



THIRD SECTOR FIRST
Dumfries and Galloway

Working together to put the
Third Sector First

About Third Sector First

- Formed in April 2013 by D&G Social Enterprise Network, Volunteer Action and local Councils for Voluntary Service
- Remit from Scottish Government and D&G Council to support, develop and represent the Third Sector in Dumfries and Galloway
- Membership organisation- benefits include regular information updates about funding, training and sector news, as well as opportunities to have your voice heard through community planning- please join- its free!

About social enterprise

“A Social Enterprise is a business with primarily social and/or environmental objectives whose surpluses are reinvested for that purpose.”

You don't have to call your project a social enterprise
but if you sell broadband, you will be!

Community broadband projects- A 'how to' guide

- No 'one size fits all' solutions.
- It all depends on your community (size, geography, access to infrastructure, broadband needs)
- Your people (existing community ventures, volunteer base, community capacity)
- Your will- needs a lot of commitment and 'buy-in'
- You can get help tailored to your needs at every step

Getting started

- Set up a steering group (unincorporated association or sub group of existing community organisation) and develop a project plan
- Get some help and advice ('business' side- Third Sector First, DTAS, Just Enterprise. 'technical' side- via speakers today)
- Establish the needs and the demand- feasibility studies, community appraisal (Investing in ideas, awards for all) and develop a business plan

Think about incorporating

- Form follows function- how will your community broadband service operate? Will it have customers? Will it be provided on a small scale as a 'private' community enterprise or on a much larger scale for a village or town? Do you want to access grant or loan funding?
- Do you need to? Could also be delivered as a project of an existing community organisation or as a private initiative for a few households.

Legal forms: The options

- Companies:
 - Limited By Guarantee
 - Limited By Shares
- Community Interest Companies
- Industrial And Provident Societies
 - Co-operatives
 - Societies For The Benefit Of The Community
- Scottish Charitable Incorporated Organisations (SCIOs)

Charitable status?

- Companies
- Industrial And Provident Societies
 - Co-operatives
 - Societies For The Benefit Of The Community
- Scottish Charitable Incorporated Organisations (SCIOs)
- Pros and cons- access to grant funding but also restrictions on how you can operate

Trading arms and tax

- Depending on the nature of your project (non-charitable and trading) you may be liable for tax- implications in terms of cost as well as administration
- If non-charitable, could be set up as a trading arm of a charity, with profits donated to charity via gift-aid
 - Companies (Ltd by guarantee or shares)
 - Community Interest Companies

Sources of finance- Sales

- Sustainability – when you can finance running costs from trading income.
- Not reliant on outside decision makers for survival
- Use other sources of finance to start-up and grow the business

Grant income

Pros-

- Does not usually have to be paid back
- Most third sector organisations understand grants
- If used for capital, it can strengthen the balance sheet

Cons-

- Grant conditions can restrict use and flexibility
- Can lead to grant dependency – need another grant when the current one runs out
- More groups chasing fewer grants

Loans, private equity and Community share issues

Pros-

- Unrestricted use
- 'Patient' capital, with the cost related to success of the business
- Strengthens the balance sheet

Cons-

- Can be difficult to raise – need a good business plan
- Whilst there are exemptions from regulation for community shares, there are still technical issues
- Need to use specific legal forms



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