared a specific challenge on certification:

‘We were told about MCS, which is a micro renewables certificate that you could get, most properties get that, you know, for their houses if you put solar panels on and you're told that you don't need building or planning permission because you're putting them on your house but then when we put them in, you then find out that you actually do need a building warrant and yet the certificate that you get plainly says, you know, under the Scotland Act and stuff, you don't need any of this. But then we're told by the council that we do and that came in through the fire master who you know, and you're made out to think that you're going against the law and you're putting people in jeopardy. You know, I mean, we've complied with all these things. We've done everything they've said, but it's misleading.’

Energy Infrastructure Assets (2)

In follow up interviews, most community groups were supportive of net zero and keen to save money or generate income through owning energy assets.

Some referred to information they had heard from other community organisations, support bodies or paid consultants.

They explained some of the challenges at the forefront of their minds:

The set-up and ongoing costs for community groups were regarded as high:

‘Governments are very keen for you to obviously help them move towards net zero. But what they don’t necessarily tell you is that if you go, you know, all electric, you don't have the capacity in the village to make everything all electric. If you've got EV chargers in particular for vehicles and all your cooking and everything's all electric and heating is all air source heat, all hugely environmentally friendly but of course what that then means is that your demand, so you have to build a substation to get the extra electricity.

And then of course, SSE come along and say “Oh, well, you know, your standing charge is such that if all these things were running at once, it puts you into a much higher standing charge bracket”, so suddenly you get a massive leap in your standing charge. So, your energy bills go up to, you know, £50/60,000 a year.’

(Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

If generating energy, they were aware of grid capacity constraints:

‘We've just recently been involved in conversations where, you know, we're being told a new connection to the grid is not going to be possible unless you register it now. So it's kind of like we've got these things which are kind of time sensitive, but we're not ready to do. But it would mean that if we do decide that we're ready to do it in the next 10 years, we won't be able to do it.’

(Company Ltd by Guarantee, Argyll and Bute)

Instead of having their own energy assets, some were keen to tap into the large-scale developments in their regions:

‘There's a whole benefit that we could add to what we can do as a development trust if we could get some more revenue generation, and I think it really does come back to the energy opportunity that's in the Highlands and Islands. But at the moment, how we target that is probably something we need to explore and it's a bit of a moving feast as well.’

(Company Ltd by Guarantee, Orkney)

Energy Infrastructure Assets (3)

Stakeholders explained the challenges communities face regarding energy assets.
One support body explained in detail a vicious circle as follows:

Constraints outwith the control of communities were making it hard for individual community organisations to own energy assets:

- Grid capacity, with the stakeholder feeling communities are being 'boxed-out' by the private sector
- Reduced space where wind turbines can go due to land ownership
- Issues sourcing appropriately sized wind turbines given the international scale-up of renewables, 'Many communities have E34, so intercon 900 kilowatt turbines. It is very rare to get the turbine that size nowadays other than second hand or refurbished because the market now is driving orders to be bulk orders at the 5 to 8 MW size.'

Communities are having to think on a bigger scale and more collaboratively for their future energy assets:

'They are planning to go for bigger wind farms and to go together rather than separately because we are talking about much bigger powers. If right now they are around 3 megawatts they're planning to go for 50 megawatts.'

But the time for collaborative approaches then means they can't compete with the market:

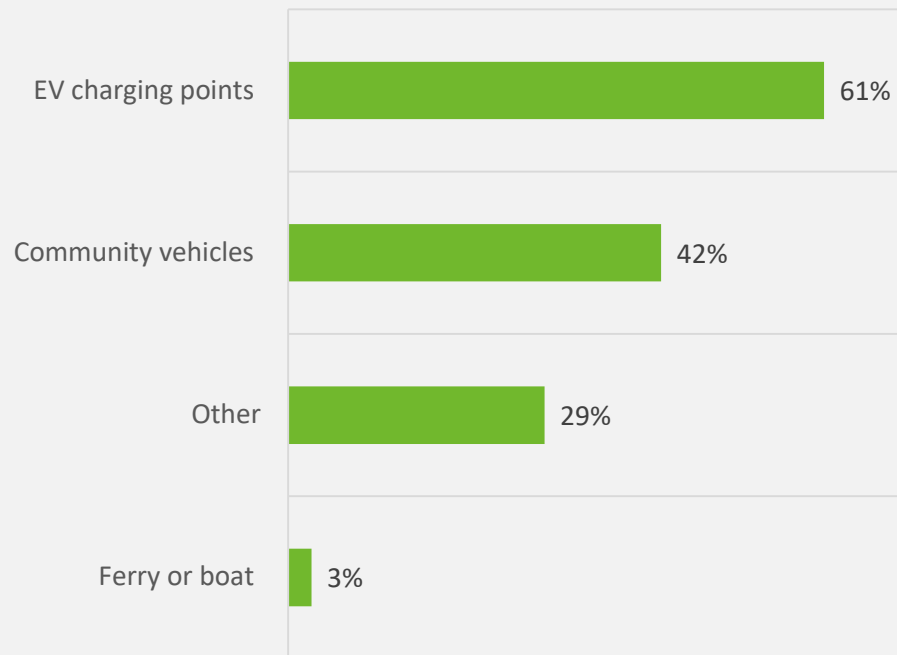
'That's why they're trying to unite forces and go together and it's taking longer time...they move very slowly, they cannot compete with these commercial farms that are getting already all the space of the interconnector. So right now, the problem that we have in this moment is that all the interconnector is already booked by this big commercial farms, there's no space for communities to increase their power.'



Transport Assets

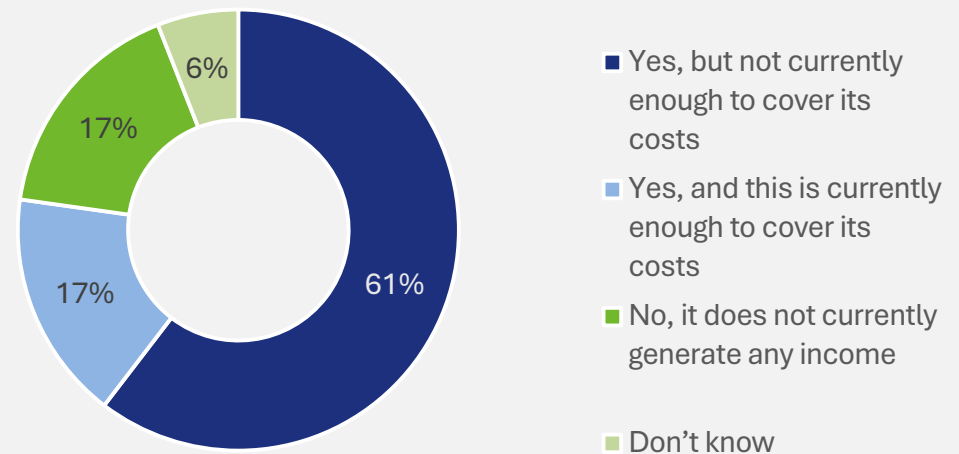
38 respondents owned transport assets. This is 21% of all respondents who own, manage or lease assets and 27% of all those who own assets. EV charging points were the most commonly owned transport asset (61%). A further 42% owned community vehicles while only 3% owned a ferry or boat. Three quarters (78%) of those who owned transport infrastructure selected that this generated income, however for most (61%) this income was not sufficient to cover costs.

Q. Which types of transport infrastructure does your community group/organisation have? For each please select your ownership status.



Base: Respondents who own at least one transport asset (38)

Q. Does the transport infrastructure you own generate income for your group/organisation?



Base: Respondents who own at least one transport asset responding to the question (36)

Most (78%) respondents generated income from these assets, however far fewer (17%) generated enough to cover the cost of their transport assets.

For those respondents whose transport infrastructure covered costs:

- Three owned community vehicles
- Two owned EV charging points
- One owned a filling station

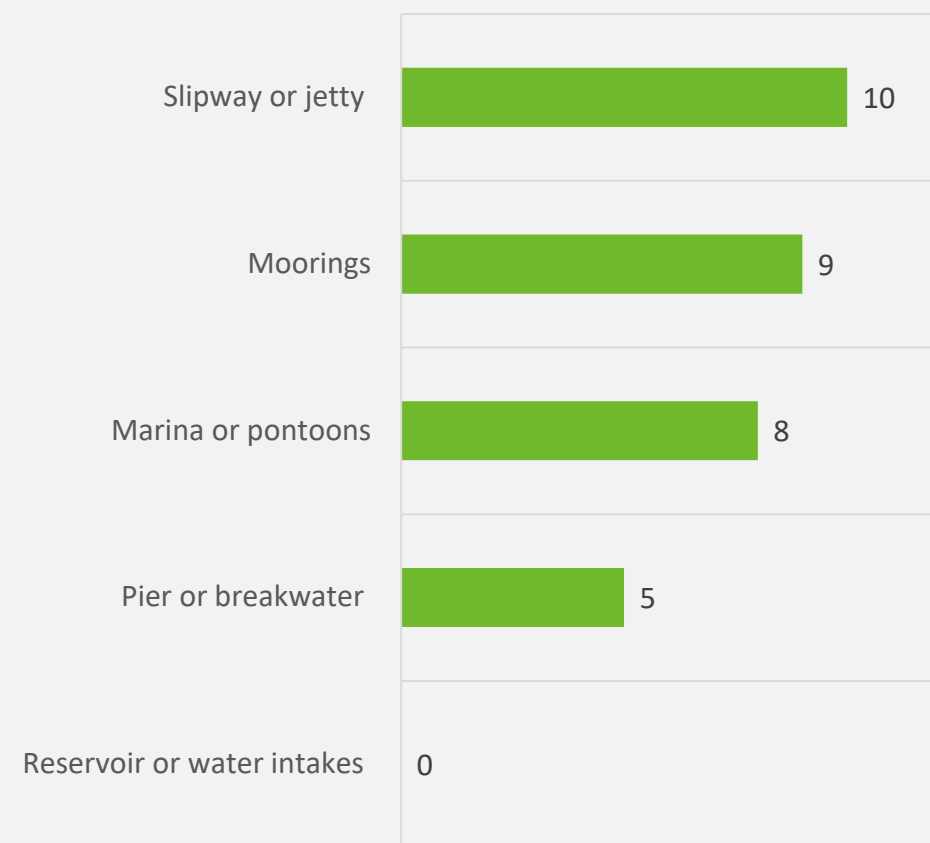
Other (please specify included):

- a petrol filling station
- pool cars
- community-owned roads
- Quad bike
- E-bikes

Marine Assets

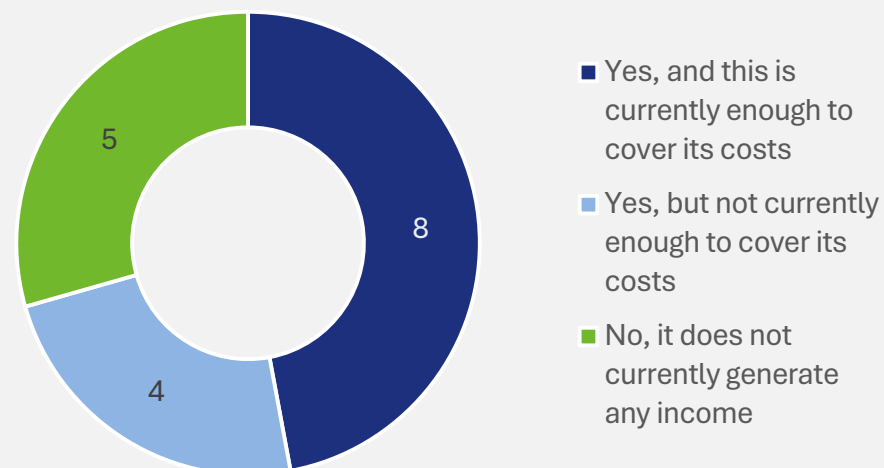
17 community groups/organisations own marine assets. This is 9% of all respondents who own, manage or lease assets and 12% of all those who own assets. The most commonly owned marine asset was a slipway or jetty (owned by 10 respondents), closely followed by moorings (nine respondents) and marinas or pontoons (eight respondents). Five community groups/organisations owned a pier or breakwater. Most of those with marine assets (12) reported that they were income generating, though only eight stated that this was at a level sufficient to cover costs.

Q. Which types of marine infrastructure does your community group/organisation have? For each please select your ownership status.



Base: Respondents who own at least one marine asset only (17)

Q. Does the marine infrastructure generate income revenue for your group/organisation?



Base: Respondents who own at least one marine asset only (17)

For the small number who owned the marine infrastructure, nearly half generated enough income to cover its costs while about one in three did not generate any income.

Note: The breakdown results for marine are reported as a number as only 17 is a small sample.

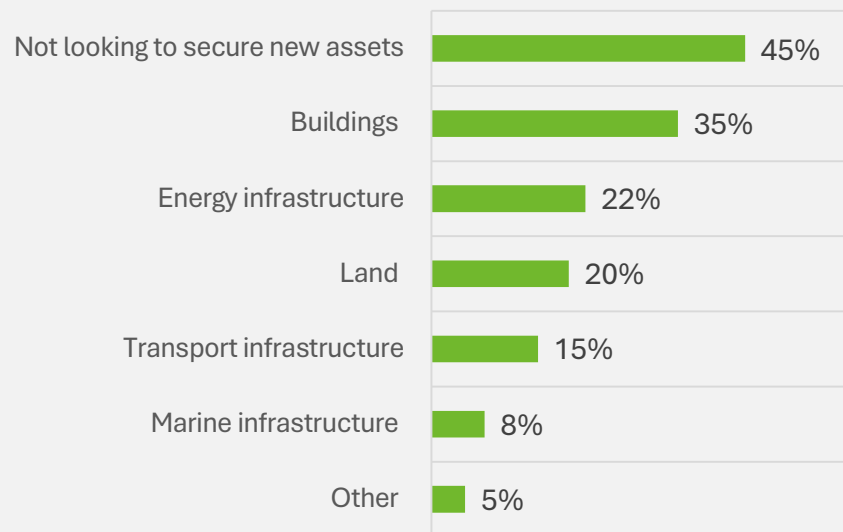
Future Opportunities



Intentions to Acquire Assets

Over half (55%) of all responding community groups/organisations were looking to secure new assets. Buildings were most commonly cited (35%), followed by energy infrastructure (22%) and land (20%). Most (72%) were looking to acquire new assets within the next two years.

Q. Is your community group looking to acquire or develop any of the following new assets? Please select all that apply.

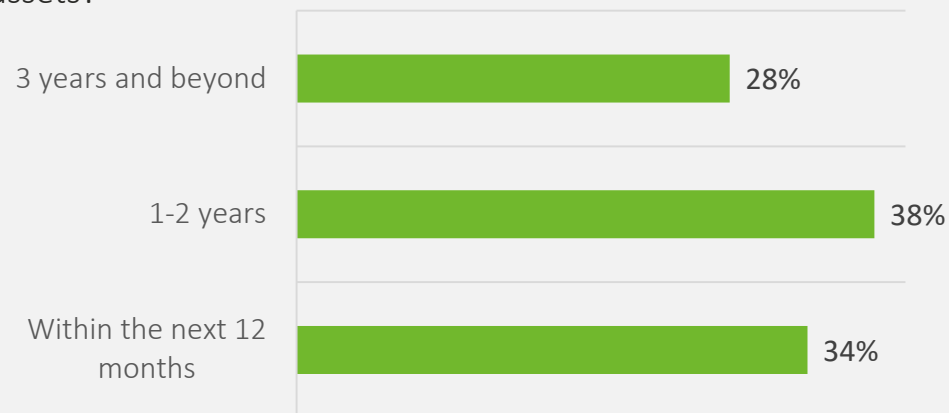


Base: All community groups who responded (249)

Of the fifty organisations that were interested in acquiring land, just over a fifth (22%, 11) were interested in a larger land holding (over 1,000 hectares). Those who were not interested in larger land holdings tended to cite a lack of available plots of that size in their area, a lack of sufficient funding, or that they would prefer not to have larger amounts of land.

The same number (22%, 11) have considered registering an interest in land. Six organisations are in the process of registering an interest. Five have not progressed this at all, all citing a lack of time and capacity as the reason. One organisation anticipated conflict with the seller and also cited this as a reason for not progressing.

Q. Over which of the following timescales are you looking to acquire new assets?



Base: All respondents looking to acquire new assets (137)

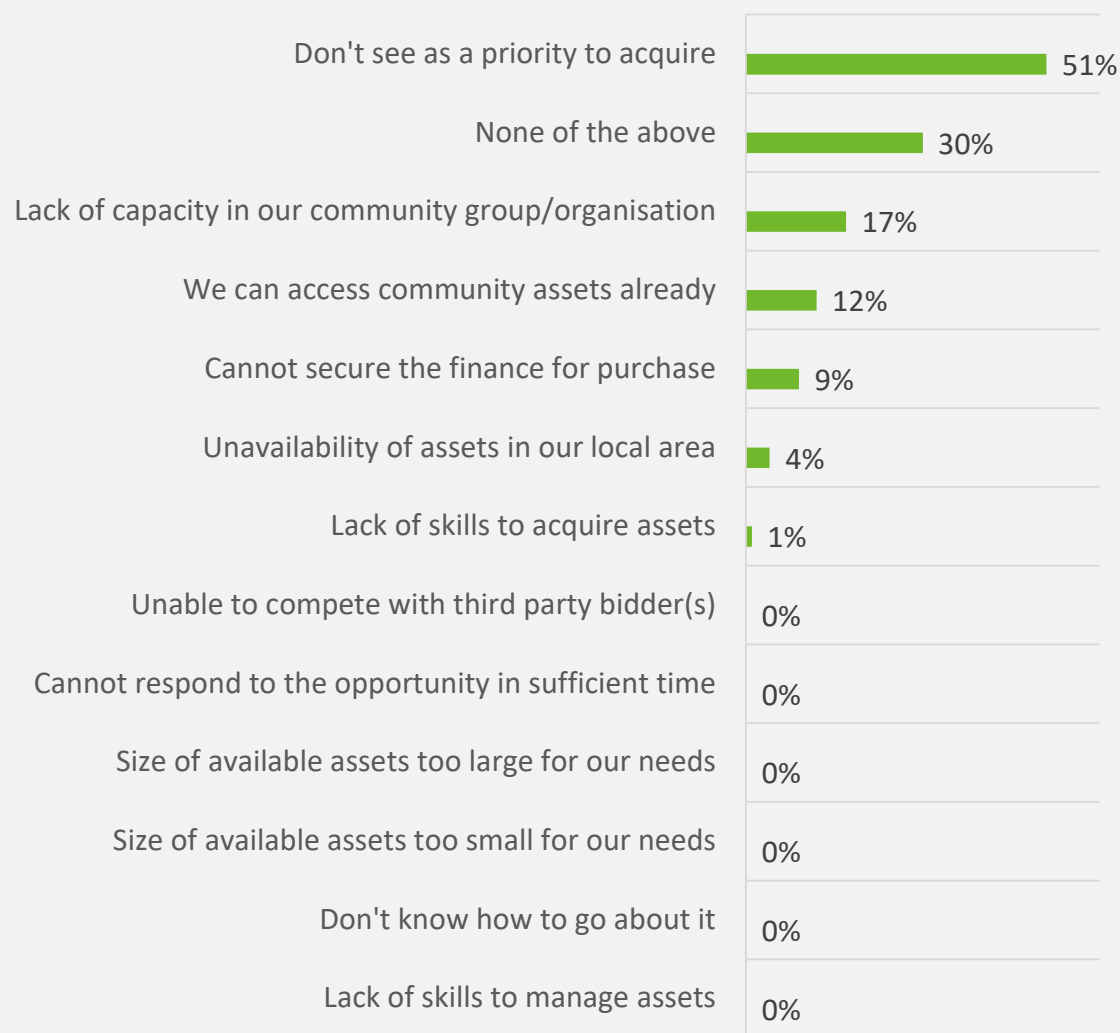
Respondents more likely to select:

- **Not looking to secure new assets** – 74% who don't own/manage/lease assets vs 32% that own/manage/lease any assets, 32% with building assets, 22% with energy assets, 20% with land assets, 13% with transport assets; 50% without a trading subsidiary vs 27% with. No significant difference between island and rural participants.
- **Buildings** – 56% with trading subsidiary vs 30% without
- **Energy infrastructure** – 40% with trading subsidiary vs 16% without; 27% rural vs 8% urban
- **Land** – 31% with trading subsidiary vs 17% without
- **Transport infrastructure** – 19% rural vs 5% urban; 31% with trading subsidiary vs 11% without
- **Marine infrastructure** – 15% with trading subsidiary vs 6% without

Reluctance towards Acquiring Assets

Almost half (45%) of all community groups/organisations were not looking to secure new assets. The most commonly cited reason for this was that it was not seen as a priority for their group/organisation (51%).

Q. Why is your community group/organisation not looking to acquire or develop new assets?



Base: Those not looking to acquire assets (111)

41% of organisations selected an 'Other (please specify)' option. Many did so to explain other answer options they selected in more detail.

Lack of capacity:

- They used terms including 'burnout' due to current responsibilities and lack of time of staff and volunteers

Unavailability of assets in our local area:

- They explained their difficulty in acquiring land due to current ownership

Don't see as a priority to acquire:

- Emphasising they don't need to own assets they use or that they do not need to purchase any more assets

Other options given which did not fit within the answer categories were:

- Difficulty securing funds for maintenance or refurbishing of assets after they would acquire them
- Asset acquisition being outwith their group's remit (for Community Councils)

Respondents more likely to select:

- Lack of capacity in our community group/organisation - 19% mainland vs 0% island
- Cannot secure the finance for purchase - 17% urban vs 3% rural

Intended use for Future Assets

In the survey, community organisations summarised their ambitions for new assets. Summarised below, most related to plans for land and buildings.

Land for the environment:

- As a buffer for coastal erosion
- To protect or improve nature habitats
- For rewilding projects



Land to create new community facilities:

- Space to house energy infrastructure
- For building new housing
- New, upgraded or expanding sports facilities
- To build replacement community buildings to replace temporary structures or dilapidated buildings.
- Creating community woodland
- Creating orchards, allotments or community gardens

Land for tourism development:

- Space for camping and campervans
- Car parking and EV charging
- Marina waterside developments



Buildings for development of:

- Visitor attractions
- Converting into housing
- Converting into caring facilities
- Community food provision- markets, cafes
- Indoor sports facilities
- Spaces for education and learning programming
- Changing Places provision
- Community laundry facilities
- Tourism accommodation e.g. bunkhouses
- Office space for local businesses
- Studio and workshop spaces for creative industries



Community transport provision:

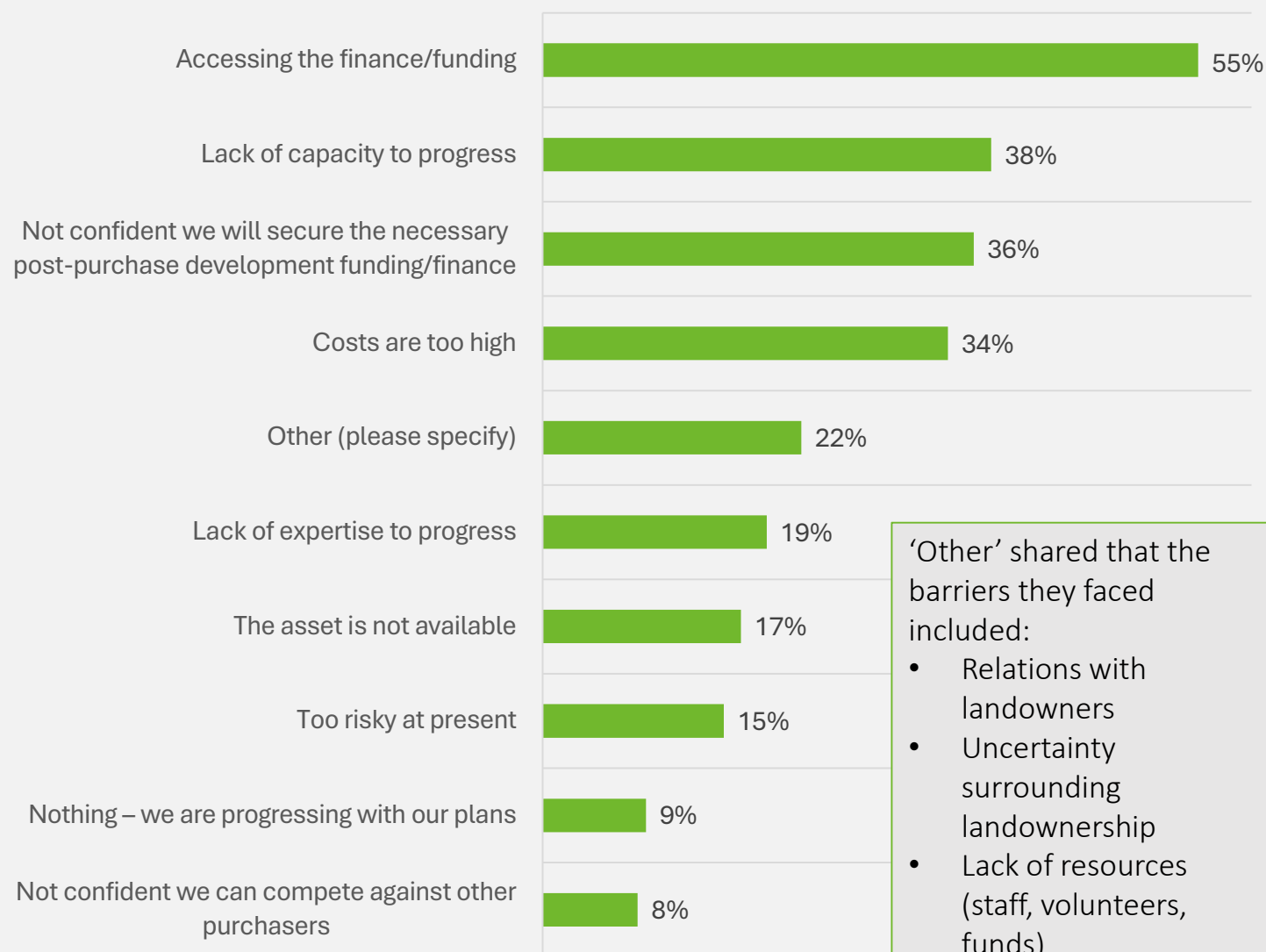
- Ferry
- Minibuses



Expected Barriers for Future Assets

Almost all respondents anticipated barriers for their community group/organisation in the acquisition or development of new assets, with access to finance/funding most frequently cited (by 55%).

Q. What of the following, if any, are barriers for your community group/organisation in the acquisition or development of new assets? Please select all that apply.



Base: All community groups who were looking to acquire an asset (137)

Respondents more likely to select:

Accessing the finance/funding –

- 67% looking to acquire within 1-2 years vs 43% looking to acquire in 3 years and beyond

Lack of expertise to progress –

- 27% looking to acquire energy infrastructure vs 8% looking to acquire transport infrastructure (19% overall)
- 29% looking to acquire within 1-2 years vs 9% looking to acquire within next 12 months

The asset is not available –

- 23% looking to acquire within 1-2 years vs 7% looking to acquire within the next 12 months

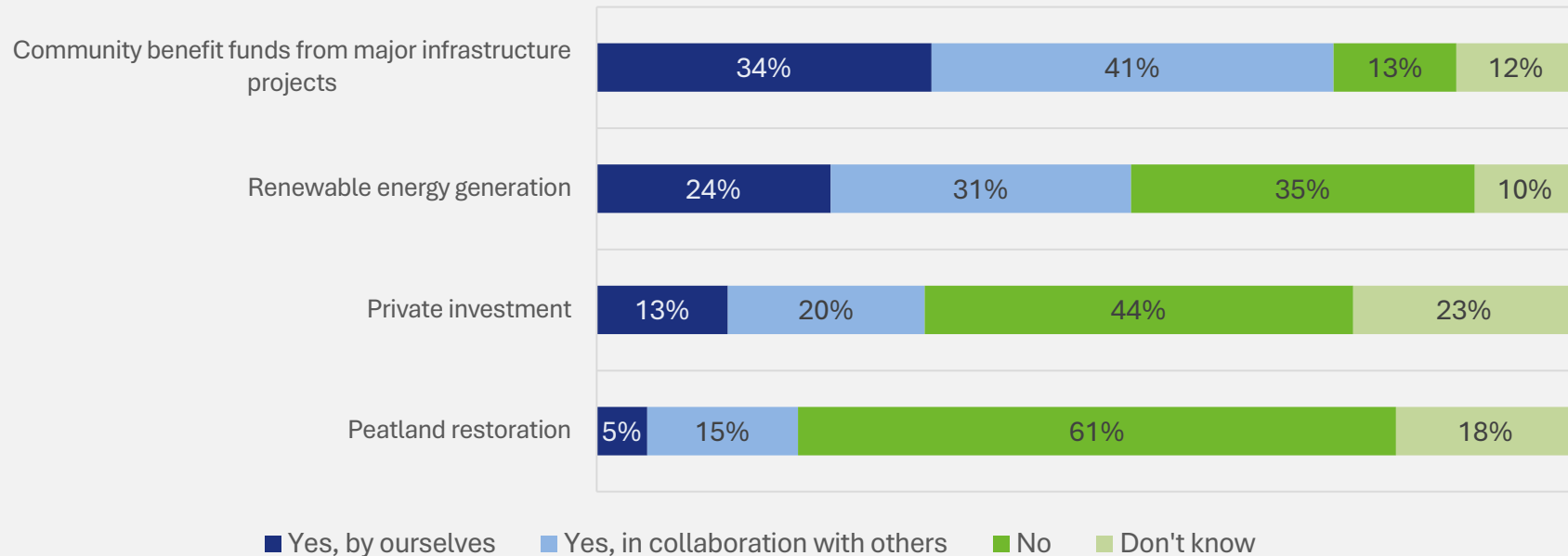
Too risky at present –

- 27% of those looking to acquire 3 years and beyond vs 2% looking to acquire within the next 12 months

Strategic Opportunities

Three-quarters (75%) of respondents were interested in pursuing community benefit funds from major infrastructure projects, either by themselves (34%) or in collaboration with others (41%). More than half (55%) were interested in pursuing renewable energy generation opportunities (24% by themselves and 31% in collaboration with others). Fewer, but still substantial proportions, cited an interest in opportunities related to private investment (33%) and peatland restoration (20%), with collaborative approaches favoured.

Q. Which of the following opportunities is your community group/organisation interested in pursuing?



Base: All community groups who responded (249)

Relationship between asset ownership and opportunities:

Community groups with assets indicated more interest in these opportunities than those without assets. Indeed, respondents who owned assets were more likely to select:

- Community benefit funds 81% (vs 64% without assets)
- Renewable energy generation 65% (vs 37% without assets).
 - No significant variation in relation to those already owning energy assets.
- Private investment 38% (vs 25% without assets)
- Peatland restoration 26% (vs 13% without assets)
 - Respondents owning land assets were more likely to indicate interest in peatland restoration – 39% with vs 20% without

Desired Support (1)

Survey text responses were thematically analysed for- Q. *What support would be of greatest use in helping facilitate your community group/organisation's aspirations for your local community?*

Communities sought different types of support to help them achieve their aspirations. In order of most to least text comments, the following support was sought:

Navigating the complex funding environment:

'A much clearer roadmap of available funding of local project[s] to benefit local communities.'



Negotiating agreements for service provision:

'Support in negotiating improved SLAs [service level agreements] and partnerships with statutory partners on behalf of voluntary and third sector groups who are delivering measurable outcomes in line with their priorities. Improving partnerships to bring about greater good.'

Improvements to right to buy process:

'It can take years to find out who owns something/get permission for something.'

'Smoother and quicker processes to acquire publicly-owned assets currently not in use [by] the public agency e.g. empty buildings or unused land.'

Support towards their climate action:

'Practical knowledge, assistance and finance to move from harmful and expensive electricity and biomass to power generation from solar and wind.'

'The costs to progress a grid application to planning are circa £16m, the lack of public finance available to support the early stages of the project mean private finance is needed much earlier in the project than usual, making the cost of borrowing higher and bringing more risk to the project.'

Desired Support (2)

Survey text responses were thematically analysed for- Q. What support would be of greatest use in helping facilitate your community group/organisation's aspirations for your local community?

To help navigate the funding environment, they expressed:

Calls for rationalisation between funders:

'Too many day-to-day funding pots - each with different timescales and criteria.'

'Long lead times cause costs to day-to-day and we are currently facing a significant funding gap that we are trying to close with further funding applications.'

Desire for funders to understand the realities for remote rural areas:

'Island/rural is somewhat different: higher costs, transport complexity and expense, infrastructure, demographic...a wish that the "urban" model was not the one applied in reporting, application and assessment...acknowledgement that the "price" will be higher to do what we do.'

Desire for funding towards project to move from short-term to multi-year funding:

'Year to year funding makes it difficult to plan ahead for projects that can stretch over multiple years, it also provides no security to the staff member.'

Desire for more support with revenue funding:

'Development opportunities catered around capital development offer [a] significant community opportunity and stem from the core cultural assets held in trust for the community. However, cost increases have undermined the stability of the day-to-day revenue operation. This requires national agencies supporting the third sector need to recognise and respond to this challenge.'

More strategic and collaborative funding approaches:

'A mechanism built on trusted relationships and genuine collaboration for working in partnership with other organisations to access bigger pots of funding in a way that is fair, transparent and accountable plus specialised advice and support to income generation or access funding.'

Desired Support (3)

Survey text responses were thematically analysed for- Q. What support would be of greatest use in helping facilitate your community group/organisation's aspirations for your local community?

Their suggestions for stakeholders are summarised below:

Acknowledge community groups are delivering important services for their communities which are no longer delivered by the public sector:

'We offer services that support people to stay well in their own homes, the benefits of this is not always recognised financially- and it is becoming exceedingly difficult to raise funds. These services are not something that will ever generate an income- yet are reducing costs for the public sector.'

Recognise that people in communities are giving time voluntarily:

'In large areas it is possible to have enough volunteers to make a CC [Community Council] and DT [Development Trust] viable, but in small communities there are simply not enough people to run both.'

Not add process and bureaucracy:

'Public Agency awareness regarding the challenges of community development, their role is to facilitate + support NOT create bureaucratic challenges + extra work.'

Work together to address key barriers to building wealth in communities e.g. lack of affordable housing, lack of childcare:

'We know applicants for both fixed term (project/grant funded) and more permanent vacancies are deterred by the lack of anywhere to live given our low wage/seasonal economy.'

Advocate for communities to be part of major plans for their area:

'Better engagement from public sector and companies involved in large infrastructure projects.'

Take steps to address the disparity between communities who are in proximity and can access Community Benefit funds from major infrastructure projects, and those who cannot:

'Help. No Community benefit in the area from Public or private entities; feeling of being excluded from any opportunity to develop.'

Desired Support (4)

Survey text responses were thematically analysed for- Q. What support would be of greatest use in helping facilitate your community group/organisation's aspirations for your local community?

Forming a one-stop-shop for information, opportunities and advice on community wealth building was seen as a valuable, collective initiative for stakeholders:

'The support offered tends to be suggestions to speak to other community groups - who are as busy and time-poor as us. There should be a one-stop shop front, which details all the support available, has case studies, contact details, templates and guides for communities so they have some idea of what to expect and where to go....we are STILL in a position of having to work things out ourselves, contract with lawyers, understanding funding requirements, produce report after report and plan after plan for all the different groups who need something different, try to find funding sources in the first place, and jump through endless hoops we had no idea existed and no warning they were due to appear. And yet, we get told support is out there - but we need to spend hours finding each little scrap of help individually. The advice equivalent of searching for pennies behind the sofa when you're needing a few hundred quid. It's exhausting. One place – for any community-led group looking to find information and signposting on where to go next.'



'Better communication to our area about HIE [Highlands and Islands Enterprise] and [Local Authority] plans e.g. for investment, wealth building projects as well as goals for recycling, waste reduction, district heating schemes, carbon reduction, offsetting, peat restoration, land and building divestment.'

'To have a collaborative point of contact whether this is a website with forums to post to, and people can provide answers without having to individually contact so many individuals.'

Building Community Wealth



Descriptions of Community Wealth Building

Researchers asked what came to mind relating to the term 'Community Wealth Building' in stakeholder interviews.

All stakeholders, even if they were working with community wealth building strategies reflected on how it connected with other popular concepts including Community Benefits, Economic Development, Community Empowerment, Just Transition and Circular Economy.

'I'm still trying to get my head around...the relationship or the similarity perhaps between community wealth building activity and more traditional kind of circular economy type activity, which is something that's been around for quite some time. At the end of the day, I guess both are trying to sort of try to circulate as much as possible and share as much wealth as possible. And that being pounds as well as benefit retained at a local level, rather than leaving the community or going to a single private profit benefit.' (Local Authority)

A couple of stakeholders interviewed used 'community benefits' interchangeably with 'community wealth building'. They explained both as any investment and money spent by the public sector, to the private sector having requirements to give money to community initiatives.

Stakeholders were interested in whether they thought of Community Wealth Building in the same way as each other, or if community groups and organisations thought of Community Wealth Building in the same way as them.

Furthermore, they were interested in how the term came into use and whether the term mattered to communities:

'I wonder how many community groups really know what community wealth building is. They're probably just doing it or they're getting involved or their main interest is in their project or their idea or their community at the end of the day. And they don't really care what it's called. They just want to get progress. And that's where some of the systems or the relationships that we, the council or other public agencies have had for many years...are there already. Whatever you call it. So, certainly I don't dispute the value in having a title, particularly as government money comes with it. A lot of the actual, the "doing", doesn't matter what it's called, it will happen in a community like [ours].' (Local Authority)

'It's essentially terminology that's – I think - almost been imported over from projects in the US. And I mean I suppose I would distil it down to communities and local areas being able to have in some control over their economic futures. So looking at the kind of more progressive use of financial mechanisms, more locally based and progressive procurement, Fair Work and using land and property in a way that has an economically positive impact on local places.' (Local Authority)

'So I think, without being critical, I think sometimes, you know the things like community wealth building, community empowerment, you know, whatever it is, these are great concepts, but there's a disconnect between these concepts being thought about by policy makers and what actually happens on the ground.' (Funder)

Descriptions of Community Wealth Building

Researchers asked community groups/organisations taking part in interviews to describe what came to mind relating to the term 'Community Wealth Building'. As stakeholders had expected, the term was seen as jargonistic. Having said that, community groups/organisations were supportive of the concept.

The term was described as a relatively new term, popular in public sector and policy and a convenient concept for the public sector to use to design strategies and plans around:

'It's kind of encapsulating various concepts and initiatives that's probably been going on before, but now it's kind of put into something that the government can have an official strategy on. We can all sort of say, well, this is helping towards the government's vision of community wealth building. And obviously from a strategic priority, there's strategic documents around community wealth building. The only difficulty maybe is again, community wealth building can be delivered, but it needs some resource I feel and, at the moment, there's no government support financially to help community, well, there probably is, but not directly. So the challenge with that is that how, we can deliver community wealth building to some extent, but to really make it impact would need some sort of resource, I feel.' (Company Ltd by Guarantee, Orkney)

Some explained that communities are interested in what results from CWB, rather than the term itself:

'For communities, that [Community Wealth Building] doesn't mean anything, you know, so I think as a community, all I need to know is, is this going to help me? Is this going to make my life easier? Is it going to make my life better? Does it mean my kids are going to have more jobs? Does it mean my kids are going to get more access to housing? Is it going to make a difference to me? They don't care what the words are.' (CIC, Arran and Cumbrae)

They described what Community Wealth Building can feel like at a community-level for those within a local population:

'A sense of confidence, people being fully employed or employed to the level that they want to be employed, shop fronts, and public facing areas looking good, inviting, and I suppose a sense of buzz and pride in the area.' (Charity, Caithness and Sutherland)

Others explained that all initiatives depend on dedicated community members to drive forward, and this can take time when people are only involved in voluntary capacities:

'Innovation for wealth building, you need a kind of dedicated paid for post even if there's lots of voluntary and income support feeding in because otherwise the risk would go up for a start and the time would take longer.' (Company Ltd by Guarantee with charitable status, Lochaber)

Descriptions of Community Wealth Building

Those taking part in the interviews with community groups/ organisations were very reflective on the 'who?' 'how?' and 'so what?' of Community Wealth Building.

Descriptions dwelt on the definition of 'wealth' going beyond 'wealth in monetary terms':

'It seems like it's the kind of, I don't know, like the in-trend kind of term, I guess at the moment. But I mean, I think in terms of, I think the principles of it are sound, you know, I think for me, it means about, you know, and I think about wealth, not just as money. I think about it as community well-being, health, access to services, all of these sort of things and how we can put that capacity back into the community to make sure that they have those things at their fingertips, I guess, or have those or have control over those things.' (Company Ltd by Guarantee, Argyll and Bute)

'I think it means us having more community businesses and more assets and more ownership of everything within our community. That's kind of what it means to me...It's about the, I suppose you might call it the wealth of feeling, you know, because, you know, some things are maybe not so tangible, but it's that, you know, I always say that if we owned our own community, we would feel completely different, you know, that would, and it's quite hard to explain how I can just see how some people would really like to develop in that situation and would really come to the fore and contribute.' (Company Ltd by Guarantee with charitable status, Lochaber)

Others reflected that what they mean by 'community' could be different to how public bodies think of communities:

'All the stuff that I've seen to date on community wealth building has been around, you know, council areas.... I wouldn't call East Ayrshire a community. I would call it a, you know, a council area, region, whatever you want to do. A community is a group of people who broadly know each other or know of each other in a relatively small geographical area or maybe a bigger geographical area... But you know that's a community. Once you get beyond that, that's not really a community.' (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

Some descriptions focused on who builds the wealth:

'From our perspective as a development trust, community wealth building refers to anchor organisations and communities taking more of a lead in ensuring that community activities, community facilities are led by the community for the community.' (Company Ltd by Guarantee, Orkney)

Other descriptions mentioned power dynamics and beneficiaries:

'It's about genuine revenue generating assets owned by the community and who controls, you know, where that funding goes....that we own the assets that generate revenue in our area and can benefit from it or own some of the assets that generate revenue in our area.' (Company Ltd by Guarantee, Moray)

Descriptions of Community Wealth Building

Researchers asked support bodies taking part in stakeholder interviews what 'Community Wealth Building' meant to them.

Those taking part described community wealth building in terms of smaller geographies having assets to generate income and feed back into initiatives which benefit the community:

'Community wealth building really is a social and economic mindset or approach that tries to encompass local economies, local people and how the economy interacts with people in their lives in essence. Broken down into the five pillars, it creates a sort of all-encompassing outlook which should be guiding how we do anything relating to money, procurement, land and assets into ownership within not only the public sector, but ideally the private and third sectors as well. And it's really the most powerful when you holistically adopt it. [It's a] perspective of "we have this challenge or problem in front of us. What can we do to start trying to distribute both the means of generating wealth, the role and ownership of assets and who benefits from the creation of wealth"...Opportunity stems from the community's skills, the agency, their assets and the ambition of communities for the community wealth building agenda...If it's not recognised in that way and supported in that way, then frankly the community wealth building agenda will be hollow and undeliverable.'

(Support body)

'It's strengthening communities and making them more sustainable in the long term, creating employment and creating sustainable incomes and ensuring service provision is as good as it can be, and they have access to all the essential community requirements: affordable housing, market housing, all the facilities, sports, health, education.' (Support body)

They explained a key role for the public sector in setting up the right conditions for community wealth building.

'Trying to ensure decision making whether that's by public sector, third sector or private sector continues to put the interests and needs of community front and centre, that decisions which affect communities are ensuring that that wealth is retained and circulating locally.'

(Support Body)

'Making sure that we're looking at all 5 pillars of it, making sure that it's embedded strongly across the different public sector bodies, government bodies and policy so that it's supported. And that once that happens, if we can get that sort of mass buy in to it, then the communities will be able to really make that case for themselves and tap into the full resource of it.' (Support Body)

Descriptions of Community Wealth Building

Whilst community members and support bodies had focussed on building wealth in small geographies, Local Authorities taking part in this research framed Community Wealth Building for the whole local authority geography.

Some Local Authorities described community wealth building in terms of keeping people in a local authority, the local authority area having enough jobs, and their skills matching to these jobs.

Encouraging local businesses, including social enterprises, was presented as key to community wealth; the local community benefits as there is employment and disposable income within the local authority area. Community groups and organisations were described as improving assets, with funding, such as buildings or land for 'community purposes':

'It means they can access all the things that they need on a local level but also they can see it in terms of benefiting them, in terms of that brings in jobs and skills, they're able to generate more money to be able to spend and that helps local businesses in terms of their increased revenue and they can create more jobs.' (Local Authority)

'For us community wealth building is about local economic development and taking what is, you know a different approach from what's traditionally been done for local economic development...It's definitely an economic development model that brings community benefit rather than a community development model.' (Local Authority)

Other Local Authorities interviewed saw the community groups and organisations as key rather than the private or public sector:

'I really understand it to mean providing programmes or support or activities which have ownership and are enabled by community groups and so the public authorities or services supporting community groups to take forward projects or programmes or initiatives which have benefited that community.' (Local Authority)

'To try and have a place based, local emphasis on any pieces of work that we and maybe economic development or other agencies are involved in.' (Local Authority)

'Maybe not in a formal sense but certainly with traditional use...People are willing to help, community members are willing to be involved in a number of different committees perhaps and you know, trying to keep young people on the island. All these kind of things that happen in a local sense.' (Local Authority)

Community Wealth Building Pillars- Finance

Researchers asked stakeholders for their views on each of the five pillars of Community Wealth Building.

Community members taking part in interviews also brought up important points relating to these pillars.

Finance- Ensuring that flows of investment and financial institutions work for local people, communities and businesses.

Stakeholders questioned whether wealth generated from Scotland's natural assets was flowing into communities:

‘So if we look at natural capital, we've got huge amount of interest in Scotland's land and natural resources at the moment. And there's a lot of chats about financial investment coming into that. But that's actually just the acquisition of the land. It's not actually the work to restore woodland, restore peatland or plant woodland. That's still all funded by the public sector. But the rewards from that public sector funding are being redirected back into the private sector owners. So there's an issue here about how those flows of investment are working, where they're coming from, what responsibilities they've got and how that's impacting on the land market generally. So I would say that's something that really needs to be unpicked. So we understand where those flows of investment are coming from, and what actually that's delivering locally because we talk a lot about external investment in Scotland, but it's not actually delivering for Scotland, it's actually delivering for those investors and they're using Scotland's assets as just a mechanism for doing that.’ (Public body)



Stakeholders explained that financial institutions should approach community organisations differently to businesses:

‘In terms of financial institutions, again, there are some institutions, there are some banks which are really good at working with communities, but there are others that sort of take a bit of the public sector view that communities are in exactly the same position as businesses and they're all about making money. And there's not an understanding that actually the money that's made from projects, or from acquiring assets, is all reinvested into the community.’ (Support body)

One community member explained this challenge from their perspective:

‘This sort of question of generating income and that's harder said than done, of course. And the conventional model of, you know, three years, loss in year one, break even in year two, make a profit in year three just doesn't work. You know, you throw in COVID and all these sorts of things make it really difficult and then there's a, it's about this ability to be sort of serendipitous.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

Community Wealth Building Pillars- Finance

Researchers asked stakeholders for their views on each of the five pillars of Community Wealth Building.

Community members taking part in interviews also brought up important points relating to these pillars.

Finance- Ensuring that flows of investment and financial institutions work for local people, communities and businesses.

Stakeholders tried to think of existing mechanisms to help communities raise finance. For example, Credit Unions:

‘I think the finance pillar is the most difficult one to address. I think we're still unsure what it actually means and I'm unsure in terms of what the right route is. I know with our credit union...we've helped them become more financially sustainable...before, they relied a lot on grants. But because we've kind of changed their minds, they're maybe doing different types of loans, they've actually generated a lot more profit than they would have done previously.’ (Local Authority)

Stakeholders explained the risks for community organisations in harnessing private capital:

‘If it's private capital then it doesn't have to go through any, you know, public process but you know, even our council, we'll provide advice but qualify it by saying you must take out your own legal advice on it. So whilst we can give ballpark advice, it's qualified by, you know, actually if it all falls to pieces then you're carrying the can.’ (Local Authority)



Community organisations explained their desire to be self-sustaining, and the importance of having a balanced portfolio:

‘Our organisation aspires to be self-sustaining so it's important to us when we take on a project that it contributes something financially. You know, that's not the be all and end all. That's not to say that, you know, we don't take on projects that don't make money, but we need to have a portfolio of projects that's balanced, I'd say. So it's important for us to have a number of revenue generating projects that help us fund and deliver some of our non-revenue generating projects.’ (Company Ltd by Guarantee, Moray)

Stakeholders shared examples of seeing communities develop assets, only to struggle with the costs:

‘Market failure is everywhere. It's got a knock-on effect because what we are seeing is community groups having created an infrastructure, you know, cafe, art residences, Gaelic language courses and etcetera being offered but yet having to scale back their ambitions because the business plan just cannot be met, even heating their premises during the winter is tough.’ (Local Authority)

Community Wealth Building Pillars- Spending

Researchers asked stakeholders for their views on each of the five pillars of Community Wealth Building.

Community members taking part in interviews also brought up important points relating to these pillars.

Spending- Through procurement, commissioning and wider investment, develop local businesses, support the creation of employment opportunities, develop shorter supply chains and maximising community benefit.

Stakeholders raised that public procurement could bring challenges for communities:

'I think the public sector is the worst customer you could have when you're trying to bring [in] money... there's a million and one other ways you can generate an income without getting into delivering services for councils which tend to pay late...difficult to win contracts if you're a small community-based organisation that's trying to win a contract from a whole local authority area. And it doesn't always necessarily align with what that community is trying to do...they're not necessarily trying to like run big social enterprises that are delivering care, for example. They probably engage with the council because they might want to develop housing and they're engaging with the planning department or they're trying to do an asset transfer. They're not necessarily bidding for council services.' (Support body)

'Even just that, the word procurement, whether it can put people off because they think, "Oh, that's just not for me. I can't go through that. It's gonna take me ages and I probably won't get anything at the end of it." So perception as much as actuality can be a barrier perhaps.' (Local Authority)

Rather than going for public contracts themselves, some felt community organisations should reap benefits from community benefit funds or conditions within public procurement contracts for businesses to conduct a service for the community:

'In an ideal situation, is for those contracts we're not going to see spent within the local area, that they have more focus on community benefits...it's a [community] benefits wish list...that'll be a platform in the council's website where communities can then put in what they would like, what their demands are. So for example, it's "they need to build a fence" so the contractor who wins a piece of work with the council can then say, "Okay, I'll build your fence as a goodwill gesture for me winning a tender with [the]Council."' (Local Authority)

Stakeholders explained the market affecting procurement practices which are at odds with policy intentions:

'Current procurement rules, especially in a constrained construction market, mean that we're limited to using bigger companies from centralised more urban areas and in rural areas that just doesn't work. It's not good for the environment. The bigger companies can't get [workers] to travel...We're pushing a proposal that we create rural development hubs. So we use more local material that's bought up front, pre-purchased, and that means that smaller companies can get involved, and it'll attract more small companies to the rural areas.' (Support Body)

Community Wealth Building Pillars- Workforce

Researchers asked stakeholders for their views on each of the five pillars of Community Wealth Building.

Community members taking part in interviews also brought up important points relating to these pillars.

Workforce- Increasing fair work and developing local labour markets that support the strength, cohesiveness and resilience of communities

Although supportive of Fair Work, stakeholders explained the challenges of aspects such as the Living Wage for community organisations and for SMEs:

‘Standards are being driven up as a result of grant conditions. But that is an issue for some community organisations because they are run on a shoestring and they're very grant dependent. They don't have big reserves, they are not generally able to offer large salaries and they're not able to offer long term contracts. So I suspect by and large they're quite good employers in terms of sort of listening to their staff and trying to have decent and working policies. But in terms of actual salaries, it's probably quite difficult sometimes to get to the living wage.’ (Support body)

‘It's a difficult one because the premise behind fair work is really good and you can really see a lot of economic benefits coming from it. But a lot of small businesses, especially in the local area can't afford to pay the real living wage. So while they want to support local companies, they might not be able to afford fair work, especially because some tenders are not priced in a way that embeds living wage if that makes sense...they don't really account for staff wages into the tender. So if they won the tender they wouldn't necessarily be able to afford paying the living wage.’ (Local Authority)

‘I think there needs to be support for those companies to understand how they can undergo Fair Work practices. And the negative behind it is that we don't want to come to a situation where employers can't afford to become Fair Work [compliant]...like pay the real living wage, so they have to let go of staff member in order to be able to pay the real living wage.’ (Local Authority)



Community Wealth Building Pillars- Land and Property (1)

Researchers asked stakeholders for their views on each of the five pillars of Community Wealth Building.

Community members taking part in interviews also brought up important points relating to these pillars.

Land and property- Growing social, ecological, financial and economic value that local communities gain from land and property assets.

Stakeholders explained if assets are transferred to communities, particularly land, there are good examples of utilising the land in ways the former owner did not:

‘They know that land really well. And so they've always got ideas for how they could actually generate an income from it. So you often see, you know, like land that's not been profitable and hasn't been doing anything, hasn't been developing housing, jobs or anything. It takes ownership of it, then it's bringing in money, housing's being developed, jobs are being created, good things are happening for the environment. So it's a bit of a no brainer really that more of that should be happening.’ (Support body)

Stakeholders felt there were still challenges with asset transfer from public bodies to community organisations.

A Local Authority explained a particular barrier in the case of asset transfer requests made to them:

‘But the main challenge in transferring assets from public sector to communities is showing value and within the council setting the cost transaction. So, certainly the way our Council is set up, and I think it's a relatively common method, is that land all sits within service accounts. So if a service gets a request from a community to take on land, the service still has to in some way account for the value of that land. So if the community can't pay for it, someone's got to pay for it. And that's not necessarily a straightforward equation within the organisation. So it could lead to the service losing out. So therefore it's not able to do other things. It's got to pay the land value to allow the community to take on the asset. So that's what the mechanics of it...how to make sure that's fair and also so that it doesn't lead to a drain on other service functions.’ (Local Authority)

Others gave examples of challenges with the planning system:

‘The planning system, for example, has got so many different consultees. you know it's got water, roads, environment, they've all got their own priorities. And the chances of finding a site that ticks all these priorities is really difficult. So somebody's got to give. Something's got to give somewhere, if anything's gonna happen. That's where guidance from Scottish Government would be helpful, to say something like, community wealth building's a priority. Don't block it.’ (Support Body)

Community Wealth Building Pillars- Land and Property (2)

Researchers asked stakeholders for their views on each of the five pillars of Community Wealth Building.

Community members taking part in interviews also brought up important points relating to these pillars.

Land and property- Growing social, ecological, financial and economic value that local communities gain from land and property assets.

Stakeholders explained that for energy assets, communities are competing with commercial entities:

‘What we need to see coming from the community wealth building bill is that communities are not on an equal footing within the market. They face significantly greater challenges and pressures on resources, on skills and expertise. They don't have the same cash flow reserves and they can't be as speculative as private industry and equally they don't have the teams of experts lying around that have the flexibility to work on these issues....where the community wealth building could be hugely impactful – across nationally and long lasting – is to recognise that and to give communities preferences and powers to be different market actors.’ (Support Body)

Others emphasised the importance of land management for net zero:

‘We can look at this through a national lens, as we continue to decarbonise society, you know, quite often focuses on heat and fleet and energy, and that's fine. But increasingly as a result, the focus needs to look on where the existing emissions are, and that's through land, traditional cultural practice and how we use land and how land should be a source for carbon sequestration.’ (Public body)

Community Wealth Building Pillars- Inclusive Ownership (1)

Researchers asked stakeholders for their views on each of the five pillars of Community Wealth Building.

Community members taking part in interviews also brought up important points relating to these pillars.

Inclusive ownership- Developing more local enterprises which generate community wealth, including social enterprises, employee-owned firms and cooperatives.

Stakeholders talked about a shift in thinking in support for inclusive ownership as a way of generating community wealth:

‘I guess that this can be actually quite a fundamental one, but actually the most difficult really from our perspective, and the fact that like I said before, nothing happens overnight...it also requires a bit of a culture shift as well. It requires a lot of education around kind of demonstrating to people what you know different types of ownership and business models are and what they look like and what they can achieve.... in order to kind of really you know create this long-term fundamental change on who owns the local economy there actually there needs to be a bigger culture shift, you know bigger awareness raising of this and it's resource intensive as well.’ (Local Authority)

Inclusive ownership of large-scale energy infrastructure was seen as a potential game-changer by several stakeholders:

‘There's lots of examples where you know lots of windfarms are popping up or solar farms that the energy generated from that goes outwith the local area, the investment...you know there might be local jobs created with it but they might not be permanent jobs. They might be very temporary in nature, self-employed in nature, very seasonal. And beyond that there might be a fund for local areas that you know, they get, you know, say £1,000,000 every couple of years or whatever to do what they would like with it. But I think it needs to be more than that. You know it needs to be about if we're talking about the ownership of local economy, it needs to be about owning the energy that's generated and again getting the benefit of those profits.’ (Local Authority)

‘It's hard to get a quick win through this pillar because there's different things that you can look at. You can also look at community share offers in terms of owning a piece of energy infrastructure. So for example, wind farm is going to develop in a certain area, there could be an opportunity for the community to either invest in that or benefit from that energy. But we need institutions in place able to know how to navigate that and how to like, either – if it's to go through a fair share offer, how to manage that in terms of interest or is it going to be through, them actually getting the energy in their homes, how do you manage that? And I think that's a big piece of work.’ (Local Authority)

‘That's what we're talking about is redistribution of capital, of revenue and of ownership. And until we start tackling the big forces that are actually governing all of that and influencing all of that and until we see national reform and a resurgence of our economy in terms of how it's distributed so unequally right now.’ (Support Body)

Community Wealth Building Pillars- Inclusive Ownership (2)

Researchers asked stakeholders for their views on each of the five pillars of Community Wealth Building.

Community members taking part in interviews also brought up important points relating to these pillars.

Inclusive ownership- Developing more local enterprises which generate community wealth, including social enterprises, employee-owned firms and cooperatives.

Stakeholders talked about shared owners having different motivations:

‘Some shared ownership models work quite well. But obviously you've got to have an alignment between the owners that are sharing the resource, whether that's land or renewables or natural capital or whatever it is. You need to have a long-term alignment as to what the purpose of holding and developing that asset is. And there are some private sector owners that are interested in developing the social economic capital of a local community and want to see wealth retained in that community – but a lot of particularly investors and speculators, their absolutely number one driver is a return. And that doesn't always equate with where communities are.’ (Support body)

Stakeholders tended to see this pillar as having the most positive, transformational change:

‘Key experts in community wealth building will actually see one of the most fundamental pillars as the ownership pillar because you're talking about who owns your local economy and where that wealth is held, and you want to have it held more locally. So that's looking at you know who owns the individual businesses and enterprises.’ (Local Authority)

Important organisations (1)

All stakeholders interviewed used the term 'anchor organisations' as key to community wealth building.

However, they thought about these in different ways.

A couple of Local Authorities described Local Authorities themselves as 'anchor organisations' and explained they needed to be large and thinking at a regional level, as well as a local level.

'So they're often public sector, but also maybe a third sector as well. These anchor institutions are kind of rooted to particular areas within the local area and within the region.' (Local Authority)

Other Local Authorities and public sector bodies described these as organisations that are not necessarily large, but able to work in partnership with other anchor organisations in surrounding areas.

All stakeholders explained that an effective anchor organisation needed:

- Paid employees, not completely dependent on volunteer time
- Healthy reserves and cash flow, to put money into projects
- To operate in the local area, with 'boots on the ground'
- Ownership of assets, so they had the power to develop these



'You need anchor organisations who have a sense of agency, have capacity to act and have resource.' (Support Body)

Ideally, they felt anchor organisations should:

- Enact Fair Work principles
- Have a mission or aim relating to social and environmental benefits for a community

Development Trusts were mentioned as effective anchor organisations by various stakeholders, for example:

'It's an agenda that community development trusts, particularly in islands communities in Scotland but also rural and urban communities have been advancing for decades, and it's more that the government now needs to step up and recognise how valuable they are in delivering this for them and to support them to continue to deliver that for them.' (Support Body)

Important organisations (2)

In addition to anchor organisations, stakeholders also mentioned other organisations they see as important.

Although stakeholders mentioned Community Councils as part of the ecosystem, they did not see them as anchor organisations, as they cannot own assets themselves. They were also described as very strong and well supported by communities in parts of Scotland, but less so in others.

Third sector interfaces were praised for representing third sector organisations but described these as under-resourced.

Small and medium-sized enterprises were lauded for supporting community wealth building especially when the owners lived locally or were from a local area, so had a person interest in the community 'doing well'. Also, where small and medium-sized enterprises tried to procure goods and services from other small and medium-sized enterprises as far as possible.

Some stakeholders felt support for small and medium-sized enterprises was important, but community organisations were key:

'Yes, community wealth building is driven in part by the private sector. They have a really important role to play, particularly small enterprises as we have a great ecosystem within Highlands and Islands. But if you want that long-lasting, wide-reaching community wealth building agenda then you cannot be forgoing your support of the community sector because frankly the community sector are delivering where it's not feasible for the private sector to deliver.' (Support Body)

Stakeholders explained that any public agency with a base or staff in a local area had an influence on community wealth. For example:

'Organisations that might not traditionally think of themselves as economic influencers. So likes of NHS [National Health Service], the police, the fire service, them thinking of themselves as having an impact on the local economy is actually a kind of a new thing for them to do.... So likes of NHS you'll have a healthier population if that population you know as unemployment is working their way out of poverty they have a better areas and better services around them they will ultimately be healthier and that is about as what their ultimate goal as well as so it's recognising the economy works hand in hand with what their ultimate goal is.' (Local Authority)

Community Wealth Building- Conditions for Success (1)

In their interviews, community groups explained some of the conditions for success of community wealth building which had not been raised by stakeholders.

Community organisations pushing wider stakeholders into action:

‘We just said right, that's the make of 21st century community. People need this. And we just forced the pace with them, Open Reach and some of the bigger landowners, you know, who partly contributed, but they got the digger out and buried the cable and all that sort of things as a bit of self help there.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

Community organisations with sufficient value of owned assets to secure tailored support:

‘I think if we hadn't gone through the asset transfer process or if we hadn't been involved in a community housing project, I don't know that we'd still have the relationship with Highlands and Islands Enterprise that we have because you know, yeah, their interest in us and their support for us is, my personal opinion is around, you know, the benefits that we deliver through the asset ownership portfolio that we've got. And if we didn't own those assets, then I don't know that we'd still be subject to HIE [Highlands and Islands Enterprise] account management and that's been really good for us.’ (Company Ltd by Guarantee, Moray)

High-profile support from political representatives:

‘Scotland's a small place as you know, and you can get direct access to, you know, cabinet secretaries or MSPs [Members of Scottish Parliament] and other board members in other public bodies and senior management. So kind of get access to these sorts of people and get clarity on decisions and, you know, that sort of thing, which is quite difficult if you don't have that sort of network background, which many communities really struggle with and, you know, not taking no for an answer.’ (Company Ltd by Guarantee, Inverness, Nairn, Dingwall and the Black Isle)

Community organisations working with neighbouring locations to coordinate their joint efforts:

‘One thing that we are trying to do is work more as a collective of communities. So that'll give us like 3 villages...we've now got made a SCIO which will work. We'll have some wind farm money coming in and they wanted us to work together so that I think in time, maybe in 10 years' time, well I think, 2029 we're due to get that money. So it's about 5 years time. If that comes in, that needs to be very strategic and not get caught up in the little village politics. And it actually needs to be able to look up and say, right, well, “Where are we going to best target the money, in which village this year or next year or the year after so that we achieve the best bang for our buck?” (Company Ltd by Guarantee, Orkney)

Community Wealth Building- Conditions for Success (2)

In their interviews, community groups explained some of the conditions for success of community wealth building which had not been raised by stakeholders.

Many explained that without good healthcare, childcare, housing and transport in areas, the conditions for building wealth are not in place:

‘I think you need people who have authority in public agencies to understand the dynamics of local communities and also how they could, I suppose, engage better with the groupings in local communities who are trying to both generate wealth but also generate a much better social environment, which then, you know, that kind of whole well-being agenda, which that then builds confidence and kind of continued to generate wealth.’ (Charity, Caithness and Sutherland)

‘Until recently I was quite upbeat about turning it [community] round. And now I'm just not quite so upbeat because I think it's got to happen at more of a government level to really get the traction to turn it around. And the way the funding has come in, there's no money, like, you know, there's wee pots here and there, but the wee pots are not really going to make the difference. We need childcare, we need old folks' homes, we need transport, we need joined up thinking like, but not one size fits all.’ (Company Ltd by Guarantee, Caithness and Sutherland)

The Community survey directly asked - Q. What support would be of greatest use in helping facilitate your community group/organisation's aspirations for your local community?

Joint working between public sector was seen as key for:

- Establishing needs and priorities of a geographic area
- Forming a realistic plan with all stakeholders
- Financing and funding the priorities
- Keeping the community at the centre



‘Every agency can coalesce around to support a community/organisation project team approach to delivery that maximises use of funding available to avoid silo working.’

‘A partnership approach to identifying community demands and working together to meet need across multiple partners - from landowners to funders to developers, etcetera.’

‘There seems to be a focus on "strategy" funding and endless reports as to what is needed but no funding to implement it.’

Appendix 1- Research methods



METHOD STAGES

Stage 1- Scoping and review

- Desk review to establish existing knowledge base.
- To establish key details about population frame for the survey and the policy landscape.

Stage 2- Stakeholder interviews

- 11 semi-structured interviews conducted online.
- Included stakeholders from relevant organisations, including support bodies, a funder, and various local authorities and public bodies.
- Gathered views on Community Wealth Building and its pillars.

Stage 3- Community survey

- Online survey of community groups/organisations across the Highlands and Islands open from 21 August to 31 October 2024.
- Survey was distributed to eligible organisations on HIE's database, with additional promotion through networks and social media.
- Participation was self-selected and not based on random sampling. The resulting sample represents a nonprobability sample and may not be fully representative of the wider population.
- Variables were on features of community groups/organisations, assets and aspirations. Most variables were not mandatory; most variables were closed questions.
- Achieved a total 316 responses. However, two community groups provided three responses and a further 28 provided two responses. A total of 284 valid responses are included in the subsequent analysis.

Stage 4- Community interviews

- 10 semi-structured interviews from November 2024- January 2025 with a selection of community groups who responded to survey.
- Interview sample included a spread across type of group/organisation, location in the Highlands and Islands, asset ownership status and aspirations.

QUALITATIVE ANALYSIS AND REPORTING

Stakeholder interviews

- Whilst we acknowledge that communities themselves are key stakeholders in community wealth building, we have used the term 'stakeholder' throughout the report to denote the views expressed by people interviewed representing larger organisations which support or work with community organisations.
- All interviews were transcribed.
- Transcriptions were analysed, largely utilising a thematic analysis approach.
- Points made by stakeholders are summarised in the corresponding sections of the report.
- Illustrative quotes are included, and the type of stakeholder denoted.
- Quotes are truncated in places to help readability, in all cases these are clearly marked with '...'
- Where wording is adjusted, for example to explain acronyms square brackets indicate text added by the researcher []

Community interviews

- Points made by representatives of community groups and organisations are summarised in the corresponding sections of the report.
- Transcriptions were analysed, largely utilising a thematic analysis approach.
- Illustrative quotes are included accompanied by the type of community organisation and the area office location in the HIE region. This approach was taken to uphold anonymity of research participants.
- Quotes are truncated in places to help readability, in all cases these are clearly marked with '...'
- Details are redacted so as not to identify specific organisations, in all cases redactions are clearly marked.

Text responses to community survey

- The community survey contained open text questions throughout.
- Responses to 'other (please specify)' are summarised in boxes next to category response results.
- Responses to open text questions are summarised on slides and in some cases illustrative quotes are included.

QUANTITATIVE ANALYSIS AND REPORTING

Community survey analysis

- Statistical analysis and visualisation of data was conducted with Excel, PSPP and R.
- Descriptive analysis included calculation of averages including mean and median; ranges; frequencies.
- For frequency reporting, where percentages do not sum to 100%, this is due to rounding or multiple answers.
- Aggregate percentages (for example where 'agree' and 'strongly agree' responses are combined to all agreement) are calculated from the absolute values. Therefore, aggregate percentages may differ from the sum of individual scores due to rounding or percentage totals.
- Results were tested using a two-proportion z-test with a p-value of less than 0.05 at a 95% confidence level, denoting statistical significance.
- This report summarises the key findings of the survey, drawing out noteworthy findings and between-group differences.

Limitations

- The survey was distributed to eligible organisations on HIE's database, with additional promotion through networks and social media. Therefore, the sample for the community survey was a non-probability sample. This means respondents were self selected.
- Data from a nonprobability sample identifies the prevalence of views amongst respondents only, and cannot be generalised to represent all community groups/organisations. As such the report refers to 'respondents' and does not intend to make generalisations for all community groups/ organisations in the Highlands and Islands.

Reporting quantitative results

- Appropriate visualisations are used to show analysis results including graphs and tables. The base sizes for all are included.
- When number of cases are low, for example only 17 respondents owned marine assets, results are included as counts.
- Results of statistical tests looking for difference between groups are included in bullet points. Differences included in reporting are statistically significant to the 95% confidence level.

QUANTITATIVE ANALYSIS AND REPORTING

Variables for analysis- control variables utilised, in the main, for bivariate or multivariate analysis are included in the table below. In many cases these were selected because they had sufficient sub-sample sizes for valid statistical tests. For example, two-fold Urban Rural classification analysis was possible, whereas three-fold, four-fold, six-fold or eight-fold included insufficient sub-sample size.

Type	Details	Categories for analysis
Derived	Postcode look up of Island/Mainland classifications	Island; Mainland
Derived	Postcode look up of Urban/Rural classifications (Urban: urban areas, assessable and remote small towns; Rural: accessible and remote rural areas)	Urban; Rural
Composite	Turnover categorisations grouping the three highest turnover bands over £500,001 together.	10,000 or less; 10,001 to 25,000; 25,001 to 100,000; 100,001 to 500,000; 500,001 plus
Survey	Does your community group/organisation contribute to a Local Pace Plan?	No – although the community does have a local pace plan; Not applicable for our area; Yes
Survey	Do you have any service level agreements/contracts currently in operation?	Yes; No
Survey	Does your community group/organisation have at least one trading subsidiary?	Yes; No
Survey	Is your community group looking to acquire or develop any of the following new assets? Please select all that apply.	Not looking to secure new assets; Land (e.g. crofting or other estate, woodland/forestry, land for development, amenity land); Buildings (e.g. housing, commercial, community, and heritage); Energy infrastructure (e.g. wind turbines, hydro power, solar, biomass); Transport infrastructure (e.g. ferry, EV charging points, community vehicles); Marine infrastructure (e.g. piers, reservoir, slipways, marinas, pontoons)
Survey	Over which of the following timescales are you looking to acquire new assets?	Within the next 12 months; 1-2 years; 3 years and beyond
Survey & Derived	In terms of the [asset] your community group/organisation has, which of the following best describes its ownership. Please select all that apply.	We own [asset]; No assets [Derived]
Derived	Extent of asset ownership – how many different types of assets (land, buildings, transport infrastructure, energy infrastructure, marine infrastructure, or other types of assets) are owned?	0 asset types; 1 asset type; 2 asset types; 3 or more asset types

For any queries about the research, please contact
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Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean