

Community-Led Local Development in the wider funding landscape

Community-Led Local Development (CLLD) across Scotland was supported through the former LEADER programme for almost 30 years. Since 2021, CLLD has been supported by the Scottish Government, managed by Local Action Groups (LAGs) and Inspiring Scotland, and with insights and evaluation produced by the Scottish Rural College, James Hutton Institute and the Social Value Engine and outputs of the Scottish national CLLD conference held in April 2023. This paper explores the characteristics of CLLD funding, alternative sources of support for CLLD, and the strategic fit of CLLD.

Unique characteristics of CLLD funding

- 1. CLLD outcomes prioritise the capacity-building process of delivery, as well as the outputs.** Capacity building of rural groups is an overt aim of CLLD, with funding awards designed as 'development grants'. Community groups are funded to design, establish or deliver activities which benefit their local community, and in the process are supported to build the skills, networks and experience to sustain their activities into the long-term. LAGs and other delivery partners provide expertise, support and connections to enable this 'development through doing'.
- 2. CLLD ensures that people and communities are embedded and visible as key actors within rural development.** Rural Scotland accounts for [17% of Scotland's population](#) (>930,000 people), with communities widely dispersed within the 98% of Scotland's landmass which is defined as 'rural'. Within the wider SRDP, other available support is concentrated on agriculture, land management, and wider economic development. However, CLLD supports the social/community infrastructure which underpins the economic development opportunities for rural places through the creation of viable, resilient, and vibrant communities.
- 3. CLLD supports capacity-building at multiple levels of governance, including at emerging and grassroots-levels, to grow a stronger community development sector.** CLLD funding is typically available to unincorporated groups (for smaller grant awards) as well as incorporated charities and not-for-profit community groups. This is an essential part of the ecosystem of community development: enabling emerging organisations and those deliberately small-by-design to have access to funding which meets their needs and ambitions. Furthermore, it can build a 'pipeline' of community-led organisations with the skills, knowledge and experience to design and deliver more large-scale projects through alternative funding streams in the future.
- 4. CLLD takes place at the scale most appropriate for rural development.** The unique nature of rural and island contexts results in specific challenges which are best tackled at a local community-scale (rather than through regional or national interventions). In taking a tailored and scaled approach to development, funding is targeted to established and well-understood needs (rather than a one-size-fits-all model), which can support better value-for-money through responsive application of solutions.
- 5. CLLD networks create varied opportunities for shared learning and collaboration across shared rural geographies.** Although distinct in setting, there are commonalities in challenge shared by rural communities (including decarbonisation beyond the national grid, depopulation, maintenance of remote local amenities, social isolation), many of which require multi-faceted responses. The existing network and connections facilitated between funded projects can provide opportunities for shared learning, partnership and collaboration which transcend regional or thematic boundaries.
- 6. CLLD is a key driver of community empowerment and can facilitate a community wealth building (CWB) approach.** Often already operating at the intersection of local

decision-making, community ownership and local service delivery, CLLD activities can contribute to the implementation of the CWB pillars and deliver a person-centred approach to local economic development.

CLLD and other funding sources for rural community groups

CLLD delivers a wide range of activities, many which span multiple thematic and policy priorities. In some cases, the Scottish Government (or other major funders) also invests in other funding streams to support these policy priorities. However, these funding streams are often not suitable for grassroots rural community groups.

Restrictive fund design limits community-designed solutions

CLLD programmes are relatively unique in maintaining relatively high-level strategic priorities and key criteria which maintain their availability to all rural community groups. Other funding programmes typically have one or more of the following restrictions:

- **Thematically-bound funding programmes** restrict applicants to deliver projects against a narrow set of priorities, often decided at a national level. Given the variety of unique rural contexts, these are often unsuitable for grassroots community groups, and can encourage communities to design projects based on what funding is available, rather than to genuinely respond to documented needs.
 - e.g. [Sustrans' Cycle and Scooter Parking fund](#) (funded through Transport Scotland) supported the establishment of cycle parking facilities in schools and nurseries (but not at other community amenities, or those that may benefit older demographics).
- **Activity-bound funding programmes** restrict applicants to very specific types of costs or eligible expenditure. This can result in many funding programmes not being suitable for the needs of a community, and in the case of larger projects, often means it is not possible to deliver the full scope of a project on a single funding award.
 - e.g. The [Scottish Land Fund](#) supports the purchase of land or buildings but cannot support the renovation costs required to bring an asset into safe community use.
- **Geographically-bound funding programmes** restrict applicants' eligibility for funding by their location, typically within a radius from the source of the funds. These support communities to benefit from revenue generated from local assets (e.g. renewable energy) but results in communities without these assets experiencing unequal access to funding opportunities.
 - e.g. the [Scottish Landfill Communities Fund](#) (delivered via SEPA by approved bodies) is only open to communities within [10 miles of a landfill site or transfer station](#).
- **Organisational form-bound funding programmes** restrict applicants' eligibility for funding by their organisational form, or dictate specific partner organisations with whom the project must be delivered. There is a wide range of possible structures for community-based organisations (e.g. SCIO, community interest company, community benefit society) but each funding programme will have different eligibility criteria.
 - e.g. the [Rural Tourism Infrastructure Fund](#) can support improvements to places which are experiencing pressure on their infrastructure and communities as a result of visitor numbers, but only Local Authorities and National Park Authorities can apply directly.

Intensive fundraising processes limit accessibility of funding for community groups

CLLD programmes, designed with grassroots community groups in mind, are also often more accessible than other funding programmes, which may be aimed at higher capacity organisations. There are a number of barriers to accessing funding which community groups may face:

- **Limited capacity of volunteer-led groups to undertake lengthy application processes.** Many community groups exist exclusively on the time, energy and experience of volunteers, often without the support of any paid staff members. As such, they depend on voluntary individuals to undertake fundraising activities – and the longer and more complex a fundraising process, the more time and capacity is needed from the applicant (with implications for volunteer wellbeing, individual & group resilience). For many smaller community groups seeking to respond to emerging needs, dynamic funding approaches which support timely decision making are crucial.
 - e.g. The [Investing in Communities Fund](#) required applications to be submitted 9 months in advance of a project commencing, and the decision-making process took 7 months.
- **Limited capacity to manage irregularity of available funding and timescales for application.** New funding programmes may launch at any time, and application windows often span a number of weeks. However, community groups without dedicated fundraising personnel do not have the capacity to undertake constant horizon scanning, and are more likely to seek funding following recognition of a funding need – by which point a fund application deadline may have passed. Regular availability of funding, established communication networks and consistent guidance is needed.
 - e.g. the [Scottish Government's Climate Engagement Fund](#) had a 5-week application period as a pilot programme, with no indication of its potential to reopen.
- **Financial conditions which are challenging for small groups.** Many funding programmes will only fund a portion of the funding required for a particular project or will only complete the payment of a grant in arrears, which can create challenging cash flow conditions for small organisations.
 - e.g. [CARES' Let's Do Net Zero Community Buildings fund](#) will support up to 80% of the costs of decarbonisation of community-owned buildings, but other funding must be secured before a project can proceed.
- **Decision-making which does not take account of rural contexts.** Although there are efforts to take a rural lens to decision making across government and other major funders, third sector funding is highly competitive, and funding decisions can be driven by 'value-for-money' or 'cost-per-person' criteria, without recognising the higher costs of living in rural and island Scotland. The use of the SIMD to inform decision making omits recognition of smaller pockets of deprivation which exist in large rural data zones, and the more significant impact of reduced access to transport, employment and other services.

CLLD is a crucial pillar in supporting rural communities to thrive

By focusing on the developmental learning & dynamic needs of Scotland's rural communities, CLLD creates the conditions for community resilience and builds their capacity to engage in other funding processes. Without CLLD programmes as an accessible, established and connected source of funding for grassroots groups, it is those communities with the least capacity to fundraise who are likely to be left behind.