

Key Services

An Introductory Guide for Community-Led Projects



Overview

For many, particularly rural, communities easy access to services is an important factor in community well-being. When faced with the loss or lack of local provisions, communities are responding by taking ownership and running services themselves. Examples include shops, post offices and other retail outlets, community centres and hubs, health facilities, petrol stations, cafes, pubs, cinemas, social care and more.

In the UK, nearly 400 community shops were trading at the end of 2020; 36 of these in Scotland. Meeting and talking with people with experience of setting up and running a community service can be a powerful way to learn from peers when you are planning a new venture.

Starting Points

1. Research and planning:

Research and planning are key to developing a successful service, and this applies equally to community businesses.

Contacting other communities that have established similar services to those you're developing can prove both inspiring and informative.

The Community Learning Exchange facilitates peer exchange visits for community groups that are planning a new venture. It offers the chance to hear other experiences first-hand.

2. Building support:

Establishing a register of supporters – who are likely to be your future customers – will enable you to keep them informed of progress, help with fundraising, and provide useful evidence of support when applying for funding. This is also important if you're looking to engage with the Community Right to Buy or Community Asset Transfer processes.

3. Setting up your organisation:

A suitable organisation will be needed to run the service on behalf of the community; this could be an appropriate existing body, or a new organisation set up for this specific project.

The most appropriate legal and governance structure will depend on several factors, including the needs and aspirations of the community, the aims of the project, whether you plan to use the Community Right to Buy or Asset Transfer legislation, and how you plan to raise start-up finance.

4. Market assessment:

A market appraisal and assessment of the local demand for your products or services will be essential in planning the scale and viability of your proposed business.

A needs assessment should cover the perceived needs within the community, existing or potential competitors and the presence of supply chains.

5. Writing a business plan:

Combining your initial research, market assessment, and proposed organisational structure into one document will provide your business with a solid plan. This should show the costs you expect to incur, how you will build sufficient income to cover these within a stated time frame, sales targets and financing information. The business plan will help to assess the number of paid staff the service can afford to employ and identify roles

that could be fulfilled by volunteers. The local Third Sector Interface can give advice on engaging and working with volunteers.

6. Initial business finance options:

Securing funding to set up a community-led service and generating sufficient income to maintain it, can be a challenge.

Several community businesses have been set up as a Community Benefit Society (a form of cooperative). This model enables the sale of shares to the community to provide a source of start-up funding.

Loan finance is another option and may be available from conventional banking services, or a social investor dedicated to providing loan funding to social enterprises. Some of these options may also provide a small grant contribution.

Social Investment Scotland has an Investment Readiness Tool that can be used to assess if loan funding is right for your business.

Funding for Service Projects

Community Ownership Fund is a UK wide fund to help communities take ownership of assets and amenities at risk of closure. It will run for four years.

The **Scottish Land Fund** provides grants for community organisations to become more resilient through the ownership or management of land and buildings. Support is available for project development as well as acquisition costs.

The **Circular Economy Investment Fund** provides grants to businesses and organisations in Scotland that are helping to create a more circular economy.

Firstport provides start up and early-stage finance for social entrepreneurs. Its **Catalyst Fund** offers loan funding to social enterprises to start and scale their businesses. It uses a flexible, revenue-based repayment model with loans starting at £50,000.

The Community Learning Exchange will provide funding for peer exchange visits to community organisations. Applicants must be a member of an organisation that is affiliated to the Scottish Community Alliance.

For sources of loan finance see Good Finance. Social investment providers in Scotland include:

Big Issue Invest Scotland provides social investment and loan finance to social enterprises, and third sector organisations.

Social Investment Scotland provides loan funding that can help support a new enterprise.

Triodos Bank provides loan funding and has a crowdfunding platform covering opportunities for investors to contribute to social projects.

Foundation Scotland has a social investment programme.

Good Finance has examples of social investment providers and advisers.

CASE STUDIES

Eskdalemuir is a scattered village that nestles in the hills of the Esk Valley surrounded by moorland and forestry. In 2004, when the school closed, there was no shop, post office, café, pub or other facility within 13 miles. The Upper Eskdale Development Group was formed to reconnect the community. The Group purchased the site of the former Eskdalemuir Primary School, renovated and re-developed it to form the Eskdalemuir Community Hub. A community centre and café opened in the hub in 2014. It now houses a village shop, café and bar, large and small spaces available for hire and hosts a range of fitness and leisure activities and events.

The Glenkens Community & Arts Trust was formed in 2001 with the aim of transforming the former, and dilapidated, primary school building into a centre for community and cultural activities. After acquiring the building and extensive renovation work, the CatStrand opened in 2007. The centre provides a wide range of arts, community and training activities for residents and visitors. In 2019 the Trust inherited the Old Smiddy in Balmaclellan, another derelict building. Following renovation and extension, a modern and multi-purpose Heritage and Community Hub was created. This is now the base for a wide range of heritage-focussed activities and acts as a satellite centre for the CatStrand. Its information technology equipment and recording studio will support a range of projects and next door is the well-established Glenkens Men's Shed.

Further Information and Advice

Organisation	Remit	Community Focus	Jobs & Volunteering	Case Studies	Business Support	Networking Opportunities	Funding Information
<u>The Plunkett Foundation</u> has practical guides, workshops, courses, and on-line networking events, many of which are free.	A national charity that supports rural communities across the UK to establish and run community businesses with a focus on shops and pubs.	✓		✓	✓	✓	✓
<u>Development Trusts Association Scotland</u> members are involved in running a wide range of services.	An umbrella organisation for community-led organisations that combine enterprise and creativity to improve the quality of life for local people.	✓		✓	✓	✓	
<u>Social Enterprise Scotland</u> is the Scottish Government funded representative body for social enterprises.	A membership organisation for social enterprises. It campaigns for the sector, provides networking opportunities and other resources. The website has a directory of social enterprises in Scotland.		✓		✓	✓	✓
<u>Just Enterprise</u> offers online learning, training workshops and one-to-one support.	Provides free advice and support to social enterprises and not-for-profits in Scotland that have trading activities.				✓		
<u>Community Shares Scotland</u> promotes the community benefit cooperative model.	Provides advice and supports communities through the process of making a share issue to generate start-up funding and engage with future customers.	✓		✓	✓		✓
<u>Third Sector Interface</u> (TSI) is the representative body for the Third Sector in Scotland.	Comprises a network of regional organisations that provide advice, capacity building and local knowledge to third sector organisations.		✓		✓	✓	✓
<u>Co-operatives UK</u> A UK wide organisation that supports different forms of cooperative.	Has relevant advice and resources on HR issues, communications and marketing, governance and finance.			✓	✓		✓

South of Scotland Enterprise (SOSE) is the economic and community development agency for Dumfries and Galloway and Scottish Borders. We offer support, funding and specialist knowledge to help community initiatives and social enterprises across the South of Scotland to grow and achieve their aspirations. To contact SOSE:

- Go to <https://www.southofscotlandenterprise.com/contact-us> and fill in the enquiry form
- Call **0300 304 8888**.