

PHASE 2 - Researching your ideas

Are there any appropriate buildings or land?

Who owns them?

It is essential that you identify at an early stage which property is the right one to deliver your project. Before you spend time and resources exploring the viability of a specific asset in detail, carry out your own site options appraisal.

Identify who owns the property or land you are interested in taking into community ownership. Seek local knowledge, or refer to Registers of Scotland for a search on the information they hold.

Private owner willing to sell

All other routes

Explore available support

Proceed

Consider other routes to ownership

There is a lot of support available to communities who are looking to acquire an asset:

- Highlands and Islands Enterprise has a team of advisers across Scotland and have developed an online tool, **Ten Steps to Community Ownership**.
- DTAS can assist where there is public property involved.
- The Community Land Team at the Scottish Government can advise on Community Right to Buy legislation.
- The Protocol for Negotiated Sales was developed by Community Land Scotland (CLS) and Scottish Land and Estates (SLE), and sets out a pathway for sales from SLE members to CLS members.

Asset Transfer

Community Right to Buy

Crofting Community Right to Buy

If the asset is publicly owned, you may wish to follow the public asset transfer route map.

If you are looking to have the first option to purchase once the asset is made available for sale, then Community Right to Buy may be appropriate.

If the asset is all or part of a crofting estate or township, and the land is not available for sale, you may wish to consider Crofting Community Right to Buy.

Establish community support

Write down a list of the people and organisations that are already involved in the project. Also make a note of those groups that are likely to become involved as your project develops, and who might be interested in supporting you in the future. These are all stakeholders in your project and some could be potential partners if you find a mutual interest or can provide mutual benefit. Stakeholder/partner involvement is essential for building consensus on proposals and addressing objections or concerns in advance. From this point of view any local politicians, local community groups and organisations that are likely to support the idea of community owned land and buildings are key partners to the process, particularly as asset projects often take a long time to implement. Identifying potential partners is also very important as it will lend weight to any business plan, sometimes actually making it viable and will show your willingness to work in partnership with others. If you plan to apply for grants speak to the funding bodies and/or agencies involved and outline your project - this will give you an early indication of what they will and won't fund.

What information do you need?

Consider all the work that needs to be done to make a case to the community, the owner, and your funders that the project is worth supporting. This may include: a business plan, feasibility study, options appraisal, community consultation, and site specific surveys or other technical reports.

Ensure that you have a suitable legal structure

Now that you know what you are planning to do with the land or buildings and what services/enterprise activities you wish to run, it is time to either check that your current legal structure is appropriate or set up a new legal entity to allow you to deliver on your ideas.

Your legal structure and appropriate governing documents are important – they set out your obligations and liabilities to members, as well as outlining your purposes. Certain funding programmes may have strict eligibility criteria – make sure your governing document fits with these.

Your HIE or DTAS adviser will be able to assist you with checking your governing document or setting up a new legal structure.

PHASE 1 - Getting started

Who are you?

Are you an individual or group of people who want to help organise others in your community to secure the potential benefits from the development of land and building assets? This could be helping to meet the needs of the community through community ownership of an asset, or creating employment opportunities by developing the space for new enterprises.

What community do you represent?

Define your community and be inclusive. Are you a geographic community or a community of interest? Be clear from the beginning what area your community covers (this should be defined formally in an organisation's constitution). It can be more challenging to define this in a larger urban area. For rural communities that cover a wide geographic area, including different distinct communities can also be challenging and you may have to treat separate settlements differently whilst conveying the same message.

Take note of potential future requirements from funders or legislation such as Community Right to Buy or Crofting Community Right to Buy at this stage.

Is there a need and how do you know?

When considering taking on ownership of an asset you must be sure that this is vital for the delivery of your project. What unique opportunities will owning this asset bring to the delivery of your project? What benefits might it bring for your group and community more widely? Be careful not to create wish lists - this is about being able to demonstrate a clear need.

What are your outline ideas?

You may be looking to take on an asset for any one of a number of reasons. Get your ideas down on paper so that you can relay them to others and gather support and new ideas too. Whatever your starting point and aspirations, it is important to be clear at the outset what the project aims to achieve and why. It does not mean that things can't change later, but having the original idea written down will help you keep your purpose in mind as you progress.

Who do you need to involve?

Look at the people you currently have backing you and your group. Think about carrying out a skills audit; this helps to identify skills gaps, allowing you to encourage others with the additional skills you need to get involved and help.

Check out other projects

Identify similar projects that have gone through this process and speak to them about their experiences. This is extremely important as they can give you a 'warts and all' approach, and their experiences with funders, consultants, and others. You can learn so much from what others regard as their mistakes! You may be able to access funding to help with this.

Rules of the Road

- Most straightforward route
- Keep the community informed
- Projects must address local needs
- Exit at any stage

- This is the most basic route towards community ownership.
- The community is the most important part of this process, make sure to keep them informed at all stages.
- Taking on an asset is a big challenge - ensure you are addressing needs locally.
- Communities can exit the process at any stage prior to concluding the deal.

PHASE 3 - Developing your project

Who are your potential funders and partners?

Are you engaging with them?

How can you best get the information you need?

Apply for pre-acquisition development funding

Now you know all the information you need to gather, identify the funding you need to take the project to the next phase, and contact the relevant funders at an early stage. This can include funding for a detailed feasibility study, further consultation with your community and for business planning. At an early stage in your planning, connect with appropriate organisations and funders to establish what support you will be able to access following acquisition.

Some of the information might be available free of charge such as socio-economic facts and statistics, market intelligence, and other publicly available data.

Other information may be available for a fee, such as details of the title from the Register of Scotland, professional fees and legal fees related to the pre-acquisition development work.

You might need to contract with a consultant to carry out some of the work, so a detailed brief and open tendering process will be required.

In all cases you should seek quotes from potential suppliers. Some funders may require a minimum number of comparable quotes. Your HIE or DTAS adviser, or other agency support, may be able to assist you with this process.

In some cases this can all be completed by your group/community. Depending on the scale of the project, it may be appropriate to engage a professional to bring the project to a point where you can apply for funding to secure and develop your land/building and deliver the project. Your HIE or DTAS adviser will be able to help you identify appropriate funding streams for this work.

Consult/appoint professionals

Your project will need professional input, typically from architects, surveyors and other specialist services. It is often valuable to seek an independent professional opinion of your ideas and to help you further develop them. Once you have funding in place, tender for a detailed feasibility/community consultation/business plan. It is best practice to have a well-designed brief before you appoint professionals, and you will also require a contractual agreement with your chosen consultants. Your HIE or DTAS adviser may be able to assist you with this process, or see **Ten Steps to Community Ownership**.

Conduct options appraisal, feasibility study and community consultation

Some of this work may be carried out by a consultant that you have contracted with, or by yourselves if you have the appropriate skills, time and resources available. It is important to consider all the options available to you both in terms of addressing the needs you have identified, and the proposed use of the property you are looking to purchase. Don't forget that the option to "do nothing" should always be considered. Please see **Ten Steps to Community Ownership** for more information about working with consultants.

Appoint valuer

Instructing a valuation of the property is an important stage in the community acquisition of land. This will provide you with important information, not only on market value of the asset, but also on rights, burdens and any other issues associated with the land. A market valuation should be carried out by a qualified valuer registered by the Royal Institute of Chartered Surveyors. See the guidance on valuations in **Ten Steps to Community Ownership**.

Complete business plan

Once you have identified your preferred approach, indicative costs and how they will be funded, you need to compile a business plan to demonstrate the viability of your project. The plan should also include (among other things), financial projections, a market appraisal and an assessment of the risks. Your business plan will help you set out the case for funding and finance for the project.

Is the owner willing to sell?

Yes
No

Have you kept the community up to date?

Present plans to the community

Yes – proceed with your plans
No – consider other options

It's important to keep your community up to date. If changes need to be made or if the group feel that changes are appropriate, consult with the wider community and keep them involved as much as is feasible possible. This is also a good time to go back to the community with recent developments to keep them informed.

You can do this by holding a public meeting, or by setting up a website or social media page. Ensure that the event is well publicised and open to everyone. It's important to make sure people feel comfortable to provide feedback and that you take people's comments and suggestions on board. Check out **Ten Steps to Community Ownership** for more guidance on community consultation.

PHASE 4 - Finalising purchase

Raise funding for purchase

Capital funding is for any fixed costs such as purchase of the asset, construction or refurbishment. Appoint a lawyer to act on your behalf. Development funding may be needed for further costs. You may need further technical advice to make sure your project is sustainable. And you may wish to employ or contract with an individual to project manage the post-acquisition capital development phase. Speak to your HIE or DTAS adviser who will be able to help you identify potential funders.

Submit offer to owner

Through the selling agent, put in a formal offer for the property based on the amount you wish to pay for it.

Instruct conveyancing

Conveyancing is the legal process of transferring title (ownership) of a property from a seller to a buyer. For detailed input refer to your own legal adviser.

Keep community engaged

As with every step in the process, ensure the community is kept informed of your plans.

Finalise terms of transfer and conclude deal

It is important to check the terms and conditions of the sale thoroughly to ensure you will be able to carry out your plans. Where appropriate, take legal advice.

Settlement and celebrate!

You may wish to hold a public event to celebrate the official community ownership of the land or building. You may also wish to issue a press release or speak to a journalist in advance about the story. Give everyone the opportunity to get involved and make sure you take lots of photographs. It may seem like it has been a long haul but remember it's only the very start of your journey.

Continue negotiations with landowner

If the offer is not considered acceptable, you may be able to offer a higher purchase price.

No sale: time to think of other options

If you have been unable to agree a deal to purchase the land or buildings, it is time to regroup and consider your options. This might include taking another route to ownership, identifying alternative sites, or other ways in which you can deliver your project.