



# Using Assets to Build Community Business

By Jim Bennett, June 2018

Community owned businesses in Scotland are now delivering serious social impacts. Those impacts are increasingly based on asset ownership. To get the best social returns from those assets, communities are adopting financial and organisational mechanisms which wouldn't have been recognisable two decades ago.

I've been involved in community work since the mid-1980s. However, it's not until the last few years that community business has made a significant impact in Scotland.

I learned from [Pat Cassidy](#) of [Govan Workspace](#) that the key to establishing a meaningful community business is asset ownership. From the early 1980s, Govan Workspace acquired assets for the community and traded on those assets to create social impact. Govan Workspace was a Development Trust, twenty years before Development Trusts existed!

Building on Pat's experience, I led a Fife based community economic development agency in the mid-1990s, [Brag Enterprises Ltd](#), in acquiring its own buildings. Those buildings developed a trading asset base from which a call centre, nursery and a range of private enterprises were established. The opposition of the local authority staff to this approach was palpable. They were afraid of independent asset-based communities operating outwith their control.

*In the 1980s and 1990s there was little knowledge or advice available for community land or buildings ownership. Community organisations taking this direction were often stumbling in the dark.*

Fast forward to today and the scene has radically altered. The Scottish Government established [land reform](#) legislation in 2003, later [amended](#) which gave communities the Right to Buy land in Scotland.



The historical significance of this is rooted in Scotland's national disinheritance of assets, eloquently described by [Andy Wightman](#) in his book, [The Poor had no Lawyers](#). Although legislation in this area was progressive, Andy and I sought to push it further by taking the Government to [court](#) in 2005; we lost! However, thirteen years later, the [land](#) concerned has been taken out of the hands of speculators to the benefit of the community.

The key to building real strength in community asset ownership in Scotland has come in two forms: the establishment of the [Scottish Land Fund](#) and the Scottish Government's [Community Empowerment Act](#).

The Scottish Land Fund currently operates a £10 million a year fund to assist communities in purchasing local assets. The Community Empowerment Act gives the power to communities to request the transfer of assets from public sector bodies to local communities. The Scottish Government's legislative approach to local asset-based control coupled with real, tangible resources to support purchases has released a new wave of community based social enterprise.

Technical assistance in community land and buildings acquisition is now readily available to communities. Either through agencies such as the Development Trust Assoc. Scotland ([DTAS](#)) and its excellent Community Ownership Support Service ([COSS](#)) or via social enterprise consultancies such as the one I'm a Director of, [SKS Scotland CIC](#).

[SKS Scotland CIC](#) has had a creditable list of community acquisition success in 2017/2018. These include business planning, market analyses and financial projections for the successful acquisitions of:

- [Bannockburn House Trust](#): a 17th century Jacobean mansion with 26 acres of land near Stirling
- [MACPOOL](#): a swimming pool and leisure centre in Argyll
- [Carron Valley Renewables](#): a 26-acre community woodland in central Scotland
- [Sanday Development Trust](#): several disused buildings for community use on an Orkney island

[SKS Scotland CIC](#) "Using Assets to Build Community Business"

- [Cockenzie House and Gardens](#): a substantial Jacobean mansion in East Lothian.

*The legislative structure put in place by the Scottish Government, coupled with the money it has put on the table via SLF, has made asset acquisition a reality for many communities across Scotland. The challenge for communities is to utilise those assets to develop income streams which their members can benefit from.*

There are many striking examples of approaches to income generation by communities based on their assets. Scotland has a lot of wind... (!)and many communities have traded on that. The [Dancing Ladies](#) of Isle of Gigha Community Trust were the first grid-connected community wind farm in Scotland (a nod is due to [Alan Hobbet](#) as the pioneer); The [Islay Energy Trust](#) has an income stream from a community-shares based wind turbine which supports fuel-poverty initiatives, and [Community Energy Scotland](#) lists dozens of other successful community owned renewables projects.

The common feature of these approaches is the use of [social investment](#) streams and what twenty years ago would be considered [alternative investments](#) such as community share issues, loans and business partnerships. Communities across Scotland are adopting financial and organisational models which maximise their social impact. Where investments to maximise social & financial returns are counted in the £millions, waiting around for Government grants isn't an option. Getting the best social impact from community assets means taking an entrepreneurial approach!

*Scottish social enterprises are taking their social impact duties seriously... and they're doing that by building real businesses!*