Our Place, Our Prosperity

Community Wealth Building in the Highlands and Islands

Executive Summary – September 2025

Diffley Partnership

HIE
Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Introduction

This report presents the summary 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 21st August and 31st October 2024

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

For details of methods and analysis see Appendix 1 of the main report.

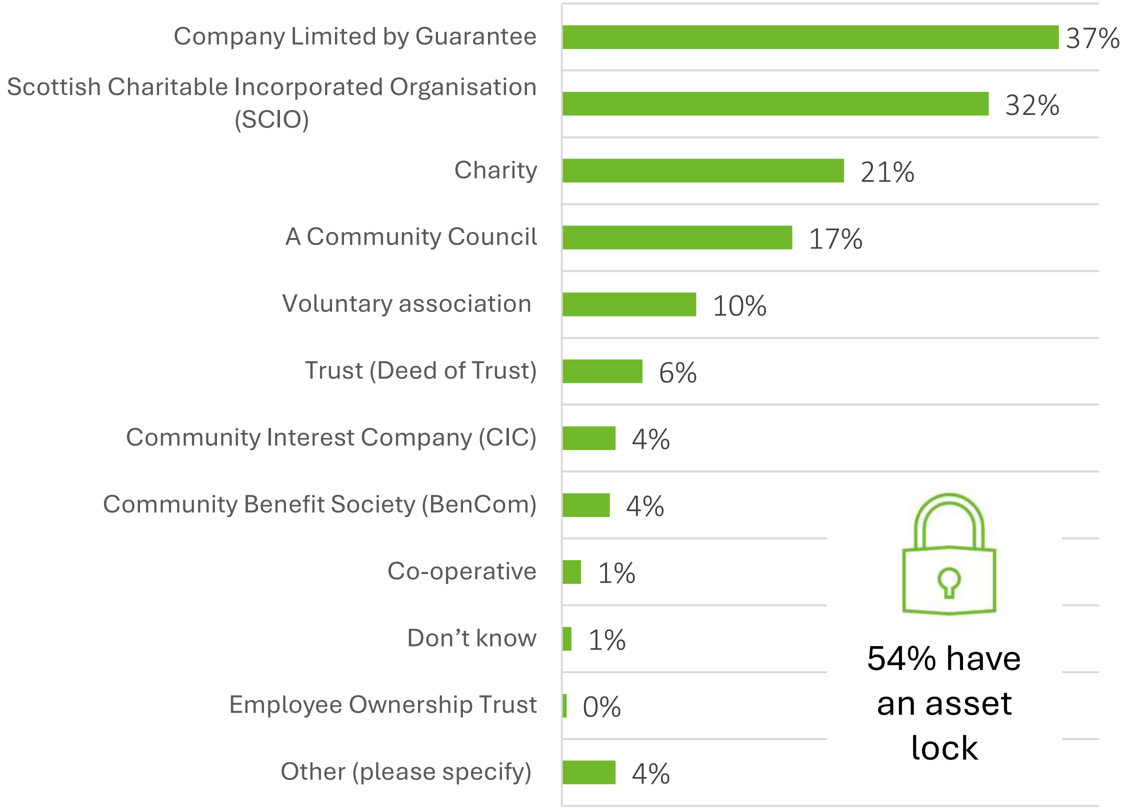
The report contains findings from Community groups/ organisations taking part in this research, grouped by:

- Workforce
- Contribution to People and Places
- Challenges and Confidence
- Finances
- Experiences of Service Delivery and Procurement
- Net Zero
- Assets
- Future Opportunities

*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.

Community groups and organisations

What types of community groups/ organisations responded?



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

Where are respondents located?

284 community groups/organisations across the Highlands and Islands took part.

38% on **islands**
60% **mainland**
(3% unknown)

67% in **rural** areas
30% in **urban** areas
(3% unknown)

Note: Rural includes those in very remote rural areas and remote rural areas. Urban refers to the remaining respondents including those in accessible rural areas, small towns and urban locations.

What is their workforce?

60% with **paid employees;**

- ➢ 92% of which paid the **Real Living Wage** to all staff

89% with active **volunteers** - around 5000 volunteers in total

- ➢ 22 **volunteers** on average (mean), median of 12

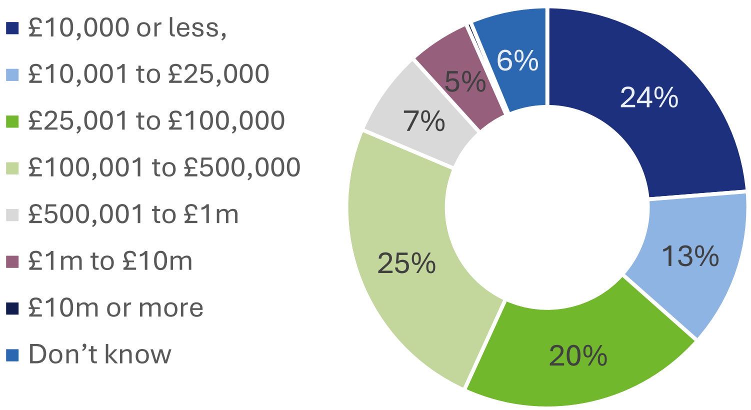
What plans and policies do they have in place?

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

Financial aspects

What about their finance and income sources?

In the last financial year, **56% had a turnover of £100,000 or less**



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

They relied on a **wide range of funding sources**, most commonly grants (84%), fundraising/ donations (68%) and other earned/trading income (52%).

Grants were the largest source of income for half (50%).

Trading and procurement

21% had a **trading subsidiary**

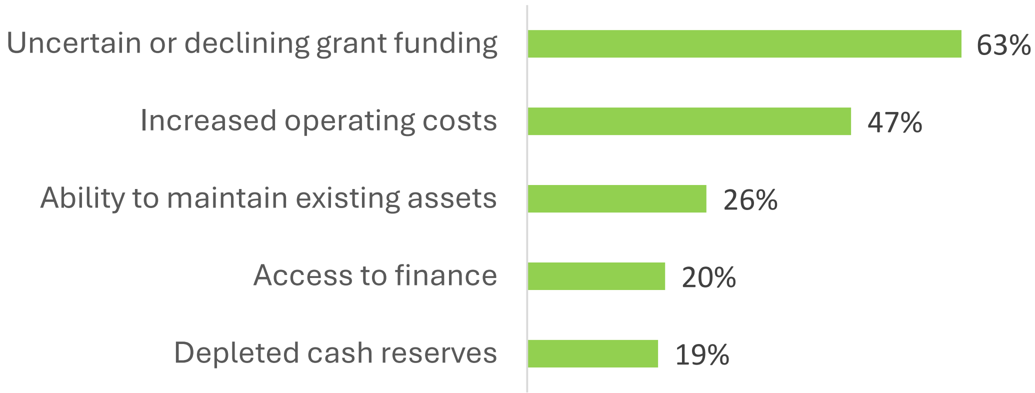
24% had at least one **service level agreement**

79% **had not participated in public sector procurement** in the past 2-3 years, (17% had).

What about financial challenges?

Uncertain or declining grant funding was the most pressing financial challenge selected by community groups/organisations, followed by increased operating costs.

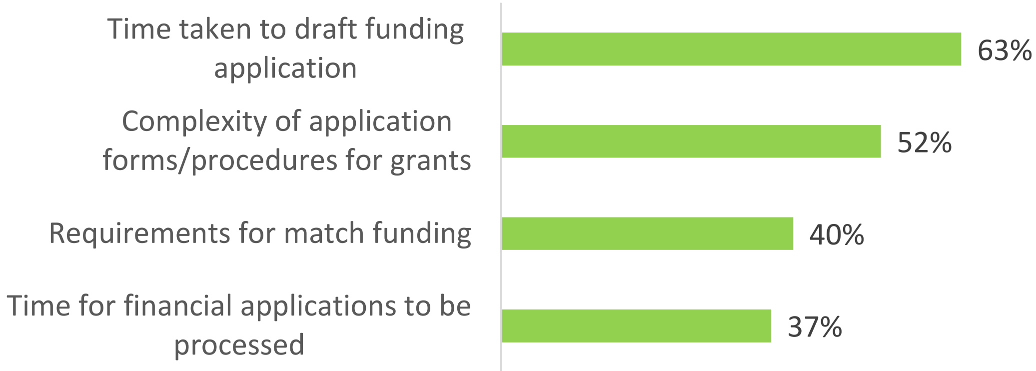
Most pressing financial challenges (top 5 selected options)



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

And barriers to accessing finance (top 4 selected options)

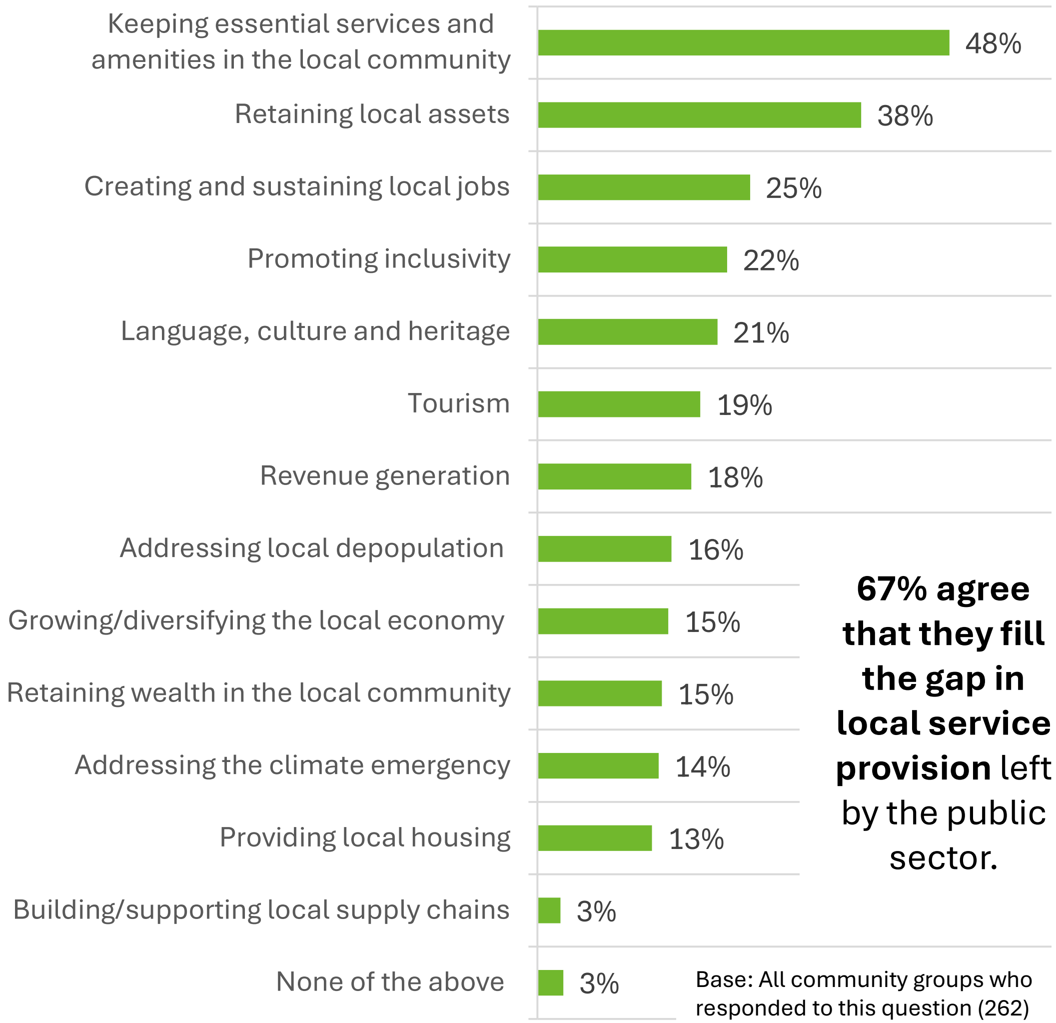
Time taken to draft funding applications and **the complexity of application forms/procedures for grants** were the most common barriers to accessing finance.



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

Focus, challenges and confidence

What do they focus on?



67% agree that they fill the gap in local service provision left by the public sector.

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

How they see their role in the community (selected responses)

- **98% agree they collaborate** with others in the community.
- 89% agree they **continuously evolve** to meet local needs.
- 87% agree that they are **ambitious and visionary.**
- **84%** agree **language, culture and heritage** is important to them

How confident are they?

Almost all were confident in their overall viability within the next 12 months (93%), falling slightly to 87% for over the next 1-2 years and 72% when thinking about viability in 3 years and beyond

How prepared for net zero?

Around half felt at least somewhat prepared for the transition to net zero (52%) but nearly a third felt unprepared (30%).

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

What challenges do they face?

Over half said the following were highly challenging:

- **Lack of time/capacity for longer term planning/development** (68%)
- **Access to finance** (61%)
- **Volunteer fatigue** (58%)
- **Succession planning** (53%)
- **Recruitment and retention of volunteers** (51%)

During interviews, respondents raised how they were both affected by, and trying to address, the overarching challenges for their communities, including:

- Dispersed populations
- Job availability
- Ageing population
- Lack of suitable housing

Their community assets

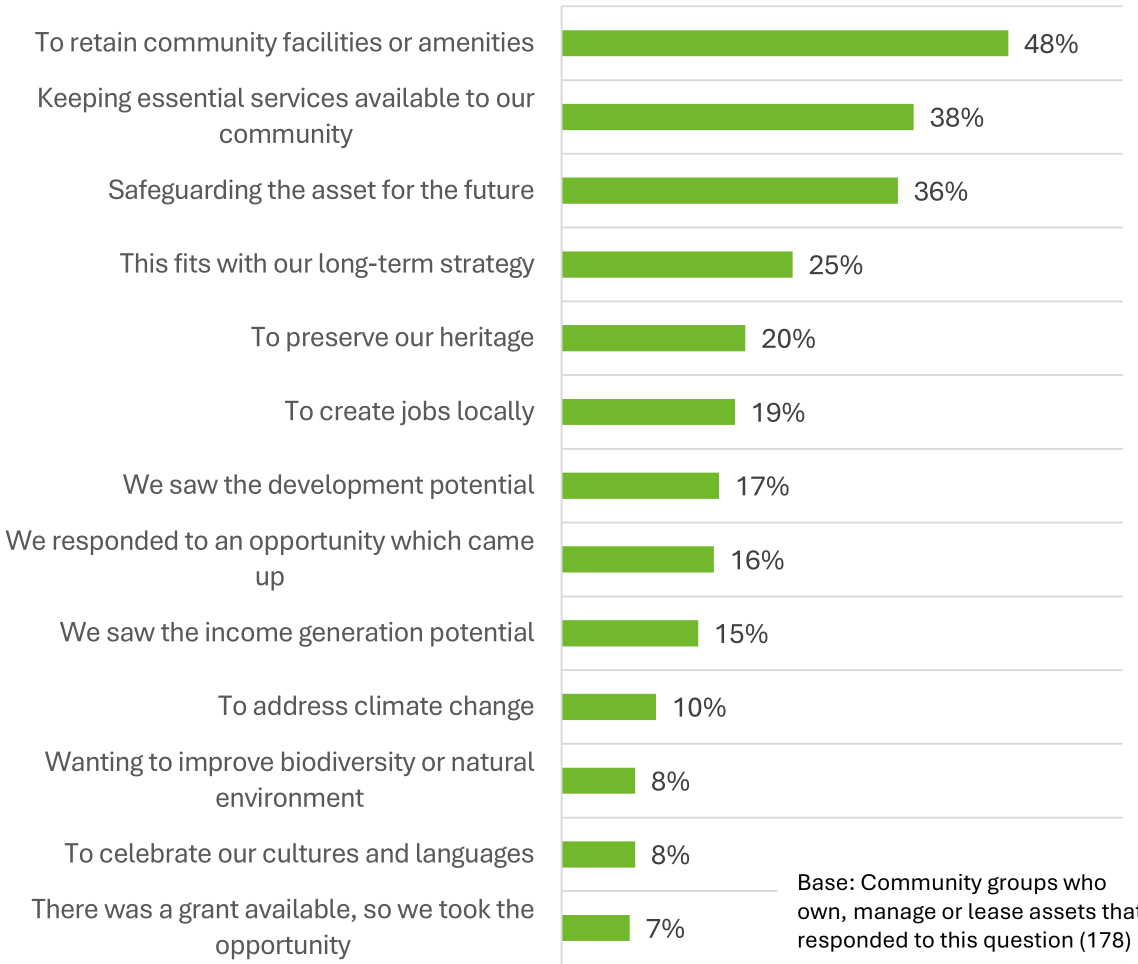
71% own, manage or lease assets

What assets do they own? *(excludes assets managed/leased)*

120 buildings (47%)	**75** land (30%)	**38** transport infrastructure (15%)	**33** energy infrastructure (13%)	**17** marine infrastructure (7%)

Why do they own assets?

Many reasons, most commonly to retain community facilities/amenities



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

Why do they own assets?

In community interviews they explained how ownership is connected to:

- A feeling of pride/ ownership/ empowerment for the community
- Practicalities of having control of an asset
- Greater likelihood of obtaining funding to develop an asset they own rather than one they use.

What makes this difficult?

- Having **the right skills to manage these kinds of projects** (36% of those with assets) and **volunteer fatigue** (31%) were the more common challenges faced when acquiring assets, followed by securing advice/expertise (24%).
- **Obtaining match funding** (30% of those with assets) and **meeting grant conditions** (27%) were the most common challenges when considering the cost of acquiring or owning assets.

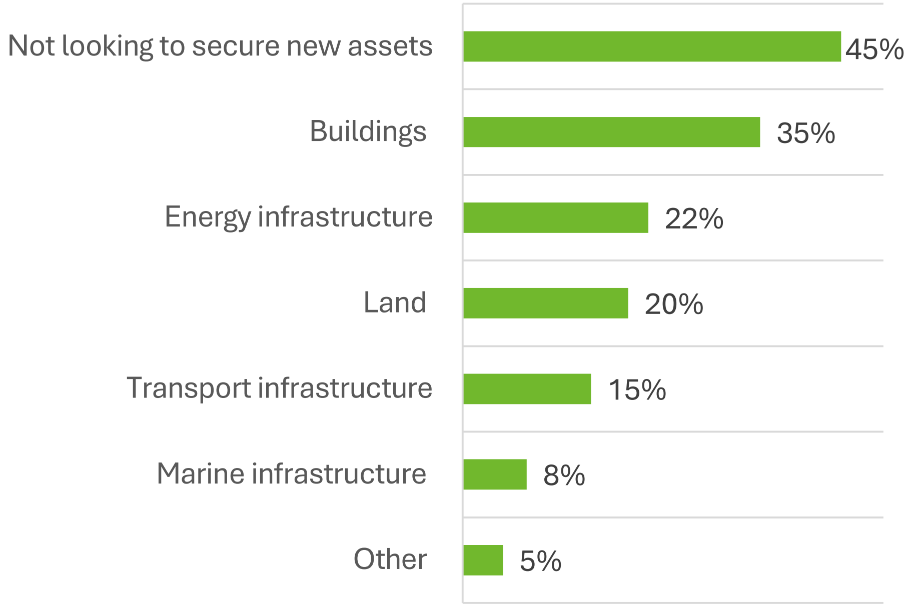
In interviews community groups explained these challenges:

- Availability of good quality and accessible development land
- Processes and costs involved
- Repair, maintenance and upgrading of assets

Their aspirations (1)

Which assets do they want to own? *(multi-response)*

55% were looking to acquire or develop assets



Base: All community groups who responded (249)

Don't see as a priority was the main reason given by those not looking to secure new assets (cited by 51%).

Expected barriers for future assets

- **Access to finance/funding** (55%) **was the most common barrier** faced by those looking to acquire or develop new assets.
- This was followed by lack of **capacity to progress** (38%), not being confident in securing **post-purchase development finance/funding** (36%) and **costs being too high** (34%).

Most were **looking to acquire assets** within the next 3 years (72%). The rest were looking to 3 years and beyond (28%).

Why do they want to own land?

- To make **environmental improvements**
- To build new **community facilities**
- To use for **tourism** development

Only 22% of those interested in owning land aspired to acquire a larger land holding (1,000+ hectares).

Why do they want to own buildings?

To create:

- Visitor attractions
- Housing
- 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

Their aspirations (2)

What about housing assets?

In follow up interviews, housing assets were described as crucial assets for communities; however, community organisations expressed concerns about:

- Planning policy and process
- Their capacity to deliver based upon their feasibility study results
- Poor availability of contractors in their area
- High costs for goods and services
- Responsibilities e.g. becoming landlords and ongoing maintenance

What about energy assets?

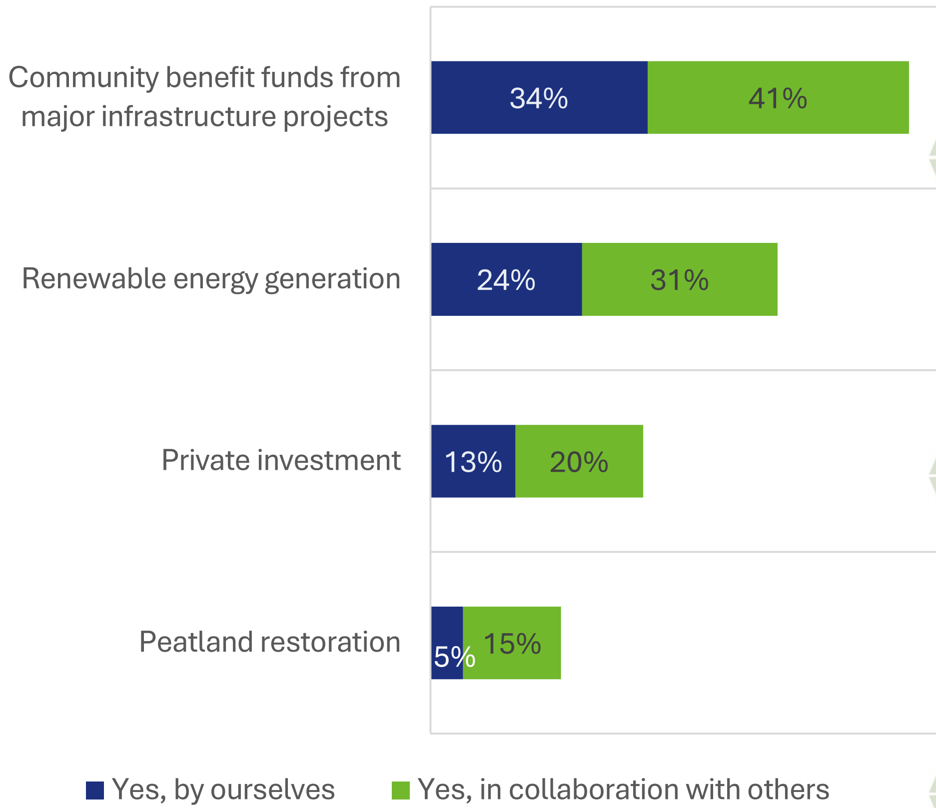
In follow up interviews, groups were supportive of net zero and keen to save money or generate income through owning energy assets.

However, they had hesitations due to what they had heard about:

- Complexity
- Upfront and ongoing costs
- Limitations in grid capacity

What about strategic opportunities?

Three in four (75%) were interested in pursuing community benefit funds for major infrastructure projects and over half (55%) were interested in pursuing renewable energy generation.



Base: All community groups who responded (249)

An appetite for collaboration was evident among many of those keen to pursue these opportunities.

Community Wealth Building

What is Community Wealth Building (CWB)?

Communities described this as a relatively new term, popular in public sector and policy and a convenient concept for the public sector to design strategies and plans around.

They described what CWB can feel like at a community-level for those within a local population.

Some corroborated points raised by stakeholders that communities are interested in what results from CWB, rather than the term.

> *'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.'*

What do they want wider stakeholders to understand?

- Advocate for communities to be part of major plans for their area.
- 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.
- Acknowledge community groups are delivering important services for their communities which are no longer delivered by the public sector.
- Work together to address key barriers to building wealth in communities e.g. lack of affordable housing, lack of childcare.

What's important to build this wealth?

Communities saw key factors for success as:

- Community-led initiatives
- Cross-sector or cross-geography working
- Community perseverance over long time scales
- Tailored support from public bodies and support bodies
- Favourability from political representatives to a community's plans.

To make this easier they suggested:

- Understand people in communities are giving time voluntarily
- Limiting red-tape and bureaucracy
- Rationalisation and streamlining of support, including, but not limited to funding and finance.
- One-stop-shop of information, up to date opportunities, and advice towards CWB

For any queries about the research, please contact
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