Growing Community Assets Evaluation

Phase 2 report

May 2011

SQW

Contents

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Executive Summary

Introduction

1. This is the second phase update report for the Evaluation of the Big Lottery Fund's Growing Community Assets (GCA) Programme. The evaluation takes place over five years, with a final report due to be published in 2013 following a second household survey. The evaluation is being conducted in three phases over a five year period, from 2008 to 2013. This report focuses on the work in the second phase, drawing on the survey of project managers, case studies and a number of additional user surveys.

2. The overall aims of this ongoing evaluation are to:

- assess the impact of the GCA investment area, particularly around the five intended outcomes of the Programme
- identify key factors that support successful community ownership
- review learning gained from the evaluation and gather learning about transferring the management of GCA to the Fund.

3. The GCA programme has invested almost £50m in projects to date, but only £12m of this lies in projects that are now up and running. It is still very early in the evaluation, therefore, to identify the programme's overall outcomes and impacts.

Asset ownership: success factors and challenges

4. Many of the success factors flow from good leadership and management. Well managed projects will have good monitoring data and gather feedback from the community; they will put in place good governance principles and structures to enable smooth succession and will have links with other stakeholders. A strong management board will provide support and offer expertise, networks and good representation.

- While good leadership is critical and there are many good examples emerging from the GCA projects, **the breadth and depth of capacity and experience within the board is also vital**. Many of the projects involve a balance between community management, financial expertise and technical knowledge. A number of the urban projects have relatively high powered boards with councillors and senior private sector representatives alongside community members. This can be very helpful both in offering technical knowledge and experience, but also in securing other support.
- **Having a clear vision, realistic objectives and identified actions** is another factor that is important. This makes it easier to manage community expectations and reduces the possibility of friction once the projects have started. Where these are not clear, it can cause confusion and lead to divisions within the community.

- **Effective structures** are another important factor. This can be time consuming and complex, but without this there can be problems at a later stage, and it will make succession planning more difficult. To have and maintain credibility, the structures must be formal with clear and transparent rules. Even if these seem unnecessary initially, it is crucial to set out the terms of the relationship between the community organisation (usually a Trust) and the community.

5. Some types of project are more closely associated with their local communities, and the importance of *asset ownership* – as opposed to *asset management* – is more important to some than others. Land projects (such as South Uist and North Harris) are integral to community life, and taking ownership and control is a fundamental reason for their existence. At this stage in the evaluation we would continue to say that asset ownership should be treated as one of a number of possible options (including leasing) that can contribute to community development.

6. Community ownership does not come without challenges. The main issues common to most projects are to do with engagement, capacity and funding.

Meeting the outcomes of the programme

Communities are stronger, with shared aspirations and the ability to achieve these together

7. GCA projects in urban areas have, due to their locations, engaged more people than rural projects. However, the rural projects are perhaps more important to a greater *proportion* of their communities (for example, the shops in Uig and Skye).

8. The social impacts of the projects have been particularly obvious in the various community facilities that have been completed. These include Glenfarg, Auchencairn, Silverburn and Blantyre, where more than 80% of users report that the project has helped them to make new friends or social contacts.

9. Other projects describe the benefits of inclusion that the project has engendered – for example, in bringing together young people, new mothers and older people – which has brought confidence to the community and raised aspirations.

Communities have services and amenities that meet people's needs better and are more accessible

10. This is perhaps the outcome that GCA addresses most effectively through its community facilities projects. Each of these offers new or better services for the community. In the last two years in particular, GCA has supported a number of large-scale facilities and many of these are now under construction. In terms of simply providing additional and better services these projects directly contribute to this outcome.

11. Each offers access to services that were previously either not present, at risk of closure, required a long trip, or were markedly worse than they are now. The value of the improved services could potentially be calculated through a combination of time saving and reduced use

of petrol. We estimate that over **25,000 people**[1] **across Scotland are using the services and facilities** in the 36 completed projects supported by GCA.

12. Communities now have facilities and services that were not there before. These have attracted new visitors, given access to the elderly and disabled, cut down on travel times and provided a new social focus for the community. Many of the community facility projects have provided a social life for people in excluded areas.

13. In addition, the knock-on effects of retaining services can be strong. For example, without local petrol stations, visitors and residents would travel to bigger centres of population and then also be more likely to use shops and other facilities there. This can have a knock-on effect for small villages, where local shops may then have to close.

14. Undoubtedly as a result of GCA funding many communities now have services and amenities that better meet their needs and are more accessible.

People have more skills, knowledge and confidence, and opportunities to use these for the benefit of their community

15. There are two primary ways in which new skills, knowledge and confidence are obtained: through involvement in project management and volunteering, and as a result of direct training opportunities provided as part of the project. The projects supported by GCA offer a mix of these.

16. From the project leader survey we estimate that across 72 projects for which we have information, there are **709 people involved in project management,** from a wide range of communities. A further 376 people (from 28 different projects) are providing ad-hoc assistance. Across 54 projects we estimate that there are **1,327 regular volunteers**. It is probably true that all the projects contribute, at least to some extent, to skills, knowledge and confidence among those managing the projects. As the projects develop we would expect to see this being extended to others in the community. From the 36 completed projects there has been **training provided to 466 people** so far.

Communities are more able to grasp opportunities and are more enterprising and self-reliant

17. This outcome is related to the ability of communities to use assets to become more financially self-sufficient by generating their own income and employment. This does not just mean creating *net* new employment, but it would also include retaining income within the community and attracting it from elsewhere.

18. The economic benefits have tended to be more modest than the social ones to date, although as projects start to become financially sustainable, we are seeing stronger economic effects. Among those that are completed, the energy projects on Tiree and Westray are operating and the Skye Ferry is generating income.

19. The 36 completed projects have supported around 129 full time jobs to date, plus a further 79 part time jobs.

[1] Based on 36 responses from completed projects

20. In total, 80 businesses have been accommodated in GCA-funded premises, and 11 new businesses have started as a result of, or as part of, GCA projects.

Communities have a more positive impact on the local and global environment

21. The projects with a renewable energy focus have, or will have, a positive impact on the local and global environment. Energy projects are attractive community investments with the opportunity to generate regular funds through the sale of electricity which can be re-invested in other community projects. Other projects in their own way are also contributing to the local environment.

22. Given the expansion of GCA into urban areas, the programme has supported fewer woodland and habitat projects than its predecessor, the Scottish Land Fund. However, a small number have created or improved wildlife habitats. Some projects have contributed to biodiversity, in particular the forestry projects (for example, just over 133,000 trees have been planted with GCA support, notably in Knoydart and Kingsburgh).

23. A number of projects contribute towards diverting tonnes of wastage from landfill each year. A large majority of projects have also taken action to maximise energy efficiency; this has consistently been an important part of the ways in which new facilities have been built or refurbished.

Emerging issues and implications

24. It is very likely that over the next few years funding from public sector sources will be tightened, potentially impacting on the ability of GCA projects to develop. Also, in the current economic climate, many projects that rely on raising income from renting space will face a challenging environment. Rental income was the most important source of future revenue. Eight two percent of community facility projects and 46% of community social enterprise projects were relying on rental income.

25. On the other hand, public sector service providers are likely to look increasingly at new ways of delivering services, particularly where this can save money. Community organisations may be able to benefit from this.

26. As projects develop they will also face challenges: project objectives can change, and projects may revisit their initial plans. Changes can be a source of disagreement, and this is where community management skills in particular become important. This may be a bigger issue in rural and remote areas, where projects are proportionately more important to individuals than in urban areas.

27. The renewable energy projects supported have provided real opportunities for communities to develop assets that will deliver a future stream of income and electricity. Wind turbines are a great symbol of a community's self-sufficiency. Aside from the issues around access to Feed-in Tariffs, the biggest challenge is in transferring community support and interest in the wind turbine into deciding how to use the income it generates for community development. Some of these projects will need to switch their focus from the technical aspects of the project to community management.

28. One of the benefits of ownership is the flexibility to respond to community interests. No doubt some of the ideas in the early stages will not be as successful as others, and projects must adapt to this (even where there may be tendency for individuals to hold on to their own views).

29. One of the enduring issues throughout the work has been succession planning. This is important not only for the operations of the community organisation but in demonstrating to others, including local authorities, that there is a permanency to the organisations that are taking responsibility for the assets. There is also a risk that their skills and experience will be lost over time unless there are efforts to capture these and transfer knowledge within the community.

Conclusions

30. Most of the implications identified above point toward more emphasis on capacity building and less on capital investment. The issues that will face the support of community development through GCA appear likely to be mainly around the capacity to make the most of the assets that have been acquired rather than focusing on more assets. This is not true in all cases. There are many very able organisations that have successfully developed assets already and have the capacity to take on more, but with a large number of new Trusts taking on assets for the first time this year, we suggest that the emphasis should be on ensuring that they can achieve their potential.

31. Monitoring has been difficult where projects have not produced any outputs or outcomes, but this is changing and over the next year it is expected that there will be a lot more information on which to judge progress. In the impacts section we discuss the importance of knowing the number of people using or benefiting from an asset. For all these projects the benefit to the community will be determined in part by the number of people using it. The second element to monitor is the scale of the benefit (this is partly the *level of use*, and partly the *ways* it benefits individuals). Although throughout these projects we have tended to think of the benefits to communities, the best way that this can be measured is through an understanding of how it has impacted on the lives of the *individuals* that make up the community. Over the next 12 months we intend to capture more data on both the number of users and the ways in which the project affects them.

32. Part of the challenge for GCA and for the projects themselves is in understanding what to monitor and measure. Although most projects aim to increase community confidence, capacity or empowerment, very few have defined what this means and how they will demonstrate it. As part of the evaluation we developed a series of questions in the household survey that reflect these concepts. Over the next year we will consider how these measures might be adopted within the user survey and our other research tools.

33. A final conclusion relates to the differences in the types of benefits. We have typically found that stronger and more experienced groups are more likely to deliver traditional outcomes, such as training and business accommodation, and are probably less risky investments. Newer community groups have less experience, tend to take longer to develop projects and are less likely to generate short term outcomes. They may also be more risky, but also have the

potential to generate much greater improvements in community capacity in the longer term. GCA must balance its investment between the two.

1: Introduction

1.1 This is the second phase update report for the Evaluation of the Big Lottery Fund's Growing Community Assets (GCA) Programme. The evaluation takes place over five years, with a final report due to be published in 2013 following a second household survey. The evaluation is being conducted in three phases from 2008 to 2013. This report focuses on the work in the second phase, drawing on a survey of project managers, case studies and a number of additional user surveys.

The challenge

1.2 The Programme was developed to enable communities to have more control and influence over their future development through owning and developing local assets. These are usually physical assets, such as land, buildings or equipment (including, for example, wind turbines). The programme started in May 2006 and the last grants were awarded in April 2010. Community groups could apply for between £10,000 and £1 million, with a total of £50 million of funding distributed throughout the duration of the programme.

1.3 GCA builds upon the Big Lottery Fund's Scottish Land Fund (SLF) programme, which enabled rural communities with a population of 10,000 or less to buy or manage assets. One of the differences between GCA and the Scottish Land Fund is that it extends the asset-based community development approach from rural to urban communities.

1.4 GCA has offered three types of funding:

- funding for **technical assistance** (from £10,000 to £200,000 per project, covering up to 100% of costs)
- funding for **asset acquisition** (from £10,000 to £1 million, with a minimum community contribution of 5%)
- funding for **asset development** (from £10,000 to £1 million, providing no more than 75% of revenue costs and 50% of capital costs).

1.5 The majority of projects are not yet operating fully, so at this stage the evaluation is limited in the conclusions that can be drawn about their effectiveness. Nonetheless it is able to identify a number of important issues that are emerging. It also adds to the range of evidence about the ways in which these projects are impacting on the lives of residents within these communities.

1.6 The second round of GCA was launched on 30 June 2010 with a greater focus on the long term viability of assets and how projects address local needs.

Policy context

1.7 **The Land Reform Act (2003)** was an important initiative in relation to community ownership in Scotland, giving communities the right to buy land and buildings under certain circumstances. In November 2010, figures from the Scottish Government[2] showed that a total of 148 approved community bodies have submitted 124 applications to buy land or other assets when they come on the market, since provisions within the Land Reform (Scotland) Act became law in 2004. Some 52 applications have been registered and are awaiting notification of sale. There have been ten successful land purchases, and five have been completed outside the official process. Another ten purchases have failed.

1.8 BIG, through the Scottish Land Fund and subsequently GCA, has supported very few cases which have made use of the legislation. A report "*The Post Legislative Scrutiny Of The Land Reform (Scotland) Act 2003*"[3] produced for the Scottish Government, concludes of the legislation that:

> *the extent to which the community right to buy has empowered community groups appears variable.*
>
> *There was widespread support amongst community groups participating in this research project for the community right to buy, and its democratising ethos of aiming to place land in community as opposed to private ownership when the opportunity arose was commended*

1.9 The **Scottish Government's Community Empowerment Action Plan** was launched in March 2009. Although this provides support for the principle of community asset transfer, some have been concerned that[4] *"in recent years, the policy climate has cooled towards the community ownership of assets"*. As a first step in relation to community assets, the Scottish Government awarded funding to the Development Trust Association Scotland (DTAS) to undertake a piece of research to further identify the benefits of community ownership and some of the barriers that communities face in relation to this. Its report on Public Asset Transfer[5] is based on consultations with local authority representatives and provides a useful overview. It found that asset transfer to community organisations was described by most local authorities as being ad hoc and in the main arising out of direct approaches from local groups. The scale and value of assets transferred had been fairly minimal, and local authorities reported limited demand from community groups to purchase assets outright.

1.10 The DTAS (2010) report found that *"most councils reported that in their view the preferred option of communities was for a long term lease arrangement and where interest in assuming outright ownership had been expressed, a number of councils voiced concerns that this was a result of grant conditions stipulated by certain funders rather than the result of genuine community led interest. This was not entirely borne out by the feedback from communities"*.

1.11 In addition, a serious concern for all councils was the lack of external funding available to community groups who wish to acquire assets and the lack of available sources of ongoing revenue support to assist in the post acquisition phase.

[2] Reported in a paper produced for the Joseph Rowntree Community Assets Seminar Series, November 2010: http://urbanpollinators.co.uk/wp-content/plugins/downloads-manager/upload/community-assets-seminar2.pdf
[3] The Centre for Mountain Studies, Perth College UHI, UHI Centre for Remote and Rural Studies, & Rural Analysis Associates (2010), *The Post Legislative Scrutiny of the Land Reform (Scotland) Act 2003*.
[4] LPL (2009), *Empowerment Action Plan lacks momentum*. Available at: http://www.senscot.net/print_art.php?viewid=8610
[5] Development Trusts Association Scotland (2010) *Public Asset Transfer: Empowering Communities*. Available at: http://www.lankellychase.org.uk/uploads/Public%20AssetTrans%20DTA%20Scotland.pdf.

1.12 The Scottish Government continues to offer support to take on and manage assets. Alex Neil, then Minister for Housing and Communities, said in the Winter 2010 edition of the Community Empowerment Newsletter[6] that:

> *This Government remains committed to regenerating communities; to supporting communities to build their capacity and to take on assets, so that they can have the skills, resources and confidence to respond to local issues. We know that this is challenging. It involves breaking down the barriers to participation, disrespecting boundaries and working with communities, to ensure that our common goal - that of improving the lives and sustainability of communities across Scotland - can be achieved.*

1.13 Elsewhere in the UK, the Quirk Review (2007) raised the profile of the transfer of public assets to community-based organisations. The 2006 Local Government White Paper, the 2007 Public Involvement in Health Act and the 2008 Community Empowerment White Paper were examples of the previous Government's support, along with dedicated funding through programmes (including the Adventure Capital Fund, Futurebuilders and Community Assets Fund).

1.14 The coalition government that took power in May 2010 provides a slightly different emphasis through the promotion of its concept of the "Big Society". The Deputy Director for Community Action at the Department for Communities and Local Government (CLG), describes Big Society as *'a society where people, neighbourhoods and communities have more power and responsibility and use it to create better services and outcomes'*[7]. In general the emphasis in England has been on transferring the ownership of public sector assets to community bodies, while in Scotland purchase is seen as the main way for communities to take ownership. Indeed the DTAS review of Scottish Local Authorities[8] concluded that:

> *It seems that the general levels of awareness of the key issues surrounding the community asset agenda are not as developed in Scotland as they are in parts of England*

1.15 More generally, SQW (2005)[9] looked at whether communities in deprived areas being involved in service provision leads to better outcomes. The review concluded that the benefits of community involvement systematically outweigh the costs. It outlines a number of 'returns' from investment in community involvement including:

- better local knowledge
- improving users' access to services
- increasing awareness of the potential for joined up solutions among service providers

[6] Scottish Government (2010), *Community Empowerment Newsletter December 2010*. Available at: http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/engage/empowerment/newsletter/December10
[7] Joseph Rowntree Community Assets Seminar Series, November 2010, the impact and potential of community right to buy: available at http://urbanpollinators.co.uk/wp-content/plugins/downloads-manager/upload/community-assets-seminar2.pdf
[8] Development Trusts Association Scotland(2010). *Public Asset Transfer – Empowering Communities: Policy and Practice across Scotland*. Available at: http://www.lankellychase.org.uk/uploads/Public%20AssetTrans%20DTA%20Scotland.pdf
[9] SQW Consulting (2005). Improving delivery of mainstream services in deprived areas - the role of community involvement. Office of the Deputy Prime Minister (available http://www.sqw.co.uk/file_download/43)

- enhancing the motivation of front line staff
- encouraging innovation in service design and delivery
- new and improved services for local people.

1.16 The evidence available indicated that engaging communities in the regeneration process *can* have positive effects on social capital and cohesion, as well as service planning and delivery. Despite the different emphases across the GCA projects, there are many lessons from this evaluation that will be of interest to other related programmes, particularly around the issues that community groups have faced in developing their projects.

The evaluation

1.17 The overall aims of this ongoing evaluation are to:

- assess the impact of the GCA investment area, particularly around the five intended outcomes of the Programme
- identify key factors that support successful community ownership
- review learning gained from the evaluation and gather learning about transferring the management of GCA to the Fund.

1.18 A further aim - to evaluate the effectiveness of the delivery contract against the contract specification – was initially included in the evaluation remit, to reflect the fact that BIG had contracted the delivery of the GCA programme to Highlands and Islands Enterprise (HIE). However, once the programme was brought back within BIG in 2009 and HIE's role came to an end, this evaluation objective was no longer relevant.

Methodological challenges

1.19 The huge variety in the projects supported, together with their long term nature, provides real challenges in carrying out an evaluation. Most projects are focused on outcomes that are difficult to measure and would not be expected to become apparent for many years. The three biggest challenges are proving to be:

- the time it takes for projects to become operational (to date only around a quarter of the funding awarded is in projects that are now operating)
- the wide variety in project activities
- quantifying the scale of the benefits, once projects are operating.

1.20 Consequently our evaluation methodology is broad, both in the range of outputs and outcomes it seeks to cover and in the types of research tools that have been used.

1.21 Even so, because the evaluation has been set up over a five year period, the lessons, processes and the shape of the Programme can be reviewed. We can also raise some of the issues that we consider to be important and we have started to gather the outputs (or intermediate effects) of the Programme in order to try and assess the numbers of people that are participating and are benefiting from the Programme. Over the last year we have begun to collect more output data as projects have begun to start up in earnest.

1.22 Whilst BIG's funding is "*outcome*-based", understanding what *outputs* are being generated is an important step in terms of developing the evidence base. It helps us identify the number of beneficiaries being reached and the types of benefits that are likely to be realised.

1.23 The research is designed to work at several levels: it provides findings at the overall programme level, at thematic level (types of project, urban and rural, etc), and also at individual project level. The aim is to present the overall findings, comment on the themes and the characteristics of successful and unsuccessful projects, and to be able to use individual cases to demonstrate these.

1.24 The research is designed to cover these levels of analysis and also to remain flexible, as new projects come on stream and others are delayed. A number of tools have been used. These, and the contributions that each make to the analysis, are shown below:

Table 1-1: Research tools

Tools	Years
• **Baseline household surveys** – these were carried out at the start of the evaluation with 15 new projects, with the intention to return and survey them again after five years. This will provide the baseline and context for the communities	**Year 1 and Year 5**
• **Published data and benchmarks** - in tandem with the household surveys, published data were gathered for each area and assembled as a baseline to be revisited after five years. The baseline was reported in the Year one report	
• **Case studies** - the baseline will not provide information about the process of supporting projects, the issues these projects face and the progress they are making. To obtain this qualitative information we are carrying out a series of case studies based on detailed interviews with the people involved in the projects and any documentation they can provide.	**Each year**
• **Project leader surveys** - it is not possible to get full coverage through case studies so we have also carried out a rolling programme of telephone interviews to capture information on progress across all the supported projects.	
• **User surveys** - finally, most of the sources of information come from those running the projects. To get a wider perspective we have carried out a small number of surveys of users of the services (individuals, businesses and others) to provide their views of the projects	
• **Consultation** - we will also carry out a programme of consultation with stakeholders working in the community empowerment sector and more widely, to understand the contribution of GCA and how it fits with other policies and programmes	**Years 3 and 4**

Source: SQW

2: The process of growing community assets

2.1 This section identifies key factors that support successful community ownership. It uses the process that projects go through from initially identifying the asset, securing support, management, funding, through to monitoring and evaluation. The section also considers the feedback from supported projects on the benefits of ownership and lessons from the experience.

What steps are involved in community asset acquisition, development and management?

2.2 In the previous report we developed a structure for acquisition, development and management. This was done on the basis that a number of the projects we visited were interested in a step by step guide. Below we use these main steps to provide an overview of some of the issues at each stage.

Clear purpose and identification of need/market failure	A vision and objectives are the central ideas around which the projects are based. Our experience is that a common feature of projects that struggle is where these are not clear, are not agreed or, in some cases, have changed. This can cause tensions later in the project development and can bring projects completely to a halt. Identifying the reason for the need for the project is also often overlooked. Projects must determine: why are we doing this and what do we want to change?
The asset	The research has repeatedly demonstrated that the ideas for asset ownership have come from within communities rather than from external organisations. However, it is important that communities consider options other than just ownership, whether an asset is needed to achieve the desired outcome(s) and, if so, is an existing asset or a new build better.
Strong community support and engagement	We would expect that in all cases the community would be strongly behind the asset ownership and will be involved throughout its development and management. Our case studies indicate that this has happened, although there are examples of subsequent disagreement. Managing this and maintaining engagement is a key part of this type of community development.

Positive relationship with key stakeholders

This has become more obviously important over the past year, as more urban community facilities have been supported. In many of these cases they are working with local authorities, housing associations and regeneration bodies. In rural areas too the development trusts that have been set up have become important conduits for community interests. As projects mature we would expect to see more of this engagement.

Governance structures

This has also become increasingly important as projects move from being focussed on acquiring or developing an asset, into managing it. Structures are important in handling disagreements within communities, maintaining credibility and offering a framework within which community members can leave and join without too much disruption. The best projects have a strong board and its capacity and expertise becomes more relevant as the variety of activities and interests of the group develop. A good board can support management, provide credibility and offer a network of experience and expertise that enables better decisions to be made.

Management/delivery capacity

This has emerged as perhaps the key success factor for these projects. Good leadership is important at the outset, but projects should not rely on the enthusiasm of a sole project champion: it is important to share the workload. Projects will benefit from attracting as many volunteers as possible, and a salaried project manager is often central to success.

Access to external advisors/ information providers

Access to support and advice from external sources is important for developing strong projects. There are an increasing number of organisations that provide support as well as signposting to others. This is where membership of groups and the experience of the board can be helpful in ensuring that projects do not feel isolated.

Finance for the project

Much of the work of projects to date has involved raising finance to develop assets and support activity. This may become harder over the next few years and there will be a greater requirement for projects to generate income from their own activities. In the past many of the cases have received several rounds of support. The increasing focus on financial sustainability places more emphasis on BIG and its business planning support team to ensure that plans are realistic.

Sustainability of the project and succession	Sustainability in this context relates to the continuing support and engagement of the community and management of the assets. After the initial momentum, project managers need to continue to plan for succession (both for the project and for their own role) and, as part of this, will need to maintain a broad base of involvement in the community. At this stage few projects have started to address this.
Monitoring and evaluation framework	This can seem like a distraction from the main job of acquiring, developing and managing assets, but it is one of the most important things to put in place. The reasons are not just related to informing funders of progress. Monitoring and evaluation helps focus the project on its outcomes and helps the community to define what it is trying to achieve. It will help indicate what works and what does not, which reduces the possibility of individual agendas being pursued. It can also provide evidence of progress for the wider community, and demonstrates that the asset is well managed.

What factors support successful community ownership?

2.13 The importance of these factors varies between projects. In our view the main indicators of likely success relate to the leadership and the capacity of the management team. In almost every case it is the combination of the personal qualities of the project leader, backed by a strong range of more and wider skills and experience in the board, that make for a strong project.

2.14 Indeed, while it might be expected that certain *types* of project (e.g. land buy-outs) or *geographies* (e.g. island communities) are associated with successful projects, we would argue that the leadership and capacity of the board would be better indicators. Having said that, it will still be another couple of years before the performance of most of the urban projects can be fairly assessed.

2.15 Many of the other success factors flow from good leadership and management. Well managed projects will have good monitoring data and gather feedback from the community; they will put in place good governance principles and structures to enable smooth succession and will have links with other stakeholders. A strong management board will provide support and offer expertise, networks and good representation.

- while good leadership is critical and there are many good examples emerging from the GCA projects, **the breadth and depth of capacity and experience within the board is also vital**. Many of the projects involve a balance between community management, financial expertise and technical knowledge. A number of the urban projects have relatively high powered boards with councillors and senior private sector representatives alongside community members. This can be very helpful both in offering technical knowledge and experience, but also in securing other support.

- another factor that is important is having **a clear vision, realistic objectives and identified actions**. This makes it easier to manage community expectations and reduces the possibility of friction once the projects have started. Where these are not clear, it can cause confusion and lead to divisions within the community.

- **effective structures** are another important factor. This can be time consuming and complex, but without this clarity there can be problems at a later stage, and it will make succession planning more difficult. To have and maintain credibility, the structures must be formal with clear and transparent rules. Even if these seem unnecessary initially, it is crucial to set out the terms of the relationship between the Trust and the community.

2.16 A number of cases are in the process or approaching periods of change when they move from setting up the projects to managing them. At the early stages there is a clear objective. As projects mature there will be changes either to develop new activities or services or to change existing ones. This will involve real management skills to work with different interests. These are situations that are testing several of the GCA projects and might become more common as projects develop.

Does the effectiveness of the asset-based approach vary across different projects?

2.17 Overall, the cases suggest that some types of projects are more closely associated with their community than others and that asset ownership, as opposed to management, is more important to some than others. Land projects (like South Uist and North Harris, which are now run by community-owned trusts) have to work closely with the community. These Trusts are integral to community life and taking ownership and control is a fundamental reason for their existence.

2.18 At the other end of the scale, while the community social enterprise projects are supported and managed by local communities' representatives, they are often more focussed on delivering their services, than on wider capacity building. Ultimately it will depend on how influential and involved the community want to be in projects, and how prepared to listen to communities the team that manage the asset prove to be.

2.19 In the cases where we have undertaken user surveys so far, users seem very happy to use the service but can be less interested in getting involved in management or decision making.

Feedback on ownership

2.20 In practice one of the underpinning benefits of the asset-based approach is that it allows a community to build upon its physical ownership of assets. Each case varies, but where there is good leadership and management, a number of the Trusts are developing a "portfolio" of projects. This would suggest that the approach is, in these cases at least, leading to stronger community development.

2.21 At this stage, we would continue to say that asset *ownership* should be treated as one of a number of possible options that can contribute to community development. As we go on to say, it can be challenging, but it also offers potentially much greater rewards.

2.22 About a third of projects considered renting or leasing the facility or asset rather than purchasing it, but these alternatives did not prove feasible. One in five projects did not consider any option other than community ownership. The projects in the 'other' category included those that already owned the asset, projects where there was considered to be no alternative (as there were no existing assets in the community) or where the asset owner had put the asset on the open market. In the case of the energy projects, many had considered other funding options but decided on community ownership, although the changes in the interpretation of the state aid rules may impact on this in future.

Table 2-1: What alternatives did the community consider before embarking on community ownership?

Option	% of projects
Did not consider an other option	22%
Considered leasing or renting the same/other property or assets	27%
Other	52%

Source: SQW – project leader survey 2010 (base: 60)

What has ownership of the asset brought?

> *I think it is very good and it makes a difference to the community. I'm amazed at the amount of people that want to get involved now that the hall is nearly complete. It has brought a new lease of life to our village and pulled community together and brought outsiders in. (community project manager - village hall)*

2.23 Most of the projects claimed there were benefits to community ownership rather than other forms of asset management. Across all the projects **increased confidence, legacy for future generations and autonomy** were regularly mentioned by the project managers. For example:

- Community facility projects in particular felt that they can be **responsive to local needs** and **flexible to change as the community changes**. They did not feel that this could be done without community ownership. They felt it was important that they were no longer reliant on third parties to make decisions and this was beneficial especially in terms of access for all. Less anti-social behaviour towards the asset was also highlighted as a benefit of community ownership.
- A strong theme from the responses of renewable energy projects was the **pride** created in the community as a result of ownership, and confidence to take on other projects. These projects highlighted the empowerment possibilities that came from energy projects. It allowed for local control as the community was creating its own income stream.
- Community social enterprises highlighted the benefits of their projects. In particular these projects believed they had **stronger balance sheets** as a result of ownership, which put them in a stronger position to secure other funding. Ownership allowed them to **increase their operational capacity** and gave a **sense of security** as there was no fear of a landlord giving three months notice.

Challenges of community ownership

> *Community ownership is a big plus as people do feel they own something but with pleasure there is a fair bit of pain. People don't understand the time commitment that it requires and enthusiasm can dwindle after the first 3-4 years (community project manager).*

2.24 It was acknowledged by all the projects that community ownership does not come without its challenges. The main issues common to most projects were around engagement, capacity and funding. Some examples are given in Table 2-2.

Table 2-2: Challenges of community ownership reported by project managers

Issue	
Engagement	• Maintaining and keeping interest among community members • Attracting new people to volunteer and help out, so it is not always 'the usual suspects' • Managing community expectations in relation to timescales • Challenges from objectors
Capacity	• Finding people with the relevant skills within the community can be difficult • Finding volunteers having the capacity to contribute as the project process can be very time consuming • Uncertainty regarding funding to pay staff – short term contracts, etc
Funding	• Public funding creates a lot of hurdles and comes with many restrictive conditions • Challenges with cash flow, making the project pay for itself, and legal issues • Processes can be overly bureaucratic • The economic climate has made the funding landscape much more competitive.
Other	• A range of other issues specific to individual projects, including unsupportive local authorities, building maintenance, and keeping up service standards

Source: SQW – project leader survey 2010

Leveraging additional assets/funding

2.25 Projects had mixed views regarding using ownership of the asset to leverage additional funding. Just 12% stated that they intended using the asset to leverage funding, while 16% said this was not part of their plans – mainly because they did not want to jeopardise the asset and wanted to avoid borrowing if possible.

2.26 The majority of projects (72%) were undecided about whether to use ownership to leverage other funding. Some felt they may consider it in the future depending on their project success. However it should be noted that all the projects believed that Lottery funding was an important catalyst to attract other funders and that having Lottery funding would add credibility to any future projects.

Table 2-3: Will you use ownership to leverage additional funding?

	% of respondents
Yes	12%
No	16%
Don't know yet	72%

Source: Source: SQW – project leader survey 2010 (base: 57)

Financial sustainability

2.27 More than three quarters of all projects (78%) intended to become financially self-sufficient in the future, while approximately one in five projects (18%) claimed that they were already covering their costs. Others said it could be as long as six to eight years before they were self-sufficient.

2.28 Rental income was the most important source of future revenue. Eighty two percent of community facility projects and 46% of community social enterprise projects were relying on rental income. Rental activities include business units, office space, performance space, halls for weddings and conferences, workshop space, storage units and commercial kitchen space. Another common revenue stream for social enterprise projects was training activities.

2.29 A popular source of revenue across all projects was from café activities, although profit is usually fairly minimal. The benefits of these activities were often related to job creation and social networks rather than generating income.

2.30 Other revenue sources specific to certain projects included service level agreements with councils, timber sales, tool hire and furniture repair services. One project noted it would continue indefinitely to rely on grants for future income, while several environmental projects felt that their project did not require income and could now be maintained on a voluntary basis. In one case the council had taken over the upkeep of the project (involving the maintenance of footpaths, playground, etc).

2.31 The challenges that will be faced in generating income have been reinforced recently by feedback from the March 2010 GCA learning event. We emphasise in our conclusions the increasing importance of ensuring that projects have realistic plans and access to assistance to get these right. Next year we plan to investigate further how projects are meeting some of these challenges.

3: Assessing the impacts of the GCA investment

3.1 This section assesses the impact of the GCA investments. It considers the projects' progress to date, the social impact of funded projects (in particular for the community and service provision), the economic impact and the environmental impacts of funded projects.

Project progress

Details of investments

3.2 We have details of 127 investments made by GCA between 2006 and 2010 (shown in Table 3-1). The number of awards rises from 10 projects and £4.1 million in 2006 to 29 projects and £13.4 million in 2010. The average size of an investment has grown slightly over the five years to £460,000 in the final years.

3.3 The project types used here have been developed by SQW and not BIG and represent what, in our view, are the *main* purposes of the projects - though a number could be allocated to several categories. Many of the community facilities include elements of social enterprise, as do the tourism projects, but we have chosen the category that we think best fits the project.

3.4 Almost half of the projects (62), and half the funding, have been used to support community facilities as opposed to other types of projects in the table. There have been 19 energy projects, many of these community wind turbine investments, and 19 social enterprise-based projects. There were five cases where funding had been awarded but has now been withdrawn.

Table 3-1: Project funding pattern 2006 to 2010

Status	**2006**	**2007**	**2008**	**2009**	**2010**	**Grand Total**
Community facilities	3	11	15	19	14	62
Energy	1	2	4	2	10	19
Environment	1	1	5		1	8
Land	1	1			1	3
Community Social Enterprise	2	7	3	4	3	19
Tourism	2	4	5			11
Withdrawn			4	1		5
Total number of projects	**10**	**26**	**36**	**26**	**29**	**127**
Total funding awarded	**4.1**	**8.0**	**11.2**	**11.7**	**13.4**	**48.4**

Source: SQW analysis 2011

3.5 Table 3-2 sets out the stage of development of these 127 investments. In terms of analysis, at this stage this gives 36 projects that are now starting to generate some outputs with a further

29 under construction and likely to be complete within 12 months and a further 16 in planning.

3.6 The figures highlight the large number that should start operating over the next year. This has implications for the evaluation over the next year given what will be a considerable amount of new activity.

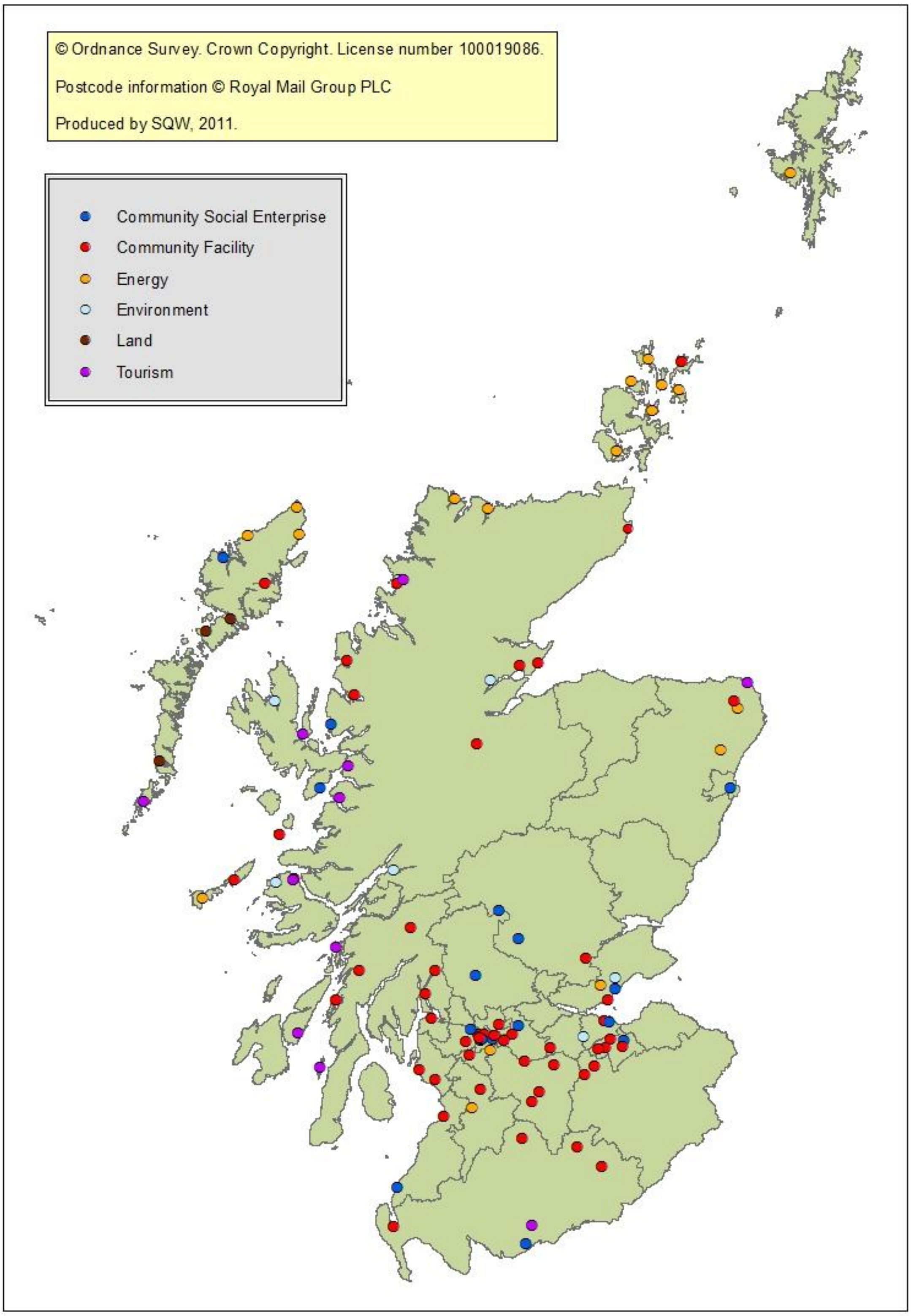
Table 3-2: Number of projects by stage and type

Type	Operating	Construction	Planning	Delayed	Withdrawn	Technical Assistance	Revenue	Grand Total
Community facilities	**11**	**18**	**10**	**6**		**15**	**2**	**62**
Energy	**2**	**8**	**4**	**2**		**3**		**19**
Environment	**5**			**1**		**1**	**1**	**8**
Land	**1**		**1**				**1**	**3**
Community Social Enterprise	**9**	**3**	**1**	**2**		**3**	**1**	**19**
Tourism	**8**			**1**		**2**		**11**
Withdrawn					**5**			**5**
Grand Total	**36**	**29**	**16**	**12**	**5**	**24**	**5**	**127**

Source: SQW analysis 2011

3.7 Figure 3-1 illustrates the distribution of GCA assisted projects across Scotland using the SQW categories. Although there is a reasonably even distribution, there are fewer projects in the north east and more along the west coast. Compared with the earlier stages of the Programme and the SLF before it, there are far more projects in and around the central belt.

Figure 3-1: Map of distribution of GCA assisted projects



3.8 A total of £12.1 million of investment has been made in the projects that are operating, with £16.4 million under construction, £7.7 million in planning, £6.3 million delayed and £2.6 million of awards now withdrawn. **It is important to note that, to date, only a quarter of GCA investment has been in projects that are now up and running.**

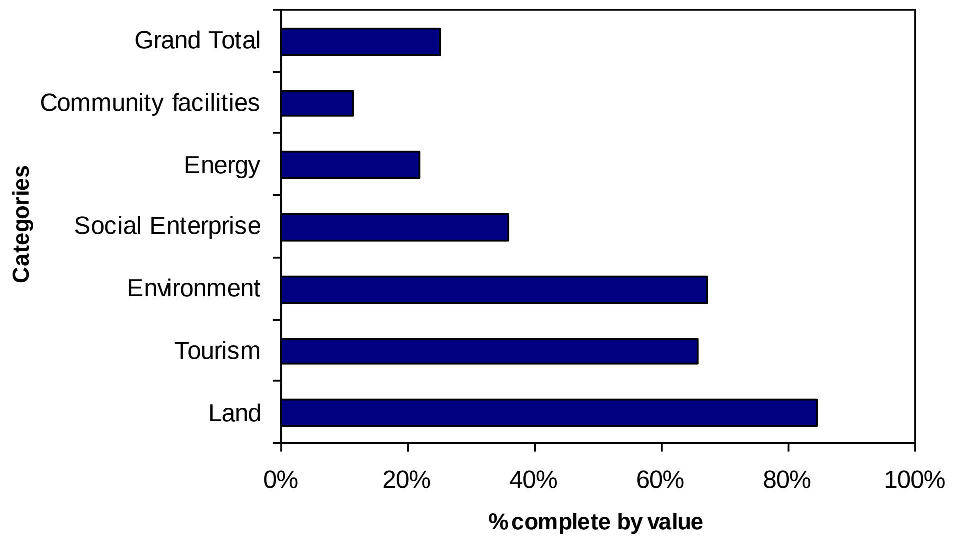
Table 3-3: Value of project by stage and type

Type	Operating	Construction	Planning	Delayed	Withdrawn	Revenue	Technical assistance	Grand Total[10]
Community facilities	2.7	11.1	4.6	3.2	0.0	0.1	1.6	23.4
Energy	1.8	3.5	1.7	0.8	0.0	0.0	0.3	8.1
Environment	0.4	0.0	0.0	0.1	0.0	0.1	0.0	0.7
Land	2.3	0.0	0.4	0.0	0.0	0.0	0.0	2.7
Community Social Enterprise	2.6	1.7	1.0	1.2	0.0	0.5	0.3	7.4
Tourism	2.3	0.0	0.0	1.0	0.0	0.0	0.2	3.6
Withdrawn	0.0	0.0	0.0	0.0	2.6	0.0	0.0	2.6
Grand Total	12.1	16.4	7.7	6.3	2.6	0.8	2.5	48.3

Source: SQW analysis 2011

3.9 Figure 3-2 shows that, across the GCA programme, much of BIG's investment is yet to come to fruition. Only 12% of the investment made in community facilities is in projects that are operating. A slightly higher figure can be seen in energy projects (22% of GCA investment is in projects that are now operational) and community social enterprises (36%). A much higher proportion of the investment in environment, land and tourism related initiatives is in projects that are now up and running, as these are less likely to require substantial and complex construction and refurbishment programmes.

Figure 3-2: % of projects operating by value



Source: SQW analysis2011

[10] Total also includes investment in technical assistance and revenue grants which are not shown in the rest of the table.

3.10 The progress of projects was similar across the various types. One in ten had finished ahead of schedule while 44% of the projects were behind their plan to some degree. The main causes of delays were:

- securing match funding
- bad weather interfering with construction
- legal issues around the transfer of ownership.

Table 3-4: How has your project proceeded in line with its original timescale?

	% of projects
Ahead of schedule	10%
Mostly on schedule (up to 6 months behind)	46%
Slightly behind schedule (up to 12 months behind)	21%
Much longer than expected (over 12 months behind)	23%

Source: SQW – project leader survey 2010 (base: 71)

What difference have projects made?

3.11 With just 25% of GCA investment made in projects that are up and running, it will be some time before projects' impacts become clear. However, as projects progress the type and scale of effects will become easier to assess. We expect a lot of development over the next twelve months, and a clearer idea of how these projects are functioning will become apparent.

3.12 Across all the impacts the main measures must be **the number of people who benefit from the project** (both now and in the future) and **the nature and scale of the benefit.** This is as true of the social and environmental benefits as it is of the economic ones.

3.13 One of our recommendations is that the evaluation, and the projects themselves, focus on ways of identifying who is benefiting and in what ways - rather than focusing exclusively on the community as a whole, which makes it more difficult to show the difference that projects are making.

3.14 Before investigating some of the specific impacts of projects, it is useful to provide a broader context. There are noticeable differences between the types of project:

- the large majority of impacts reported can be described as social, rather than economic or environmental.
- the impacts of land projects are expected to arise in the longer term. These investments are more substantial and require greater capacity, governance structures and mechanisms for decision making, but in the two large land investments there are significant new developments that would not have been possible without the community ownership.
- for the energy projects most believed that they had the potential to make a 'transformational difference' to the community once they start to generate income.

- the environmental and tourism projects spoke of 'smaller impacts' in terms of more pleasant experiences for visitors and local people, however, the Skye Ferry is an example of a project that is now providing a platform for more new economic activity.
- the impacts reported by social enterprises were very much in terms of new and improved services. Some projects had increased local services, while others had safeguarded activity. These projects find it easier to report on more traditional output measures such as training undertaken, business turnover, or rental occupancy rates.

GCA outcome 1: Communities are stronger, with shared aspirations and the ability to achieve these together

3.15 We can comment here from three sources: the survey of project leaders, user surveys and from the case studies. Among those that are operating, our view is that the community facility projects tended to be in the best position to offer stories on the difference made by their project. Project leaders told us of 'big' differences as communities were now '**better places than before'**. While the urban projects have more people engaged, the rural examples are perhaps more important to a *greater proportion* of their communities (for example the shops in Uig and Skye). The two land projects supported (North Harris and Uist) are both fundamental to their communities in a way that specific services or social enterprise projects in urban areas are less likely to be.

3.16 It is noticeable across the user surveys that it is the *social impacts* that have stood out across the community facilities that have been completed. For example **in Glenfarg, Auchencairn, Silverburn and Blantyre, more than 80% of users reported that the projects had helped those interviewed to make new friends/social contacts.** The surveys consistently report that the projects are considered to be a "focus of the community".

3.17 Other projects described the benefits of inclusion (for example in bringing young people, new mothers and older people together). The ownership was described as bringing confidence to the community and raising aspirations.

3.18 At the outset all projects have engaged with the community in acquiring and developing their asset. Maintaining this cohesiveness over time requires structures and approaches which continue to encourage interest and participation. The experience of projects varies. Some projects are understandably driven primarily by 'delivering better services' or overseeing the construction or refurbishment of the physical asset, rather than by broader community engagement. This will be an area that needs to be strengthened over time.

Maintaining community engagement

At the time of the case study visit the Wallacetoun and Newton Positive Impact Centre was in the process of recruiting over 100 community members to be involved in a community panel, to use for ongoing consultation. Having a formal community panel like this allows views and attitudes to be monitored over time and provides a mechanism for identifying new ideas and activities.

GCA outcome 2: Communities have services and amenities that meet people's needs better and are more accessible

3.19 This is perhaps the outcome that GCA addresses most effectively through its community facilities projects. Each of these offers new or better services for the community. In the last two years in particular, GCA has supported a number of large-scale facilities and many of these are now under construction. In terms of simply providing additional and better services these projects will directly meet this outcome.

3.20 Examples include:

- Uig and Skye Shops and Auchencairn
- Camglen buses
- Glenurquhart care services
- Community facilities at The Seaboard Memorial Community Hall, Whiteinch, Blantyre, Glenfarg, Route 81 and Silverburn
- A' the Airts Centre at Upper Nithsdale
- Petrol pumps at Applecross and Skye.

3.21 Each offers access to services that were previously either not present, at risk of closure, required a long trip, or were markedly worse than they are now. The value of the improved services could potentially be calculated through a combination of time saving and reduced use of petrol. The Scottish Government evaluation of the rural petrol station scheme[11], for example, found that the savings justified the investment.

3.22 We estimate that more than **25,000 people[12] across Scotland are using the services and facilities** in the 36 completed projects supported by GCA. It should be noted that many projects have difficulty in providing estimates of the number of people using the facility, and instead report footfall per week or month (and a lot have no information at all). This figure is our estimate of the number of *people* rather than their frequency of use. We will make some recommendations on how these numbers can be gathered in the final section of the report and it is potentially an area where BIG could provide more advice and guidance.

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[11] Review of the Rural Petrol Stations Grant Scheme Final Report to Scottish Government, 2004, Steer Davies Gleave - http://www.scotland.gov.uk/Publications/2004/08/19629/40004

[12] Based on 36 responses from completed projects

Sleat Community Trust (SCT)

Sleat Community Trading Limited (SCTL) is one of two subsidiary companies of SCT[13]. SCTL have managed the Skye Ferry Filling Station Project since December 2007. The project consists of a shop/filling station, a Post Office, visitor information service, and a garage. An adjacent house was leased to a local family for three years but has now been converted to become the Community Trust Offices and meeting rooms. These services are important both to local residents and to visitors who arrive on the nearby ferry. The project is linked to maintaining community owned fuel and garage services which would otherwise require a round trip of more than 30 miles. The SCT were recently awarded a Queen's Award for Voluntary Service.

Glenurquhart Care Project

GCA funding enabled the continuation and expansion of the Glenurquhart Centre. The community owned Centre runs day care services for elderly people in rural communities and service provision includes transportation, cooked meals, laundry facilities, hydrotherapy baths, showers and service rooms for visiting services such as GPs and chiropodists. The Care Project also assists clients in accessing a range of other support and advice, including home care and housing and benefit advice. Prior to GCA, demand for the services had grown to a point that exceeded the Centre’s capacity and GCA funding contributed to an expansion allowing more local people to access services. If the project had not gone ahead, more elderly people would probably have had to leave their homes and move into full-time care. In addition, the extension has allowed the Centre to resume the community coffee mornings (prior to the extension, the Centre had to stop these as they became too popular for the small space).

3.23 From the project leader survey, most rural projects reported that the services they now provide would not have been available through other sources. Some projects reported up to a 30 mile trip to access similar services and in some cases residents would be reliant on poor transport to access these services.

3.24 Communities now have facilities and services that were not there before. These have attracted new visitors, given access to the elderly and disabled, cut down on travel times and provided a new social focus for the community. Many of the community facility projects have provided a social life for people in excluded areas.

3.25 In addition the knock-on effects of retaining services can be strong. For example, without local petrol stations, visitors and residents would travel to bigger centres of population and

[13] Sleat Community Trust also operates Clean Sleat Project; Tormore Community Forest Project; Biomass (woodchip) business; Community Turbine project. SCT also has two other management groups: Visit Sleat Tourism initiative and The Environmental Group. Other projects include a subsidised Taxi Service, a community rotovator, log-splitter and brush-chipper, a Great Sleat Bike Week, An Slèiteach Newsletter and an email service for news and events.

would also be more likely to use shops and other facilities there. This can have a knock-on effect for small villages, where other shops may then have to close.

3.26 In urban areas a number of projects noted that some, but not all, of the services would have been available elsewhere (those using Blantyre, for example, could have travelled to use some services elsewhere, but this would have cost more in terms of time and petrol). However, many projects emphasised that the quality of the service had been improved through GCA funding. Undoubtedly as a result of GCA funding many communities now have services and amenities that better meet their needs and are more accessible.

Blantyre user survey

In 2008, the Big Lottery Fund awarded a grant to Blantyre Miners Welfare Charitable Society to furnish its community resource centre and enable the provision of facilities for different sport and art activities as well as training facilities. In addition, the centre provides office space to let. The Society already owned a building that was used by the local boxing club, but it was in a state of disrepair and its future remained uncertain. By having multiple services available under one roof the Society feels it is helping to raise awareness of local services and encourage more people to use them. Since opening in 2008, over 23,000 people have been through the doors and accessed a mix of leisure, recreation, training and employability opportunities.

- 20% of those interviewed used the facilities before the refurbishment and 91% are visiting at least once a week
- 56% did not know it was community owned, but 90% thought this was a good thing
- How much of a difference has it made to the quality of life?

Amount	You	Community
Big positive difference	44%	88%
Medium positive difference	27%	9%
Small positive difference	11%	0%
Made no difference	18%	3%

The benefits reported by users include:

- Making new friends/ social contacts, 55% of users
- Allowing access to new services, 47%
- Developing new skills, 35%
- Improve physical health/fitness, 26%

GCA outcome 3: People have more skills, knowledge and confidence, and opportunities to use these for the benefit of their community

> *"The Centre clusters together existing and new services, so it effectively becomes a one stop shop for employability and well-being support" (Community facilities project manager)*

Engagement

3.27 There are two ways in which new skills, knowledge and confidence are developed: firstly through involvement in projects management and volunteering, and secondly as a result of direct training opportunities provided as part of the project. The projects supported by GCA offer a mix of these.

3.28 From the project leader survey we estimate that, across 72 projects for which we have information, there are **709 people involved in project management,** from within a wide range of communities. A further 376 people (from 28 different projects) are providing ad-hoc assistance. Across 54 projects we estimate that there are **1,327 regular volunteers**. It is probably true that all the projects contribute at least some extent to skills, knowledge and confidence among those managing the projects, and as they develop we would expect to see this being extended to others in the community.

Training

3.29 From the 36 completed projects there has been **training provided to 466 people** so far. It should be noted that the *Whiteinch Centre* accounts for a 100 of the training outcomes and the *Pearce Institute* a further 200. Also *McSence Workspace* trains 36 people every six months. The type of training offered by projects can vary from the accredited chainsaw training offered by the *Kingsburgh project* to the food management training offered by the *Antlers Project* on the Isle of Jura.

3.30 Most projects offer some form of formal or informal training. The most common example is IT training, but others offer a diverse range including forestry skills, food preparation and hairdressing. A number of the community facilities will link to Job Centres (for example Fauldhouse and Scotstoun) and be able to provide advice on training and employment. These community facilities also intend to provide space to offer other outreach services including health and education advice.

Whiteinch Centre

The Whiteinch Centre is a community facility, owned and managed by the Whiteinch Community Association (WCA) on behalf of the local community. It provides a range of essential services and activities to improve people's health, employability and well-being and to contribute to the regeneration of the local neighbourhood. GCA funding was awarded to cover revenue costs and help the centre to develop its capacity and portfolio of initiatives. As part of its increase in activities, the centre developed the 'Slackademics' initiative. This involves residents from the local community who have identified skills that they can share (e.g. in arts and crafts, IT, etc), and who receive some training and development in order to become volunteer tutors. In this way, the centre is able to cascade skills to a wider group within the community.

Other social impacts

3.31 The social impacts continue to be the dominant benefits of these projects, but these are also the most difficult to measure. These encompass health, education, community empowerment, capacity building, inclusion and quality of life. Many of the community facility assets offer a combination of these and the extent to which they will be successful depends on the level of engagement and the quality of experiences.

GCA outcome 4: Communities are more able to grasp opportunities, and are more enterprising and self-reliant

Generating income

3.32 This outcome relates to the ability of communities to use assets to become more financially self-sufficient by generating their own income and employment. This does not just mean creating *net* new employment, but it would also include retaining income within the community and attracting it from elsewhere. For example, attracting businesses to start up in community-owned space rather than an alternative is considered to be positive because it retains income within the local community.

3.33 The economic benefits have tended to be more modest than the social ones to date, although as projects start to become financially sustainable, we are seeing stronger effects. Among those that are completed, the energy projects on Tiree and Westray are operating and the Skye Ferry is generating income, Tobermory reports a significant impact on local economic activity, Ballantrae Rural Initiative Care in the Community is generating a turnover, Cairnbulg Harbour Development has increased tourism and generates income from moorings and the Uig shop is now able to operate commercially (see box).

Uig Shop

The Uig shop provides employment for two full-time and seven part-time members of staff. The expansion has improved the working conditions for staff and is also expected to lead to the creation of further job opportunities. For example, the shop has taken on an additional member of staff to run the laundrette and make up orders for fresh soup and rolls. The shop also provides local producers and craft businesses with a retail outlet for their goods, and the expansion has resulted in a dedicated area to display and promote local arts and crafts products.

The expansion and better storage facilities (including a cold room) have reduced the level of wastage at the shop from £10,000 a year to £6,500 and produce is kept fresher for longer. The local shop and services have also reduced the number of car journeys to Stornoway (a 100 mile round trip) that residents would otherwise have to make.

The site now has two wind turbines generating renewable energy and the expansion has also enabled an improvement in waste recycling facilities. The energy cost savings, made as a result of the wind turbines, have strengthened the shop's financial viability and as turnover grows, the profits can be reinvested in the shop.

Creating jobs

3.34 Table 3-5 demonstrates the actual full-time and part-time jobs created so far from the GCA funded projects. These are divided between those in projects that are complete and those that are not yet complete, but are still employing staff. It shows the estimates of employment supported directly by public funding (these are jobs where the salary is paid directly by a publicly funded body, rather than through earned income), managing facilities, safeguarded employment and indirect jobs that projects consider have been created. Taken together, the 36 completed projects have supported around 129 full time jobs, based on information from the project leaders themselves. There are a further 79 part time jobs in these projects. Among the other projects which are still in development, the number of full time jobs supported is 53, with a further 44 part time posts.

Table 3-5: Employment

	FTE jobs		Part time	
	Completed projects	Not complete projects	Completed projects	Not complete projects
Number of jobs directly funded by public agencies	16	11	13	2
Number of other jobs created to manage or run the facilities or activities	27	25	19	15
Number of jobs safeguarded (that existed previously but would have been lost without the project)	32	14	19	13
Indirect jobs in the rest of the community that would not exist without the project activities	54	3	28	14
Total	**129**	**53**	**79**	**44**

Source: SQW project leader survey 2010 (based on 36 completed projects and 40 that are not complete)

Tobermory supporting employment

In 2006, Tobermory Harbour Association (THA) received funding from the BIG Lottery to construct a new harbour building to house a range of facilities for locals and tourists. The development is helping to increase the number of visitors and encourage those mooring their boats in the bay to visit the mainland and bring economic benefit to the island. The THA is monitoring boat nights and has already been able to report an increase from 3,000 boat nights in 2003 to 8,000 in 2010 once the building was operating. At the centre itself, revenue is generated through fees for the facilities and from rental payments made by local businesses. This revenue covers the running costs of the facility and any surplus can then be invested in future community initiatives.

The building also provides accommodation for nine businesses (including the THA itself). Two of the businesses have been able to expand since moving into the centre and Tobermory Harbour Association has also increased its staff base, providing further local employment opportunities. Two new THA staff members have been recruited and additional working hours have been made available for existing staff. In addition, the services provided at the centre benefit other local businesses through the promotion of their activities and equipment provision: for example, the visitor centre provides information on eco-tourism opportunities in and around Mull, and a diving compressor is now also available. As a result, trips and tours within the Ledaig area have increased. Local contractors have also benefited from the building, winning tenders to undertake maintenance activities at the centre, and to carry out boat repairs and recycling activities.

Businesses

3.35 In total, **80 businesses have been accommodated and 11 new businesses have started** as a result or as part of GCA projects. It should be noted that 52 of the businesses accommodated are part of the *Out of the Blue* project. Of note also is the *Midlothian Social Enterprise Centre* which has accommodated six businesses, four of which are new starts. The projects also anticipate that a further 11 businesses will be accommodated in the next five years and there will be another seven new start businesses.

Out of the Blue: supporting businesses

Out of the Blue (OTB) provides business accommodation for small and start up creative businesses. As part of the user survey we interviewed six companies.

All had considered other business accommodation alternatives locally, but OTB offered cheaper rent and better terms and conditions. One of six businesses would not have started at all without OTB. The others could have found alternatives but they would have been more expensive and it would have taken longer.

Three of the six businesses considered OTB to be 'much better' than the alternatives, while three thought there 'was no real difference'. The main benefit was that it provided more space and access to specific creative facilities.

Five of the businesses believed that OTB made the area a better place to live and that it allowed them to feel more part of the community.

Tourism

3.36 Tourism projects offer the prospect of generating new income for a community. These are not purely tourism related, and those that have been supported have also been intended to preserve and showcase community heritage and culture. For example, Easdale Museum may be a tourist attraction, but it is as important as a store of the island's history. The Skye Ferry also helps to preserve heritage as well as offering a unique tourist experience and a service to residents (see box).

3.37 The community-owned aspect of tourism projects can be just as popular with visitors as with residents. Visitors like the concept to the extent that it can have an impact on their decisions on what to visit. It fits well with the ideas of sustainable communities and green tourism (See Skye Ferry users).

Skye Ferry users

In 2007 the community-owned ferry had 27,522 passengers, which increased to 33,875 in 2009. SQW's survey of users found that tourists make up approximately 85% of ferry users and the other 15% are local residents.

Of the 59 visitors interviewed, 82% were from outside Scotland, including 29% from outside the UK. Visitors were spending an average of three nights on Skye and for 50% the Ferry was one of the reasons they were visiting Skye (for 16% it was their main reason). Nearly all said that the ferry had enhanced their enjoyment of their trip.

46% were aware that the Ferry was community owned. Of these 70% claimed that the fact it was community owned had influenced their decision to use it, and 84% thought the community ownership was a good thing. The feedback was overwhelmingly positive for the Ferry and the community ownership:

> *Something to be encouraged. Pride in community ownership*
>
> *Good thing. Enhances community feel and gives it a purpose*
>
> *Very, very good idea. Good community involvement - bring them together*
>
> *Really positive step and friendly community*

The project is financially self-sufficient and self financing. In the last financial year the ferry had a turnover of £130,000 and a profit of approximately £5,000. Roughly £8,000 came from retail sales and the rest from passage fees. Over the last four years the ferry has operated profitably with no grant subsidy and turnover has more than doubled.

GCA outcome 5: Communities have a more positive impact on the local and global environment

3.38 This outcome can cover many different aspects of the projects including for example

- energy generation
- woodland and habitat preservation and improvement
- recycling
- energy efficiency.

Energy generation projects

3.39 The projects with a renewable energy focus have, or will have, a positive impact on the local and global environment. However, others in their own way are also contributing to the local environment. Many of the new build community facilities use renewable forms of power and have high standard insulation. *Kilmuir & Logie Easter Action & Development Group* has used ground source heating pumps and solar panels in their development. The *Antlers Project* (visitor centre on the Isle of Jura) has installed a woodfuel stove.

Tiree and Westray

Of the 18 renewable energy projects that GCA has or had intended funding there are now two - Tiree and Westray - that have been completed and are operating 900kw turbines successfully. These turbines are not just a source of income generation; they are also powerful symbols of the communities' self sufficiency.

The income generated will vary depending on the funding arrangements. Westray is expected to generate around £100,000 to £200,000 a year to be reinvested in the community, while others with bank loans to pay back would have less available income. These projects will also contribute to Scotland's carbon reduction targets.

3.40 Energy projects are very attractive community investments, providing the opportunity to generate regular funds through the sale of electricity which can be re-invested in other projects. GCA has funded community trusts to purchase land and turbines and to make investments in a number of other renewable energy projects. However, a recent change in the rules for payment of the Feed-in Tariff (FiT) (guaranteed payments made by government for the production of energy from renewable sources) has complicated the position of a number of these projects. Essentially, there is concern that receiving grants and then FiTs payments would contravene state aid rules. The DECC website says that:

> *The FITs scheme is intended to replace, not supplement, public grant schemes as the principal means of incentivising small scale, low-carbon electricity generation. Because of this, and to ensure value for money for consumers and compliance with EU law on state aids, it is generally not possible for a generator to benefit from both FITs and a grant from a public body except in specific circumstances.*

3.41 This affects a reasonable number of the GCA projects, which now must decide whether to keep the grant and lose the FITs payments or pay back the grant. We understand that most of the projects that face this choice would be better off paying back the grant. In the meantime GCA is discussing with these projects whether the grant can instead be put towards the other community projects (which had been in the original plan but funded by the electricity generation). The result would be that GCA would be invested directly to support community outcomes rather than supporting the asset that is expected to generate future income. It could be argued, however, that it was the availability of the grant that initially persuaded the community to invest in producing its own energy.

3.42 Having contacted many of these projects directly, we know that most are making progress. There should be a significant increase in construction and potentially renewable energy generation during this year and next.

Table 3-6: Energy project progress

Projects progressing	Capacity
Westray (operating)	900k
Tiree (operating)	950k
Eday	900k
Melness (3 turbines @ 850kw each)	2,550k
Urras Oighreachd Ghabhsainn	900k
Udny	800k
Tolsta	900k
Hoy, Stronsay, Shapinsay, Rousay	3,600k
Horshader	900k
Foula	Local
Total	**12.5 MW capacity**
Other wind turbine projects supported	
Durness still waiting for further development funding	
PUFF (Fetterangus) – seeking planning permission and still to secure land	
Castlemilk is negotiating with the City Council	
Catrine faces challenges because of FiTs changes	
Ore Valley – working on funding and leases	

Source: CES/SQW

3.43 Of the 18 projects assisted by GCA, 13 are progressing well while five have faced delays in securing additional funding, securing planning permission and negotiating leases. Together, the projects that are currently progressing are anticipated to bring 12.5 MW of renewable capacity on to the grid.

Woodland and habitat preservation

3.44 Given the expansion of GCA into urban areas, the Programme has supported fewer woodland and habitat projects than the SLF did. A small number have **created or improved wildlife habitats**. These projects include *North Ballachulish Playpark, Wildlife Garden & Archaeological Trail* and the *Balgonie Bleachfield Project*. Other examples include the *Evanton Village Centre Regeneration Project* which has erected bat and bird boxes, and the *Kingsburgh Forest Trust* which has constructed nesting platforms for sea eagles.

3.45 Some projects have **contributed to biodiversity -** in particular, the projects based around forestry. In total, just **over 133,000 trees have been planted** with the majority of these coming from the *Knoydart* and *Kingsburgh* forest projects. Other projects have planted a small number of trees as part of landscaping.

> *"The project has increased children's awareness of wildlife in the area and given them a general appreciation for wildlife" (Community project manager)*

Recycling

3.46 A number of projects contribute towards diverting **tonnes of wastage from landfills** each year. These include the *Ballantrae Rural Initiative Care in the Community*, *RECAP* and *CFINE* projects. The new community facility in Scotstoun will significantly reduce landfill waste through its recycling plans. A large number of the projects are also supported through the Climate Challenge Fund (CCF), which has meant that recycling and energy efficiency have been important parts of project developments. Several of the urban community facilities that are soon to open are closely tied to these objectives. Scotstoun has been overseen by the Dumbarton Road Corridor Environmental Partnership, while Fauldhouse has employed an environment officer through the CCF.

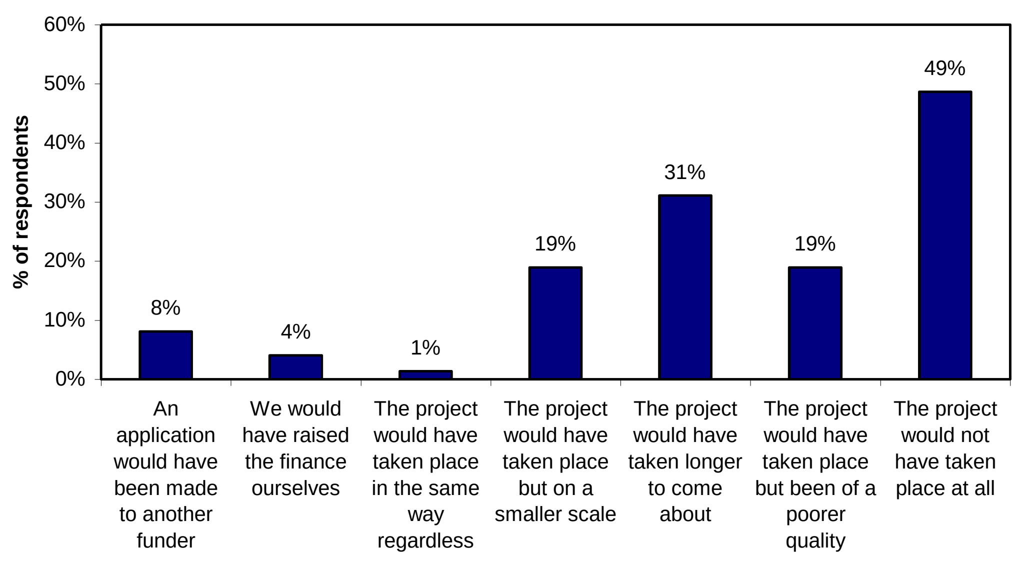
Energy efficiency

3.47 Our experience of the projects is that a large majority have taken action to maximise energy efficiency. It has been an important part of the ways in which new facilities have been built or refurbished. This is in part because it reduces the operating cost liability by using the capital funding up front. It is also sometimes driven by other funding partners with more explicit environmental and climate change objectives. However, measuring the energy savings is difficult because most are unclear what the alternative would have been. For example, a new highly energy efficient community facility could still represent an increase in energy use compared with doing nothing. In other cases, the provision of local services can reduce the length and number of trips that residents make to alternative facilities.

Additionality of outcomes

3.48 Additionality refers to what would have happened if GCA funding had not been made available. This helps in understanding the true impact of the GCA funding. Approximately half (49%) of all projects stated that 'the project would not have taken place at all' without GCA funding. About a fifth of projects thought the project would have taken place but would have been on a smaller scale or of a poorer quality. Just one project believed that the project would have taken place the same way regardless, and three projects believed they would have raised the finance themselves (Figure 3-3).

Figure 3-3: What would have happened in the absence of GCA funding?



Source: SQW – project leader survey 2010 (base: 74)

3.49 If the additionality is examined by project type there is a degree of variance. Table 3-7 illustrates how many projects would not have taken place at all without GCA funding by project type. Additionality appears high for environment, tourism and community facility projects, but less obvious in the case of energy and social enterprise projects. Further comments on additionality from each project type include:

- although the additionality is high for community facility projects, some of them felt that they may have gone ahead without GCA but would have had less of a community focus; their project would have developed in more of a piecemeal fashion, as it would have taken longer to secure funding
- all of the energy projects believed that in the absence of GCA funding they could have secured commercial funding. However, they acknowledged that the payback would be longer and that this would mean fewer benefits to the community. Half of the energy projects stated that although they could have secured funding from elsewhere, they could not have reached the development stage without the support from their GCA case officer

- the environmental and tourism projects did not believe that there was any other way their project could have happened without GCA, as 'no one else is prepared to fund these types of projects'. Many felt that in the absence of GCA funding the asset would have been lost forever
- several social enterprise projects felt that had GCA funding not been available their project could have gone ahead using alternative funding; alternatively it would probably have happened later, or been smaller and/or of a lower quality. Some felt they would have been able to offer fewer services and have fewer staff if GCA funding had not been secured.

Table 3-7: Additionality: 'the project would not have taken place at all without GCA funding'.

Project Type	**% of respondents who answered 'yes' to 'the project would not have taken place at all without GCA funding'.**
Community Facilities	69%
Energy	50%
Environmental	100%
Social Enterprises	57%
Tourism	100%

Source: Source: SQW – project leader survey 2010

3.50 Project leaders were also asked whether, had the project not gone ahead, the facility/service offered would be available elsewhere. This question highlighted the urban/rural divide. The majority of rural projects reported anything between six and 30 mile round trips to access similar services or facilities, whereas many of the urban projects believed that services or facilities were potentially available elsewhere but were 'not of the same quality'.

4: The effectiveness of the delivery contract

4.1 This section reviews the delivery of the Programme from the perspective of the projects. It also considers the impact of transferring the management of GCA to the Fund.

The delivery model

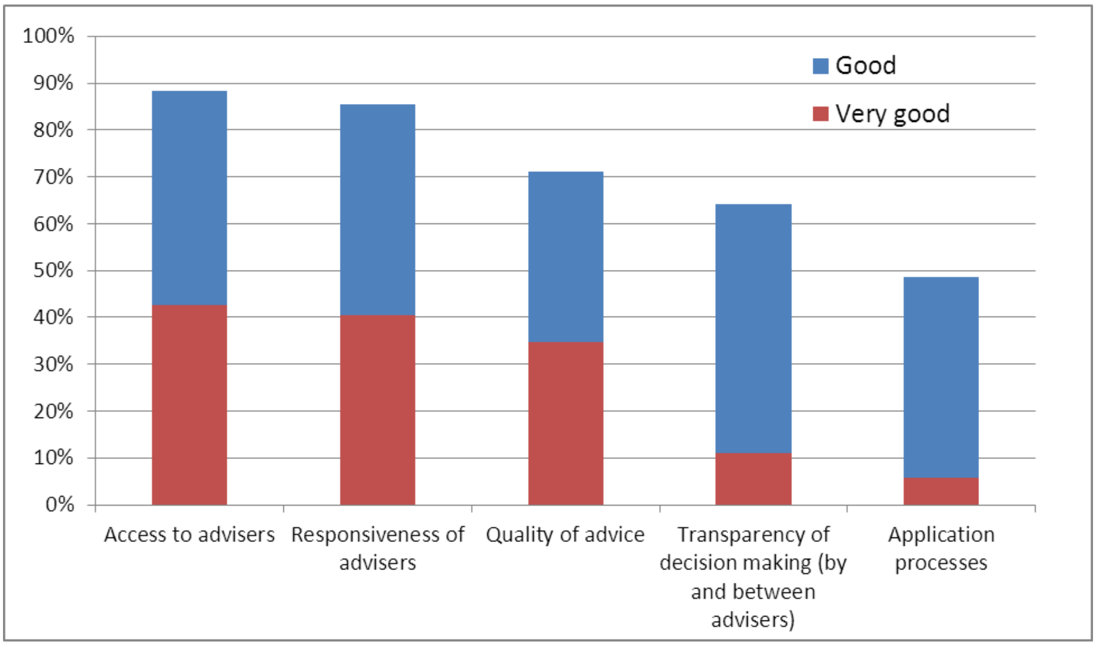
4.2 At the start of the programme in 2007, the Big Lottery Fund used an intermediary organisation as GCA's delivery arm. Highlands and Islands Enterprise (HIE) was sub-contracted to deliver on its behalf. HIE had put together a consortium of partners in order to deliver the contract: the key partners were Community Enterprise in Strathclyde (CEiS)[14], Forth Sector, Social Investment Scotland (SIS), Community Energy Scotland (formerly HICEC) and Scottish Enterprise. The involvement of SIS and Forth Sector ended at the end of March 2009 and the overall contract ended in mid 2010.

Support

4.3 The structure and organisation of the GCA support system changed in June 2010 when programme delivery was brought in-house by BIG. In general, projects are satisfied with the responsiveness of advisers, quality of advice and access to advisers. However, both anecdotally and in the survey it was apparent that projects have been less satisfied with the transparency of decision making by and between advisers, and the application process. The scores shown in Figure 4-1 reflect the views across the entire evaluation period to date, although we note later that the ratings have improved since programme delivery was brought back within BIG.

[14] CEiS has since been renamed as Community Enterprise in Scotland

Figure 4-1: % of respondents indicating element of support has been good or very good (over the period of the full Programme)



Source: SQW project leader survey 2011

4.4 The main area of dissatisfaction from project leaders is the GCA application process. Criticisms have included the amount of jargon used, and many projects have found it hard to understand the criteria and formulate project outcomes. Projects have found the application process 'daunting', 'time consuming', 'complex' and 'resource intensive'. A common view is that the application process could not have been completed without the assistance of a case officer. One project felt that the amount of time required from volunteers to progress the application process was 'nonsensical' - although most projects accept the detailed requirements of the application process, given the large amounts of public money that the Lottery distributes. Comments included:

> *"Jargon used was the worst part but in general it was very good and we received all support we needed"*

> *"Application a lot of work but worth doing because made other applications easier"*

> *"Very time consuming. Our case officer was excellent but his hands were tied behind his bank because he couldn't make decisions and we had to wait for him to come back from consulting with Lottery. The amount of time they required from volunteers didn't make sense to us - it is a lot of time to expect from a non-business".*

4.5 Some projects highlighted other issues with the support process but these issues were not common to all projects. A number of the energy, social enterprise and tourism projects believed that the support offered was not adequate to cover their project needs. This meant they had to seek independent professional advice in areas such as finance, VAT, organisational structure and legal queries.

Change in support structure

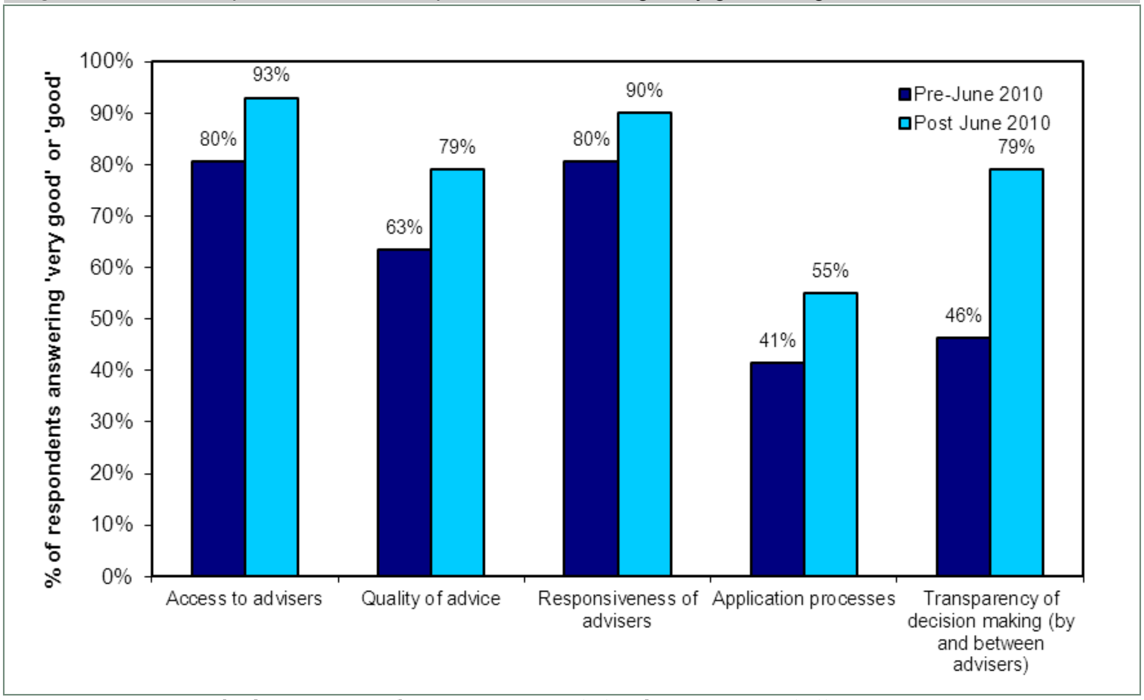
4.6 Since June 2010 support for GCA projects has been delivered by BIG itself. This involves a case officer and technical support where appropriate. Generally, from feedback, we have found improved levels of satisfaction across the case studies and in discussions with project managers. This is borne out in the survey of project leaders interviewed before and after June 2010. Figure 4-2 compares the two sets of responses. These results should only be taken as an indicator of change as the pre and post June 2010 project samples contain different sets of projects.

4.7 While the support appears to have improved across the board, there has been a big improvement in projects' perception of the transparency of decision making since GCA was brought back within BIG. This is not to suggest that the decision making process itself has actually changed in any way; rather, we believe it is a reflection of the more direct link between BIG and the projects, which seems to have improved communications. We would also say that some of the later projects under the consortium arrangement have also been more satisfied with the quality of the support provided. Overall, the improvements appear to a combination of growing experience in delivering the programme and the better communication enabled by the decision to provide the support directly.

4.8 Prior to the change, there seem to have been a number of examples of incorrect information being given to groups, or advice being changed. 'Shifting the goal posts' seemed to be quite a common complaint amongst applicants. This appears to have been improved greatly. In part this will be because of teething problems with the initial structure as well as bringing the delivery of support in-house. For example, under the original structure case officers from the consortium organisations would have to give immediate responses to questions and then check later with BIG. We also received feedback that advisers under the previous structure were sometimes considered to be too negative.

4.9 From our discussions with projects, there now seems to be a high level of satisfaction with the service provided by BIG for the GCA programme; generally, it is compared positively with the processes of other funders that the projects work with.

Figure 4-2: Pre and post June 2010 respondents answering 'very good' or 'good'



Source: SQW – project leader survey 2010 (base: pre June 2010 (42) and post June 2010 (29))

Identified areas for improvement

4.10 Given what are clearly improvements in support delivery, there are fewer areas for development than in previous years.

> *"GCA seems to have done the job they set out to do. It works but it took a bit of fine tuning to get it right. Projects only happen if ordinary people give up a lot of their own time - there must be a way of minimising this burden" (Community Project Manager)*

4.11 We asked the project leaders in hindsight what practical tips they would give to similar projects and what lessons they had learnt from their experience so far. The project leaders provided very varied responses to this question but five common themes did emerge.

Table 4-1: Practical tips and lessons learnt

Tips and lessons	
Expert/Independent advice	Do not skimp on independent advice from people with expertise on issues like tax, state aid, charity regulations etc. This will save a lot of delays later on in the project life-cycle.
Time	No matter what you expect, the project is going to take a lot longer. The project should not be in a rush to develop the asset as it can become a hostage to the future and this creates pressure and rushed decisions.
Volunteers/ having the right people	Projects need committed volunteers to roll up their sleeves for 2-3 years. Projects need as many people as possible on the committee with useful skills and specialisms to spread the load.
Project management	Every project needs a champion. This is the only way a project will progress. It is vital that a person with the proper experience and expertise manages the project either full-time, part-time or voluntarily.
Visit similar projects	Projects should speak to and visit similar projects that have succeeded elsewhere. This can prove very beneficial in terms of learning about potential pitfalls.

Source: Source: SQW – project leader survey 2010

4.12 Although the feedback suggests that support has improved as a result of BIG delivery, several projects still raised issues about the role that the case officers play in both supporting and monitoring/assessing the projects. Some projects are not sure how much they should view them as a "friend" and how open they should be in sharing information. It should be clear that they are there to support rather than check up on projects.

4.13 There continues to be a request for clearer guidance on the steps that projects need to follow as the project progresses – for example a manual/flowchart to help them plan the different stages better. There has sometimes been a sense that case officers only impart information on a "need to know" basis, and hold back information from projects at the early stages. This has largely been addressed since BIG brought GCA delivery back in-house. Clearly there is not a one size fits all approach, but perhaps more guidance could be made available.

- **Tendering/managing consultants** - most of the groups have to tender for professional advice and services e.g. architects and business planning consultants. A number of projects have been concerned that they do not have the experience to do this *"we don't know the right questions to ask and we don't know what we don't know"*.
- **Support from Case Officers** – Concerns were raised that it was sometimes difficult for projects to ask their case officers some questions because they were seen to effectively be 'both game-keeper and poacher'. It was suggested that a tutorial, in the form of a half day session with a group of other community groups that are starting their grant at the same time, would be useful. As well as explaining the grant process, it would offer a networking and peer mentoring opportunity. Being able to discuss things with other grant awardees was seen to be useful.

5: Emerging issues and implications

5.1 This section of the report provides an overview of the issues that we have identified through the most recent research and some of the implications that these have for projects, for the GCA programme and for the evaluation.

Changing context

5.2 It is very likely that over the next couple of years funding from public sector sources will be tightened, potentially impacting on the ability of GCA supported projects to develop. Many of the current cases benefit from other forms of financial support from various sources that have helped to secure capital and perhaps more importantly funded positions that have helped to manage and maintain the momentum of community projects at times when progress and enthusiasm has been slow. This has been invaluable to many projects covered in our research and with any reductions from other funders there is a risk that new projects may take longer to develop and existing ones could struggle, unless they have become self-financing very quickly.

5.3 A second impact of the recession is that, with many of the projects (community facilities in particular) relying on raising income from renting space, weaker economic conditions will reduce the expenditure that businesses (and public sector organisations) are able to pay. The project leader survey found that 82% of the community facility projects are relying on rental income**.** Some already have secure contracts: for example Whiteinch provides space for the Housing Association and Blantyre lets space to Motherwell College, which provides some core income. At a personal level, it can mean less money to spend on the range of other services and classes that community projects are developing to raise income.

5.4 The challenges are reflected in conclusions from *To Buy, to Bid, to Build*, a report produced jointly by NESTA and ResPublica[15].

> *"Where revenues are generated through assets, whether by renting space, delivering services on contract to public bodies or operating facilities which people will pay a fee to use, the asset owner is operating in a competitive market. This means that the continuing viability of a business depends not just on its inherent capabilities but on changes occurring in the wider environment as well. Such changes may have a profound impact on asset viability. For example, public expenditure cuts, coupled with a shift in commissioning practice from smaller scale and local to large scale and regional/national prime contracting models, are likely to undermine the financial viability of many community assets currently predicated on public service delivery operations. This particular viability challenge is especially acute in low income neighbourhoods, where public expenditure is the major factor in local economic resilience and where the opportunity to diversify into other markets may be very limited, in the short term at least".*

[15] To Buy, to Bid, to Build Community Rights for an Asset Owning Democracy, NESTA & ResPublica (2010), http://www.respublica.org.uk/sites/default/files/ResPublica%20-%20Buy,%20Bid,%20Build%20%28web%29_0.pdf

5.5 On the other hand, public sector service providers are likely to increasingly look at new ways of delivering services, particularly where this can save money. Community organisations may be able to benefit from this, although this may be limited to more experienced ones. There is also an argument that tougher financial conditions will make people more aware of the importance of spending money in their local communities. Community owned services may encourage more people and organisations to spend money locally than elsewhere.

5.6 This has several implications for the Programme as it develops:

- **Focus on business plans -** Many business plans are based on estimates of office space occupancy, and in weaker economic conditions these forecasts may be more difficult to achieve. It becomes even more important that these plans are subject to some form of due diligence, or there can be a risk of "optimism bias". BIG must be able to take a critical view of these plans and where possible bring in experience from other projects and even external advice to assess financial sustainability.
- **Shift of balance** – it may be appropriate to consider a shift of balance towards strengthening community capacity rather than the construction of new assets. With potentially more interest in asset transfer, as in England, it would be the capacity of communities to manage these assets that will be a vital ingredient in community development
- **Use of consultants -** Again this relates to the experience of the project leaders and the community boards. Preparing briefs, assessing tenders and managing consultants effectively requires experience and is one area that projects themselves identified for support.
- **Ensuring a more professional offer** - several projects (Blantyre and the Pierce Institute) emphasised that there must be a professional offering to customers, both in terms of the services they receive from staff and the facilities on offer. This resonates with many of the projects which are or expect to be selling services. Doing so successfully requires high standards.

Developing projects

5.7 Perhaps most importantly, our view is that the likely success of projects appears to be determined more by the leadership and strength of the management board rather than by the type of project or where it is located. Increasingly we are aware of the importance of the capacity of the teams leading what are in many cases quite complex investments, and the challenges are likely to continue into the management of them.

5.8 With a large number of projects moving from construction to operation in the next year, many project managers and boards will be faced with *changes* in their roles. This does not mean they will be more difficult or any easier, but that the emphasis will move from getting the project up and running to developing and using the asset. This is likely to require different skills and potentially different people: for example, projects in construction stage are more likely to need more technically minded people, whereas the management of activities to engage whole community will require a different approach. This points to two important areas: first, ensuring that where appropriate, there are other interested and suitable people able to take on roles; and second, ensuring that once the project is in place or operating, there are genuine opportunities for the community to become involved. This means broadening involvement as far as possible.

Changing objectives

5.9 As projects develop they will also face challenges: project objectives can change, and projects may revisit their initial plans. Changes can be a source of disagreement, and this is where community management skills in particular become important. This may be a bigger issue in rural and remote areas, where projects are proportionately more important to individuals than in urban areas.

5.10 We reported in earlier reports, and previously for Scottish Land Fund, that one of the sources of disagreement within communities is where the objectives or direction of a project is either changed or where new ones are developed. This stems either from poorly articulating them at the outset, or being forced to change them part way through, or when new ideas come forward. Within the current GCA projects it is the latter two that will become more important.

5.11 The renewable energy projects supported have provided real opportunities for communities to develop assets that will deliver a future stream of income and electricity. Wind turbines are a great symbol of a community's self-sufficiency. Aside from the issues around access to Feed-in Tariffs, the biggest challenge is in transferring community support and interest in the wind turbine into deciding how to use the income it generates for community development. Some of these projects will need to switch their focus from the technical aspects of the project to community management.

5.12 One of the benefits of ownership is the flexibility to respond to community interests. No doubt some of the ideas in the early stages will not be as successful as others, and projects must respond to this (even where there may be tendency for individuals to hold on to their own views). There is a fine line between setting a clear path of action and responding to community demands. This will take experience, but projects should be encouraged to regularly take stock of their activities and assess whether they are delivering or likely to deliver outcomes. Monitoring of results, attendances and feedback is a vital part of managing this process.

5.13 A further point raised by one of the case studies this year was the perceived difficulty in relating the GCA milestones to impact on individuals. Project outputs can vary greatly between short term provision of services, and longer term impacts on lives. For example participating in the current activities are the first step, but will be much more effective over time.

Resolving disagreement

5.14 As far as we know, there have been relatively few significant disagreements within the communities that GCA has supported. Nonetheless there are examples, and as projects develop, this could become an increasingly important issue. For BIG and for GCA, considering the extent to which they are able and willing to play a role in resolving these is helpful. At this stage we are only aware of a handful of cases which have had to deal with substantial disputes, but it does raise issues about communities' preparedness to manage disputes, how fair that it is, and what BIG and case officers can do.

5.15 Although disagreements are an unavoidable feature of community ownership and management of assets (case studies liken them to arguments within a "family"), it can mean making unpopular decisions. When these decisions are made by friends and neighbours, the situation can feel and become more personal than where decisions are made by external agencies. An argument for community ownership is that these disputes can be managed better and produce fairer outcomes when they are handled locally. This would certainly be true when they are well managed. In contrast, if they are not handled effectively, the negative effects can be divisive.

5.16 Rural projects are probably more likely to face this risk than urban ones, given their smaller populations and projects that are of relatively greater importance to residents. The issue we are raising is the extent to which BIG and its case officers should be involved in disputes and how prepared they are to provide support for those that have taken on responsibilities. Like a number of other emerging issues it points toward investing in the capability and capacity of the community and Trust representatives.

Governance challenges

5.17 The importance of good governance and having a strong, active board has come through from most of the visits. This is possibly an area that GCA should be focusing more on. Tobermory, for example, is a case that has progressed from a voluntary organisation with one part-time secretary and moorings officer, to a fully fledged business with paid staff. This has required a change in the role of board members from operational to strategic. This seems to have been done successfully, with a clear governance structure and work already beginning in relation to succession planning. This is a big challenge generally in the third sector, with the lines often blurred between the role of board members and the role of operational staff/volunteers.

5.18 One of the issues that projects will face in particular will be as they move from construction to operations. Route 81 has had one project manager (unpaid) during the planning and construction phase but then employed someone to be run the actual centre once it is up and running. Scotstoun will face similar issues when its centre opens, along with a long list of other community facilities that will make this type of transition over the next year. Tobermory found that it was very important to have somebody to help embed the systems and processes once the building actually opened. Projects need to plan for the handover between the construction/redevelopment stage of their project and the actual operations.

The role of local councils

5.19 The role of local authorities continues to vary across areas and across individuals within authorities. There is the possibility that more assets will become available for communities as Councils seek to reduce their own budgets. Care will have to be taken over which will genuinely be assets for the community. If this is the case, it is likely that more support for community capacity will be required as opposed to more capital funding.

5.20 Some, for example, Wallacetoun, have received very hands-on support, whilst others barely even get recognition from the council that they exist (some have highlighted the lack of Council interest as an issue – particularly where they are keen to set up service level agreements). Others have argued that, in order to undertake a capital build project it is likely to require involvement with various community departments – e.g. planning, regeneration team – and that there should be more formal links between the Council and the Big Lottery Fund – particularly where the transfer of assets is from the local council to the community.

5.21 DTAS has undertaken research on local authority views on community asset transfer and ownership and found that approaches were typically ad-hoc, responding to approaches from community groups, rather than strategic. This may change as councils look to respond to reductions in funding, creating opportunities for some community organisations. Over the next year we will undertake a number of consultations and will be able to report more fully on progress.

Sustainability

5.22 Several projects in the case studies have required GCA funding to try to achieve financial sustainability. Glenurquhart Care Project and the Seaboard Memorial Hall both were operating assets that could not be sustained and required further investment. Glenurquhart was dealing with more and more clients with higher needs (e.g. dementia) and it would not have been economically viable to continue at the previous lower level of service provision. The additional space allowed them to enter into a new Service Level Agreement with Highland Council which provides them with a regular income. The Seaboard Memorial Hall applied to GCA to improve the catering facilities in order to be able to generate income for the hall. This is working – they are now holding four to five large functions a year and this is sufficient to cover their day-to-day running costs. Day-to-day use of the café has also increased which means that they are also able to build up a maintenance fund.

5.23 One of the enduring issues throughout the work has been succession planning. This is important not only for the operations of a community organisation but in demonstrating to others, including local authorities, that there is a permanency to the organisations that are taking responsibility for the assets. The role of individuals is understandably still a driving force behind almost all these projects, but as they develop, mechanisms will have to be put in place to ensure continued interest and willingness to take on responsibilities.

5.24 There is also a risk that their skills and experience will be lost over time unless there are efforts to capture these and transfer knowledge within the community. With many projects employing project managers or community development staff, there should be preparations to continue their work even where funding is likely to be limited.

Effectiveness of the asset ownership approach

5.25 With relatively few projects complete, assessing effectiveness is rather premature, but we can consider the evidence so far. Among the projects that are complete, it is clear that those that received support overwhelmingly believe that ownership was the best option for them. The reasons given were around security, flexibility, management and the focus it gives the community. The users of services and visitors too, are very positive about the concept of community ownership. Projects' own assessment of the options available to them suggests that there were few suitable alternative ways in which the community could have sought to achieve similar outcomes.

5.26 While we have said that at this stage the focus has been on the delivery of services, the effects of the community ownership aspect will become more apparent as these projects mature. There are some challenges ahead, which is why the majority of our conclusions are around strengthening capacity, but overall the support and funding has done as intended and created a wide range of assets that communities can now take forward.

Conclusions

5.27 Most of the implications identified above point toward more emphasis on capacity building and less on capital investment. The issues that will face the support of community development through GCA appear likely to be mainly around building capacity to make the most of the assets that have been acquired rather than focusing on more assets. This is not true in all cases. There are many very able organisations that have successfully developed assets already and already have the capacity to take on more, but with a large number of new community orgnisations taking on assets for the first time this year, we suggest that the emphasis should be on strengthening them.

5.28 Monitoring has been difficult where projects have not produced any outputs or outcomes, but this is changing and over the next year there will be a lot more to monitor. In the impacts section we discussed the importance of knowing the number of people using or benefiting from an asset. For all these projects the benefit to the community will be determined in part by the number of people using it. The second element to monitor is the scale of the benefit (this is partly the number of times assets are used or visited, and partly the *ways* it benefits individuals). Although throughout these projects we have tended to think of the benefits to communities, the only way that this can be measured is through understanding how it has impacted on the *individuals* that make up the community.

5.29 These measures do not, on their own, determine whether a project is successful but they do start to "unpack" the scale and nature of what projects achieve. Over the next 12 months we intend to capture more data on both the number of users and the ways in which the project affects them.

5.30 Part of the challenge for GCA and for the projects themselves is in understanding what to monitor and measure. Although most projects aim to increase community confidence, capacity or empowerment, very few have defined what this means and how they will demonstrate it. As part of the evaluation we developed a series of questions in the household survey that will reflect these concepts, but as far as we are aware these are not indicators used by the projects themselves, nor are they using others. Over the next year we will consider how these measures might be adopted within the user survey and our other research tools.

5.31 A final conclusion relates to the differences in the types of benefits. We have typically found that stronger and more experienced groups are more likely to deliver traditional outcomes and are probably less risky investments. Newer community groups have less experience, tend to take longer to develop projects and are less likely to generate short term outcomes. They may also be more risky, but also have the potential to generate much greater improvements in community capacity in the longer term. GCA must balance its investment between the two.

6: Evaluation - next steps

Summary

6.1 In the coming year (the first year of phase three of the evaluation) we will:

- continue to update the project leader survey (by telephone) – we will aim to contact half of the projects in this year and half in the final year
- undertake 11 case study visits, some of which are likely to be return visits to projects we first visited in year one (one is carried over from this year)
- undertake a further 6 user surveys (face to face and telephone)
- conduct interviews with a sample of stakeholders to be agreed with BIG.

Phase 3

6.2 The evaluation is to be completed by 2013, which gives us some flexibility in how the third phase is conducted. The plan below suggests completing it by June 2013 which would be six months early, leaving time for the dissemination proposals. How we structure the second household survey will be important as will its timing. For example, some projects that were covered in the initial one may not have made progress or not gone ahead at all.

6.3 Phase three would be divided over two years from April 2011 to April 2013. The most resource intensive element is the follow up household survey which would be undertaken in the same way as in Year 1. It would make sense to look at the projects covered at the reporting stage next year and decide how many of the projects are up and running and whether it is appropriate to follow them up.

6.4 For clarity we have outlined the full Phase 3 time planner over two years. The change in the household survey provider (to IBP) will reduce the survey costs (as was the case in the first year) and as in the first year, we propose using these savings to undertake a further round of project user interview programmes and to carry out the project leader survey, again by telephone rather than by e-mail, to ensure completeness.

6.5 Dissemination is included before report writing here but in practice it will be useful to do some both before and after the report. Before preparing the report it is useful to have sessions to discuss structure and provide feedback to help shape the conclusions, while after the report dissemination is purely to tell people about the findings rather than to encourage feedback.

Phase 3 task planner

6.6 The tasks are set out in the following table to show when they are programmed. Management and meetings covers four meetings which could be full steering group meetings, possibly in September and March.

Phase 3 Year 1

6.7 This is similar to the second year of Phase 2, with a relatively small number of case studies, some updating of project information and data analysis, meetings and a report.

Table 1: Phase 3 Year 1 task planner

	May	June	July	August	September	October	November	December	January	February	March
Management and meetings		■			■			■			■
Design of research materials	■										
Case studies (10)			■	■	■	■					
Project leader survey		■					■				
User surveys					■	■					
Consultations							■				
Data analysis (from surveys and case studies)								■	■	■	
Report writing											■

Phase 3 Year 2

6.8 This is the final year of the project. The main tasks will be to carry out the follow up household survey of 1,500 interviews. The final data would be collected by the project leader survey and the last ten cases studies would be carried out. The final report will be prepared and dissemination proposals will be agreed with BIG in the subsequent 3 months.

Table 2: Phase 3 Year 2 task planner

	May	June	July	August	September	October	November	December	January	February	March	April	May	June
Management and meetings		■			■			■			■			
Design of research materials	■													
Case studies (10)			■	■	■	■								
Household survey (1,500)		■	■	■	■	■	■							
Project leader survey				■	■	■	■	■						
User surveys				■	■	■								
Review lit							■	■	■					
Consultations							■							
Data analysis (from surveys and case studies)								■	■	■				
Dissemination												■	■	■
Report writing											■			

Project leader survey

6.9 The project leader survey provides us with the most important source of programme-wide data and information. In particular, it provides us with output data that is not collected by BIG.

6.10 We will shorten the questionnaire for this and focus more on the outputs and outcomes of projects rather than their development which has been the case to date. We had originally budgeted to do this by postal or e-mail survey, but to secure a much better response rate we have carried these out by telephone over the last couple of years.

6.11 This is more time consuming but has provided better data. With more projects reaching an "output" stage, this will become even more important this year.

Case study visits

6.12 To complete our quota of case studies for phase two, we will undertake 11 visits in the coming year. These will be a balance between revisits and projects which are opening in the next year. Past case studies have taken place at earlier stages which meant that interviews focused on potential rather than actual achievements and it would be good to return to these.

6.13 Suggested case studies are:

- Fauldhouse (revisit)
- Lewis (revisit)
- Loanhead
- RECAP (N Lanarkshire)
- Glencanisp re-development (Assynt Foundation)
- Dalmally Community Centre (revisit)
- Antler's Project (Jura)
- Kilmuir and Logie Easter Action and Development Group
- Pulteneytown People's Project
- Trossachs Area Community Transport

User survey

6.14 We conducted a total of 14 user surveys in phase two. These varied significantly in relation to the number and type of participants.

6.15 We propose doing more user surveys this year (8) with less the following year (when the household surveys will take place). In practice we found the urban community facilities to be the most helpful and we would like to do more of these although not at the expense of other types of project.

- Banking on Neilston
- Scotstoun Community Centre
- Route 81
- Dalmally Community Centre
- Gowkthrapple Community Hub
- Fauldhouse Community Development Trust
- Whiteinch

- Loanhead

Stakeholder interviews

6.16 These were postponed last year as we awaited clarification about which organisations we should speak to. We have now agreed with the steering group that they will provide suggestions for consultees and these will be agreed with BIG before we proceed. The initial thoughts of the group were that these would include COSLA, specific local authorities that are involved in community projects and DTAS.