

Reviewing the Scottish Government's Rural Communities Testing Change Fund 2021-22

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Purpose of this report

This report summarises the evidence collected from different sources relating to the Scottish Government's Rural Communities Testing Change Fund which has run from Autumn 2021 to Spring 2022. The sources include applications to Tranches 1 and 2 of the funding, interim evaluation reports from Tranche 1 projects, and workshops and meetings involving projects in both Tranches.

From our analysis of this evidence, the research team has identified a set of 15 policy recommendations to inform the Scottish Government's planning for future Community Led Local Development funding.

The first section of this report describes these policy recommendations. The report then briefly describes the RCTC Fund, outlines the methodological approach taken in this review and presents the evidence, with some of the more detailed quantitative analysis and evidence included as an Appendix.

Recommendations

The following is the list of 15 recommendations to inform future Community Led Local Development (CLLD) funding arrangements. These have been distilled from the range of evidence collected in this project.

- 1. Future funding for CLLD is vital:** CLLD activities are crucial for empowering communities and enabling and supporting community leadership, which are vital for achieving sustainable and resilient rural and island communities. Almost 30 years of LEADER funding has left a significant and positive legacy across rural Scotland, but it has seemingly become hampered by increased bureaucracy and the balance between government (locally and centrally) and communities has become somewhat skewed towards the former. Moreover, the important roles played by community and voluntary sector organisations during the pandemic demonstrate even further the need to continue to support these groups through flexible and enabling funding which is not stifled by bureaucracy. The breadth and depth of activities across Tranches 1 and 2 of the RCTC Fund, funded through both small and large grants, demonstrate the creativity and capacity of many of Scotland's rural and island communities to deliver, through community-led and participatory activities, to the Scottish Government's policy priorities, including achieving net zero ambitions and a just transition. This work depends on well-developed trust-based relationships which take time and commitment to establish, especially with groups that have not traditionally engaged in such activities, but it offers

great potential for more openness in decision-making and for new and marginalised voices to be heard more loudly in local development processes.

2. **Taking time to finalise future arrangements:** Given the importance of CLLD funding, but also the extent of change still going on at the moment, for example, in terms of awaiting further information on the UK Government's Shared Prosperity Fund, rising costs of living associated with energy price changes and the Ukrainian crisis, the ongoing transition out of the Covid-19 pandemic, and evolving Scottish Government policy priorities (e.g. the publication of the Scottish Government's new National Strategy for Economic Transformation and its associated commitments, developments regarding National Planning Framework 4, the launch of the new Rural Entrepreneur Fund, the shaping of priorities related to community wealth building, wellbeing, net zero, etc.) it may be worth the Scottish Government considering the 2022-23 financial year as a further transition period to continue to test out new approaches in this changing context, building on the activities that have been undertaken since summer 2021. Further shared learning may be useful with other parts of the UK undertaking similar planning and development work¹. Taking a little more time to try out new methods of delivery and new types of projects, and also to undertake further work to engage with hard-to-reach groups, in order to inform the detail of future arrangements during this period of uncertainty would seem like a sensible route forward. Further time for testing, evidence gathering and reflection is likely to result in more effective decision-making and more innovative and impactful future funding arrangements meaningfully led by communities. It is important though that taking extra time does not impact negatively on the ability of community groups, LAGs and LEADER staff to continue their vitally important work with communities.
3. **Avoid gaps between funding cycles:** Gaps between funding cycles create uncertainty for project staff and, at worst, lead to a loss of staff who are required to find alternative employment if their contracts cannot be renewed. This leads to a loss of expertise and knowledge as well as interrupted momentum on project activities. Genuinely good and effective CLLD programmes require consistent funding and time for everyone involved to build capacity.
4. **Provide long-term (ideally multi-annual) funding where possible:** Successful applicants for both Tranche 1 and Tranche 2 funding commented on the importance of having long-term funding for their work, particularly (but not only) where the aim is to engage with community groups or individuals/groups within communities (e.g. young people) who have not engaged previously. This requires additional time to set up the process, raise awareness of the programme and support new community-led applicants to submit good quality applications. Where multi-annual funding is not possible, schemes should be administered in order to allow as much delivery time as possible. Having multi-annual funding will give those running activities more confidence to propose larger projects with more ambitious targets and outcomes.
5. **Flexibility:** This is key, in many different ways, including:
 - a) Enabling those leading projects the freedom to shape their activities, or to decide on which projects are funded, and at which time, in order to best meet their local priorities (e.g. a focus on tourism in the summer months, avoiding winter months

¹ For example, Professor Ruth McAreavey at Newcastle University has recently undertaken a review of rural development funding in Northern Ireland to inform future arrangements. The report from her work has just been made available and will be shared with Scottish Government.

when weather can be poor and cause disruption, ensuring holiday periods are avoided when working with schools, etc.);

- b) Encouraging innovation in local activities, to respond to both persistent challenges (for example relating to depopulation, housing or transport) and newly emerging challenges and opportunities (such as the Covid-19 pandemic, EU exit, the climate emergency, and the rising cost of living);
- c) Allowing LAGs (or other similar groups that may manage funding at local level in future) the flexibility to tailor the application process to best fit particular target groups, including private sector businesses;
- d) Enabling LAGs (or future equivalents) to make payments upfront where appropriate as cashflow is often a major constraint for small community organisations;
- e) Some flexibility with the definition of rural to allow for some modification where it is not clearcut; and
- f) Allowing the option for groups to apply for funding for running and revenue costs to enable them to keep operating; this might help to take away some of the pressure that groups feel when they are constantly having to apply for funding for new activities.

6. **LEADER staff and LAGs have immense local knowledge and experience that should not be lost in future funding arrangements:** The bids to Tranche 1 from LAGs demonstrate:

- a) the wealth of local knowledge and experience amongst LEADER staff and LAG members which can inform both animation activities and local funding decisions;
- b) the importance of the LAG and LEADER staff in playing a key coordination role for relationship-building, including between communities, businesses and other local and regional agencies, including local authorities - LAGs are trusted and well respected locally;
- c) the versatility of the LAG and LEADER staff in terms of delivering and managing a number of different funds in a highly agile and responsive way; and
- d) the important role of the LAG and LEADER staff in terms of 'handholding' for applicants and funded projects.

The links between projects and the LAG can be very important in terms of ensuring higher quality applications, encouraging new ideas and supporting the delivery of high impact projects. It is worth considering how these LEADER 'structures' could be retained in future funding streams (from both UK and Scottish Governments) in order for them to maintain, and indeed grow, these important roles in future. They may not be called 'LAGs' in future but having 'structures' which are similar in terms of having a broad representation of local stakeholders, performing the roles mentioned above with the support and buy-in of other organisations locally/regionally (especially local authorities) is critical.

If in future a national organisation such as Inspiring Scotland is involved in the delivery and management of the funding there is a need to ensure that the local level knowledge and networks of LAGs and the local animation and development support that they can provide to potential/actual projects and wider community organisations are not lost. The two arrangements together could provide a very experienced and complementary 'framework' for funded projects.

7. **Allow for – indeed encourage – creative and innovative working, even if this means taking risks that may ‘fail’:** Many of the activities proposed in both Tranche 1 and Tranche 2 are ‘new’ and future funding should also encourage such activities. It must be made clear by those managing the funding that this creativity is important and that if projects do not meet all of their milestones or do not complete in the original timescale then that also represents useful learning.
8. **Build in funding and time for animation and capacity-building work:** In order to ensure that communities and individuals/groups within communities that have not previously engaged can do so, animation work is vital. This was highlighted in SRUC’s Leader review² and also in several of the LEADER evaluations from the 2014-20 period. This will mean that future CLLD funding is much more inclusive and much more able to promote real bottom-up development. Such animation work may take many forms with different groups and involve other key stakeholders (such as community development officers from local authorities and local NHS health promotion teams). There may not always be quantifiable outcomes to demonstrate success especially in the short-term, though in many cases this work will help to ensure that project ideas are ‘translated’ into ‘good’ applications and projects. This animation work may be particularly important when groups are small and rely on volunteers (where burnout is a real challenge).
9. **Build on, and learn lessons from, what has gone before:** The design of a future CLLD funding programme can benefit from an immense amount of learning as to what has gone before, from Scotland and elsewhere. This can be in terms of the application process and what has/has not worked, but also learning in terms of how to encourage and support communities to generate ideas so that future funded projects are genuinely community initiated and led.
10. **Build in clear evaluation plans/tools from the start:** It is vitally important that evaluation work relating to a new funding stream takes place from the outset and on an ongoing basis. It also must not be too onerous for projects to engage with, but must be meaningful. It may be worth undertaking a piece of work early in the new funding cycle to review the numerous tools that are available for ‘social evaluation’ and providing advice and guidance on an appropriate approach for all funded activities to follow which allows for the comparing of information across projects and time. It may be worth exploring the potential for parallel or related evaluations to take place across a number of similar funding streams, particularly those focusing on rural areas and islands. Creating a framework to guide future evaluation activities is an important part of the wider governance of future funding programmes, which could also include regular monitoring of the inclusion of marginalised voices, communities in new geographic areas, etc. and wider monitoring of the impacts and value of CLLD investment.
11. **Ensure a simple, yet robust, application process:** Applicants, particularly in Tranche 2 and in the LAG-managed small grants schemes with Tranche 1 funding, appreciated a simple application process. Emphasis was placed on the need for a quick and transparent decision-making process for grants so as to not delay project activity. Where grants are small not having a requirement for match funding would seem to be a good approach to avoid additional delays and complexity.
12. **Create a mechanism for sharing information, experiences, etc. between projects:** This could be a digital forum and/or regular face-to-face meetings to share ideas, learn and network. It is worth noting that there was a very positive response amongst

² This can be found online [here](#).

participants to the Inspiring Scotland-organised portfolio welcome events in January, including the breakout sessions giving participants a chance to informally chat with other projects. It is also clear that the Scottish LEADER Staff Group (SLSG) meetings are hugely valuable to staff delivering CLLD 'on-the-ground' and to other interested parties, including Scottish Government, Scottish Rural Action, researchers, etc. In future, themed events could be organised across funded projects, with a focus on climate change/net zero or local food-related activities, or other key SG policy priorities, perhaps particularly pertinent. It may be useful to consider the establishment of an online portal for delivery staff to share copies of application forms that they use, information on engagement techniques that they have adopted with particular groups, etc. The experience of Inspiring Scotland, for example in terms of managing a number of funding streams and gathering evidence about the impacts of projects, may be very valuable here, alongside the LAGs experience, networks, knowledge etc. locally 'on the ground'. Moreover, this sharing of ideas and experiences should be promoted beyond Scotland, including with the rest of the UK and with our EU neighbours.

13. **Improve knowledge of national policy priorities and how projects deliver to them:** In their application forms, projects across Tranches 1 and 2 were able to identify and explain which policy priorities their work would deliver to. However, this link to the national policy context appeared to diminish as project work got underway (understandably as the priority for projects is delivering on the ground to local priorities). However, being able to demonstrate how future CLLD projects in rural communities positively deliver to, and indeed link with and build on, these national policy priorities is important. It may be particularly useful for SG staff when working with Cabinet Secretaries/Ministers and colleagues across policy teams to demonstrate the important contributions of rural communities to, for example, net zero targets, reducing child poverty or community wealth building. This could be effectively achieved through a mechanism such as a toolkit, with accompanying guidance, for project managers to report their activities against the priorities. The Rural Communities Policy team in SG could have a role in ensuring that the toolkit has up-to-date information on SG priorities and asks for information in straightforward but comprehensive ways.
14. **Recognise that young people have lots of good ideas and want to engage:** This is apparent from the very positive levels of engagement from young people across the LAGs that have sought to work with them directly through various ways in their projects. Building on the new approaches that have been tested in this phase of funding in future activities would be very worthwhile and it would be worth the Scottish Government considering how to further nurture these ideas and engagement in future CLLD arrangements. This might be through flexibility which enables LAGs or their future equivalents to focus on young people if they wish or through a dedicated funding stream for young applicants and/or projects focusing specifically on young people.
15. **The importance of community 'infrastructure' to provide meeting spaces and reduce isolation:** This was revealed through applications to Tranche 2 in particular where many were focused on improving or upgrading recreational and meeting facilities and addressing wellbeing and mental health priorities. It may be worth exploring the extent to which these applications were from communities that have recently taken on these assets in which case exploring a dedicated funding stream to support communities to maintain these assets might be useful.

Background to the Rural Communities Testing Change Fund

With the closure of the EU-funded LEADER Programme, in its 2021 Scottish Budget, the Scottish Government confirmed £3 million of funding to test new ways to support and deliver on community led local development (CLLD) in Scotland. The projects aimed to inform how Scotland can grow sustainable and thriving communities and ensure local voices shape and drive their development.

[The funding](#) was available for the 2021-22 financial year (i.e. the money had to be spent by 31st March 2022) and had to be used to pilot new approaches to CLLD with lessons learned used to inform any future funding.

The funding was delivered in two tranches. Tranche 1 was funding for LEADER Local Action Groups (LAGs) through two streams. This aimed to allow them to build on the positive legacy of LEADER while using their experience to properly innovate and test change. Stream 1 - the LAG Innovation Fund - represented £50,000 allocated to each LAG subject to submission of a proposal for the activities to be undertaken. Stream 2 – the LAG Challenge Fund – was a total of £400,000 to be awarded through competitive bidding by LAGs.

The criteria for projects were deliberately broad and non-prescriptive in order to maximise opportunity for innovation. However, the projects:

- must demonstrate that they advanced inclusion, equality and diversity;
- had to look at how to better align community based activity to meet community priorities – and to ensure that these really were whole community priorities that recognised and responded to particular and distinct local opportunities and challenges.
- were required to properly test change, to plan and carry out new and innovative approaches and observe and measure the results (which may include failure as well as success) to inform any future CLLD funding.
- Had to support at least one of a range of Scottish Government priorities, including:
 - Young Person's Guarantee, Green Skills and Fair Work
 - Rural Movement & Scottish Rural Parliament outcomes
 - Covid recovery
 - Community wealth building
 - Local democracy and governance, community empowerment
 - Wellbeing Economy
 - Inclusive growth (includes Community-Led Tourism)
 - Net Zero & Climate Emergency
 - The National Islands Plan and Island Communities Impact Assessments
 - National Planning Framework

Tranche 2 of the fund was called the '[Rural Communities Ideas into Action Fund](#)' and it was delivered through a partnership of the Scottish Government and Inspiring Scotland. All community groups were eligible to apply for the funding by 8th October 2021 through the Inspiring Scotland website. Groups could apply for small grants (up to £3,000) or large grants (£3,001 to £50,000). Information about all of the funded projects is available [here](#) on the Inspiring Scotland website.

This document summarises the key messages emerging from SRUC's review work across the two Tranches. The approach taken to gather information relating to the two funding Tranches was different and these approaches are outlined in the next section of this report.

Approach to the review

3.1 Tranche 1

This SRUC evaluation was necessarily 'light touch' for a number of reasons. First, the timescale for projects in both Tranches to deliver their activities was very tight so it was important for the research team not to take up valuable delivery time with requests for large amounts of information. Second, many of the (larger) projects planned their own evaluation activities, either undertaken by project managers/coordinators or in some cases by external evaluators so it was important not to duplicate this work. Third, Inspiring Scotland planned a comprehensive approach to gather information to evaluate projects in Tranche 2 and it was important not to duplicate or complicate this process.

The research team has therefore made use of existing documents and planned workshops and meetings to gather evidence to inform this review. The methodological approach taken had several complementary elements:

- An in-depth desk-based review of the Tranche 1 Stream 1 (LAG Innovation Fund) and Stream 2 (LAG Challenge Fund) applications
- A short email survey of LAGs in mid-December to explore how their projects are proceeding, any challenges and barriers experienced, and key messages for the Scottish Government at this stage of their activity
- Attendance at Scottish LEADER Staff Group (SLSG) 'Testing Change Workshops' in January-March 2022 to hear about the progress of projects on the ground and gather additional information and intelligence
- Attendance at two SLSG monthly update meetings to briefly present an introduction to the review work (December 2021) and then to present the key findings (March 2022)
- Review of interim reports submitted by the LAGs to Scottish Government

3.2 Tranche 2

The SRUC team worked closely with Inspiring Scotland and Scottish Government to devise an appropriate strategy for gathering evidence from Tranche 2 projects to inform the evaluation, in particular to recognise Inspiring Scotland's plans for collecting information from projects. Again the approach had several different elements:

- Quantitative analysis of the successful small and large grant applications to Tranche 2
- Attendance at Inspiring Scotland's portfolio welcome events (January 2022) and analysis of information collected from participants via Mentimeter.
- Attendance at Inspiring Scotland's evaluation workshop (March 2022).

The information gathered has been distilled into a set of key themes for each Tranche. The first section of this report outlines the recommendations for future CLLD funding based on this thematic discussion.

Lessons learned

Taking a thematic approach this section describes the evidence gathered first from Tranche 1 applications and then from Tranche 2. The evidence presented in these two sections has informed the recommendations presented at the start of this report.

Lessons learned – Tranche 1

Generating ideas for new projects

Across the Tranche 1 applications for both Streams (the LAG Innovation and LAG Challenge Funds), it is clear that the LAGs have successfully generated, and applied for funding for, new and different projects. These ideas emerged from different sources, including: discussions within the LAG and/or LEADER staff team based on their knowledge and experience of activities undertaken in previous LEADER programmes; discussions between different LAGs and/or LEADER staff teams focusing on sharing successful project ideas from previous LEADER funding rounds and implementing them in new places; discussions between the LAG and other local organisations (e.g. community councils/groups, sector-based organisations such as tourism groups, national organisations, etc.); and in some cases, consultation with community groups - indeed, for some LAGs, the Tranche 1 funding provided the financial support to undertake this community consultation.

It is clear from the applications, but also from hearing about the LAGs delivery of the projects through the SLSG workshops, that LEADER staff and their LAG members who have stayed on, have immense knowledge of previous/existing CLLD activities in their areas, of what will/might work in future, and of alternative funding streams and their appropriateness for the proposed projects, etc. This RCTC funding has given them the support and freedom to test these ideas out. Some of these project ideas have been prompted by recent changes about which the LEADER staff and their LAGs are well informed as a result of their strong local networks. Examples include: the increase in staycations and domestic overnight and day visits to rural communities and the challenges and opportunities that these have brought; an emergence of new kinds of community groups and activities during the pandemic; and the declaration of the climate emergency and ambitious targets for climate change/net zero and local food-related activities in Scotland. Other project ideas are based around more persistent and long-standing challenges in particular areas, such as transport.

Examples of 'testing change' activities...

Across the LAGs there are many examples of projects that test change in at least one – and often many more – ways:

- Exploring the potential to **increase innovative community-based working**, such as participatory budgeting and participatory grant-making, in order to achieve greater

understanding of local priorities and wider engagement of local people in the LAG's decision-making. One example is building on the innovative Moray LAG arrangements (with tsiMoray as the accountable body), to test the adoption of co-production principles, provide further support for community capacity building and unleash further creative power from local people, groups and businesses. These processes and this learning are vital to informing the design of more inclusive local development in future whereby new voices are heard and more openness is achieved in decision-making.

- Encouraging **co-operation between LAGs** both to deliver activities but also to share learning. For example, the co-operation project between North and South Aberdeenshire LAGs and the joint project by the Outer Hebrides, Orkney and Shetland LAGs to engage young people in all three areas, including through employing graduates to run the programme (alongside a coordinator) in the different island areas. A further collaborative project was led by Perth and Kinross LEADER working with a number of partners, including the Cairngorms National Park and local authorities in Angus, Aberdeenshire and Moray.
- **Providing new small-scale funding**, for example: to businesses for net zero and climate emergency related activities with an associated re-designed, 'light-touch', quick application procedure with reduced bureaucracy (as in Forth Valley and Lomond's Climate Nudge Fund for example); for small projects to test a model approach (such as in the Scottish Borders using the Human Learning Systems approach); or for small-scale community activities including events (such as in the Western Isles), etc.
- Encouraging **new/greater community engagement in existing projects led by others** (e.g. Fife LAG building on St Andrews University's plans for net zero in a way that includes the local community and builds a relationship with them).
- Undertaking the **practical application of a model approach to a grant funding system** to test effectiveness in terms of CLLD (e.g. the Scottish Borders LAG's project to explore the application of the Human Learning Systems approach developed by Newcastle University, or Orkney LAGs use of the Social Value Engine). The HLS approach moves away from the rigidity of the previous LEADER programmes to test a more flexible, staged application process, outcome-focused monitoring and evaluation based on trust and a more holistic approach to tackling complex issues. The work has resulted in a number of outcomes, including some new and unexpected collaborative relationships developing between groups that have met through the process.
- Including activities which relate to **modifying the procedure for applying for funding, including through the use of technology**. For example, Ayrshire LAG were keen to remove some of the previous challenges encountered in LEADER around lengthy application forms and having to provide substantial back up documentation by introducing the idea of online video submission for project ideas, combined with follow up online meetings. Alongside this they are working on using a video survey to inform a future Local Development Strategy. They hoped that as well as the reduced carbon footprint from less printing and travel and overcoming covid anxiety from face-to-face meetings and events, the approach would encourage greater engagement from young people.

- Using the money to **employ a staff resource where one has not previously been available** to test the benefits of having a paid member of staff in addition to volunteers. This use of Tranche 1 funding was pursued by several LAGs.
- Focusing specifically on **increasing the engagement of young people**, through changes to the application process (e.g. using video technology), encouraging young people to engage in specific activities such as the running of regional food hubs set up in an earlier co-operation project across four LAG areas, and seek understand better the needs of young people and work with them to identify what kind of decision-making forum works best for them and to initiate projects that meet their priorities (Highland LAG). These activities build on previous evaluation work which has demonstrated the limited engagement of young people in CLLD.
- **Engaging with groups/communities that had not previously engaged with LEADER.** This has been the focus of activities for several LAG areas, and many examples can be provided here. Forth Valley and Lomond LAG area chose to do this engagement through simplifying the application and grant process (which they knew had discouraged some people from applying), including by offering very targeted funds which reduced some of the procurement challenges that have been experienced in the past. They also offered community groups 50% of funding upfront and 50% on completion. In the Outer Hebrides this was achieved through funding for community events to build community spirit but also with an element of engagement in them, with the shape of that engagement decided by the community. The aim of the latter activity was to create community-led Community Action Plans/Needs Assessments detailing community characteristics, aspirations and needs, which were community led and could be regularly revisited and updated, ensuring ongoing animation and capacity-building. Fife LAG area has focused some of its Tranche 1 funded activities on the South and West Fife area from where the 2014-20 LEADER evaluation highlighted that there had been fewer projects submitted and a need for additional capacity-building to support communities. Moray LAG focused on engaging communities using new tools and techniques in order to generate positive visions for a carbon-neutral future including using artists, photos, vision-boarding and story-telling. The work of Shetland LAG has been focused on engaging communities in conversations on a Development Strategy for future CLLD. This has included the use of digital platforms to conduct conversations alongside more traditional methods and identifying gaps in community support and collating ideas for how these might be addressed. Finally, West Lothian LAG has focused on working with deprived communities along the 'Shale Trail' that have not traditionally engaged with LEADER or other funders to develop their own plans. The real difference in this work is its thematic approach in focusing on encouraging people to engage on an issue of interest (the area's industrial heritage) rather than a wide set of issues and opportunities.
- **Delivering a successful project in a new/different geographical area** with appropriate adjustments. For example, the Rural Skills project in South and West Fife run by Fife LAG which built on a similar successful project in North East Fife, as identified in the Fife 2014-20 programme evaluation.
- **Testing changes to the LAG itself:** There are several examples of LAGs testing changes to the LAG itself, including through the LAG delivering a project, for example, the work in Fife to engage young people from the LAG area and get them

more involved in the management of rural development funds and in their communities as a whole. Another example is the work in the Greater Renfrewshire and Inverclyde LAG area to share information on the previous work of the LAG through the planned community consultation activity, and to seek new volunteers to join the LAG to ensure it remains inclusive and representative of the demographic of the area (e.g. by including more women, young people aged 16-24, and Black, Asian and Minority Ethnic [BAME] and LGBTQ individuals).

- **Focusing on a new theme:** Part of Orkney LAGs Tranche 1 application was to further explore community led environmental tourism (particularly through working with local young people) as it was highlighted in the 2014-20 evaluation that the environmental strand of the programme needed to be strengthened. In a similar way Orkney LAG are also building on their previous work to strengthen Orkney's festivals and cultural and heritage sector.
- **Supporting communities to write, update and deliver community action plans:** Rural Perth and Kinross LAG focused their application on supporting communities with their community action plans, which are important in making things happen in a community, re-engaging the wider community, refreshing community organisations, and perhaps most importantly, empowering communities to take a lead role in delivering the desired actions (rather than necessarily waiting for others to do so).

...but always building on what has gone before

As well as testing change and demonstrating innovation, the Tranche 1 applications all clearly build on, and are grounded in, previous activities undertaken by the LAGs and the experience of LEADER staff, including from the last couple of years during the Covid-19 pandemic. For example:

- **Building on innovative governance arrangements** set-up in the previous LEADER programme (e.g. the tsiMoray model which was truly community-led, and the peer-to-peer relationship between tsiMoray as the accountable body and the LAG).
- **Referencing evaluation work undertaken in previous LEADER funding rounds** particularly in the 2014-20 programme period, to build on its positives and negatives, in order to shape new activities. For example: addressing a recommendation to engage hard-to-reach groups or communities of interest such as young people, isolated older people or the farming community; or to engage community groups (i.e. communities of place) that had previously not engaged; building on existing pipelines of projects including those projects that had made significant impacts on their communities and/or those that were not funded previously due to limited funds, or designing a new grants system; learning from the work of another LAG previously (e.g. Highland LAG seeking to learn from the Outer Hebrides in terms of their youth LAG work in the 2014-20 programme).
- **Building on existing stakeholder relationships and activities** to deepen and broaden collaborative approaches to CLLD and associated engagement activities. For example, Cairngorms LAG has built on earlier work with young people in the Cairngorms National Park in terms of their new Youth LAG, while Tyne Esk LEADER has worked on strengthening relationships with 'connector groups' such as Community Councils, Community Planning Partnership, etc. to test outputs from the

Scottish Rural Parliament and Scottish Government policy priorities against local priorities to identify alignment and/or differentiation.

- ***Building on community-led activities which have emerged during the pandemic:*** A good example is the food security related work in by Fife LAG which builds on the work, evidence gathered, and networks and joint working established by local authority area teams and community-based food providers during the pandemic. In all of these cases LEADER staff/LAGs have built on their own local knowledge, experience and networks to ensure that the new activities reflect changes that have happened due to the pandemic.

Using the funding to continue to employ staff or to make new (temporary) appointments

Many of the LAGs used their Tranche 1 Stream 1 funding (or at least some of it) to employ a new member of staff, or continue the employment of an existing member of staff, such as a project coordinator, to lead the work they were planning, to facilitate community engagement, etc.. Fife LAG area, for example, employed a programme coordinator, a training officer to work with community groups, and mentors for their food waste-related work. For one project (the joint project involving North and South Aberdeenshire LAGs) the delays in confirming Tranche 1 funding led to staff being no longer in post and so consultation activities had to be done by local authority area offices.

Promoting inclusion, equality and diversity by engaging with 'hard-to-reach' groups

The Tranche 1 projects all placed emphasis, to a greater or lesser extent, on seeking to increase inclusion, equality and diversity, through engaging with 'hard-to-reach' groups, and/or with groups/communities who have not previously engaged (such as young people, under-represented locations within a LAG area, those experiencing food insecurity, etc.).

This was either through placing emphasis on consultation specifically with these groups (e.g. through the community events run by the Outer Hebrides LAG, in Moray through the facilitation of community engagement with a specific focus on 'seldom heard' groups, or in Orkney through the 'Orkney Matters' consultation), or through targeting their practical work with them (e.g. the green tourism project in Lanarkshire, the youth internship/mentoring project in Fife and the food security work in South and West Fife). Some funded projects sought to do this engagement through working with other stakeholders across their areas (this was the case in Moray, the Outer Hebrides and Orkney for example). Fife LAG area also placed emphasis on working with dedicated mentors with a role in learning what can be adapted from other areas and might not work as well and needs a new approach to be developed and tested further.

It was noted that this animation and engagement work by the LAG with communities used to be part of LEADER in previous programmes but it has diminished in importance more recently due to lack of resources. This has led to criticisms of LEADER (including by the Outer Hebrides LAG) that it has actually (unintentionally) increased inequalities between communities as only some could negotiate this tricky process leading to support gravitating towards well-resourced groups that have existing capacity and established social and community enterprises.

The LAG applications in Tranche 1 noted a variety of different ways of 'doing' this animation, including working alongside existing community development officers and working with

partners in the creative sector to design inclusive and accessible creative techniques in arts (in Orkney for example). Some LEADER staff expressed frustration that having built up this new capacity and these new relationships with hard-to-reach groups, gaps, delays and/or uncertainty with regard to future funding may cause damage if capacity is lost and relationships weaken/break down if trust is eroded. It was clear though that having this dedicated time for animation work, to go out to communities and engage, which was not available in more recent LEADER funding rounds has been incredibly valuable.

Finally in this section, specifically in relation to young people, as noted earlier there are several successful Tranche 1 projects working explicitly with young people, from which important learning can be drawn for future CLLD funding. It may be worth thinking about a dedicated funding stream for young applicants in future and/or funding specifically for projects focusing on young people. Such a focus on young people would also sit with various aspects of the wider context here, including the recent Council of Europe resolution on supporting young people³, Europe's future vision for rural areas, and other Scottish Government commitments on young people particularly in rural and island locations. The recent Rural Lives report has also highlighted that young people are the hardest hit in terms of unemployment post-Covid-19 which provides an additional, strong rationale for providing more support to this group in future CLLD arrangements.

Rural areas positively contributing to Scottish Government policy agendas

It is apparent from the applications that projects across Tranche 1 Streams 1 and 2 make substantial contributions towards key Scottish Government policy priorities, including community wealth building, climate change and net zero, local food related activities, etc. Examples include: the Forth Valley and Lomond Climate Nudge Fund to encourage businesses and community groups to adopt zero carbon and climate emergency actions through a simplified mini grant scheme; Orkney LAGs work on community consultation, community-led environmental tourism, and strengthening festivals and the cultural/heritage sector; and Fife LAG's work on local food-related activities. The work of Tyne Esk LAG has explicitly sought to test Scottish Rural Parliament and Scottish Government priorities against local priorities and identify points of alignment and differentiation.

However, what was also apparent was that these contributions were not always clearly and fully articulated in the applications and also that they were not fully discussed, and indeed it could be argued infrequently mentioned, in the presentations made by LAG staff at the SLSG meetings. This might reflect a disconnect between the national policy level and local action 'on-the-ground', which has been found in other research⁴. 'Joining these back up' has the potential to be very valuable in demonstrating how local community-led activities on the ground in rural Scotland can contribute to core Scottish Government policy agendas.

Evaluating impacts

A range of evaluation indicators were suggested by LAGs in their Tranche 1 applications. Some focused on 'traditional, tangible' indicators such as the number of young people under

³ For more information, see [here](#).

⁴ See for example our work in Research Deliverable 3.4.2 in the 2016-22 Scottish Government Strategy Research Programme which focused on place-based policy, including exploring some local place-based approaches and their 'relationship' with policy at the national level.

25 engaged, the number of communities consulted with/engaged, leverage of additional funding, number of completed community action plans, number of less heard groups engaged with, number of capacity-building events undertaken, etc. Others recognised the need for additional 'qualitative, less tangible' indicators, such as increasing the confidence, skills and employability of young people. It was also recognised that demonstrating and evaluating the success of projects would be challenging in the tight timescales of the funding programme.

It is perhaps worth particularly mentioning the work by Orkney LAG to use the Social Value Engine tool to better capture the impacts of projects, and the work of the Scottish Borders LAG with the Human Learning Systems Approach. Learning from both of these Tranche 1 projects will be particularly valuable in terms of a systematic approach to evaluating future CLLD funding.

Building on Rural Communities Testing Change funding in future

All Tranche 1 applications set out ways in which their proposed activity would identify actions, and in some cases, potential funding sources, for work to continue beyond March 2022. A good example is the Orkney-wide consultation 'Orkney Matters' being undertaken by the Orkney LAG which will improve the evidence base about newly emerging ways of working during the Covid-19 pandemic, where to go next in terms of recovery, issues that are important to different communities, and the types of recovery projects emerging. This better understanding of the types of project coming forward will be important in order to find a good fit for future support from the changing funding framework. In Forth Valley and Lomond it is hoped that the Climate Nudge Fund will generate ideas and momentum for larger more impactful future projects.

However, there was concern expressed in the SLSG meetings about the gap in funding between March and May 2022 and the potential for momentum, staff and trusted relationships to be lost. This was felt to be a particular risk in projects where new staff and/or new groups had been engaged, and new networks created. Ensuring those involved are always up-to-date with future funding streams is important so that they can always look ahead in a proactive, realistic and informed way.

Identifying the importance of flexible place-based funding

As explained in Moray's Tranche 1 Stream 1 funding application: *"It is notable that the Scottish Government has identified Moray as having amongst the lowest resilience to economic change of all local authorities in Scotland... significant efforts will be required to recover from the impact of Covid-19 and to mitigate the negative outcomes from Brexit. The rationale for a flexible funding programme that can support Moray's third sector, small businesses and primary industries (farming and fishing) remains very strong."*

Moray LAG in its application argues that the funding can provide a framework to build other proposals and: *"build up a wider sense of ownership and platform of participation in the development of future CLLD programmes building on the success and achievements of Moray LEADER 2014-20."*

Several Tranche 1 projects referred to the impacts of recent changes in their reports of activities undertaken so far, including recent poor weather (including storm events) and the

Covid-19 pandemic. The tight timescale for RCTC spend has created concerns that some projects would not be able to deliver on time, and some activities have had to be revised. Ensuring that future funding is more flexible will help to mitigate some of these concerns if timescales have to be revised for similar reasons beyond the control of individual projects.

In relation to Tranche 1 funding, several LAGs commented on the importance of flexibility in terms of having small grants available using a simplified application process. These small funds can be particularly effective at funding animation and engagement type activities and at reaching new businesses and community groups that have not previously engaged (for example through the Community Shout Out engagement work in the Outer Hebrides where new groups were encouraged to work with anchor organisations). For Forth Valley and Lomond LAG area, a key message in terms of future CLLD funding is that it is possible (and necessary) to move beyond the administrative limitations of LEADER and support LAGs (with their immense experience and knowledge) to use funds to meet local needs and in multiple ways, including through targeted funding alongside larger funds.

Recognising the value of small grant schemes

Building on the previous point, while the importance of long-term funding cannot be downplayed, several LAGs also decided to spend a proportion of their money on small- or mini-grants for particular activities (e.g. to 'nudge' zero carbon and climate emergency actions by communities/businesses, or to hold community events). The rationale for such schemes was often to engage groups that had not previously engaged (e.g. small grants for young people or businesses), to generate engagement and learning for a future larger scale programme of support, and/or to give a proactive role to the LAG in terms of going beyond simply addressing a specific demand from a specific project. Learning also took place for LAGs including in terms of designing a simplified grant application process for these schemes.

The need for a system to replace LARCs

Several LAGs commented on the need for a new digital system to replace LARCs (which was used in the previous LEADER programme) which was found to be cumbersome by both LAGs and applicants, with potential applicants sometimes deciding not to apply as it was too onerous to use. There were calls for a much more user-friendly system combined with training at the outset of a new programme and regularly thereafter (e.g. annually). In order not to exclude those applicants who are not online, it was felt that a parallel system to submit applications in different ways would be useful and there may be lessons from those LAGs who are testing such new approaches with their funding (e.g. using video technology).

Taking a flexible approach to defining rural

While some local authority and LAG areas are very clearly rural, for others this is not the case and so some flexibility may be required when designating areas that are eligible for 'rural' funding. An example is Fife where there is not a clear and well-recognised boundary between rural and urban areas which has led to some confusion in terms of eligibility for funding. It may be appropriate for future funding schemes to be flexible to take account of areas like this where rural and urban areas may be strongly interlinked, perhaps on a case-by-case basis but with a strong rationale provided in each case. Indeed, providing funding

specifically for such areas might be worth exploring in order to build our understanding of rural-urban linkages and how to best support them for mutual benefit.

Lessons Learned - Tranche 2

Quantitative Analysis of Tranche 2 Applications

Analysis was undertaken of the successful small and large grant applications in Tranche 2. The detailed results are available in the report in Appendix 1, and a short summary is included here:

- Small grants
 - The median requested amount was £3,000 suggesting that the majority of successful applicants requested the maximum allowed.
 - The most prominent organisational aim amongst successful applicants was to provide recreational and meeting facilities with the most prominent project idea being to improve or upgrade current facilities.
 - Highland LAG was the most successful area with 13 successful applicants, followed by Dumfries and Galloway and Outer Hebrides (both with eight).
 - The most prominent legal status of successful small grant applicants was SCIO
 - Equality and marginalised groups was the most often cited by successful small grant applicants in terms of the focus of support of their project.
 - 'Youth' was the most popular group to benefit cited by successful applicants
 - The most prominent SG priority listed by successful applicants was 'wellbeing and mental health'; no applicants listed 'inclusive, diverse and equal economic growth'.
 - Using head office postcodes to classify applicants as being accessible or remote rural or urban revealed that there were more applications from remote rural locations (the same pattern was found using self-reported remote or accessible rural location).
 - The mean and median amounts requested for urban, accessible rural and remote rural locations were very similar.
- Large grants
 - Applicants for large grants had a wide range of incomes over the last financial year and, on average, submitted applications for just below £30,000.
 - The most prominent organisational aim for large grants was different to small grants – community development, followed by environmental projects.
 - However, similar to small grant applicants, the most prominent project idea focused on improving and upgrading the facilities of the organisation, following by launching a new product or service.
 - The most prominent legal status of large grant applicants was companies limited by guarantee, different to small grants (where the most prominent was SCIO).
 - As with the small grants, equality and marginalised groups was the most prominent group in terms of the focus of support, with unemployed young people aged 16-21 least prominent. Accessible rural applicants were least likely to say their project focused on people living in poverty while this was much more common in remote rural areas.
 - The majority of successful large grant applications listed 3 SG policy priorities that they were contributing to, with the three most prominent being: community capacity, wellbeing and mental health, and community collaboration. As with the small grant applications, inclusive, diverse and equal economic growth was mentioned by comparatively few projects.

- As with the small grants, there were more applicants from (self-reported) remote rural areas than accessible rural areas. Again head office postcodes were used to formally classify the applicants, with remote rural again the most prominent.
- The mean and median amounts requested by accessible rural applicants were slightly lower than for urban and remote rural applicants.

Further analysis was undertaken to compare the successful and rejected applications. Again the detail is provided in Appendix 1 with a summary of the key points provided here:

- On average, the rejected applications requested more money and had lower income in the last financial year.
- Across all of the LAG areas, the acceptance rate for Scotland as a whole was 42.1% but some areas were much more successful. Highland, Dumfries and Galloway and Orkney LAG areas had acceptance rates close to or higher than 60%, while acceptance rates in other LAG areas, including Greater Renfrewshire and Inverclyde, Forth Valley and Lomond, North Aberdeenshire, Shetland and Tyne Esk were much lower.
- While the number of successful and rejected applications focusing on people living in poverty was the same, there were more rejected than successful applications (and therefore lower acceptance rates) for projects focusing on equality and marginalised groups and unemployed young people aged 16-21.
- In terms of the SG policy priority focus, the lowest acceptance rates (i.e. considerably more rejected than successful applications) were for projects focusing on wellbeing and mental health and community collaboration within and among communities.

Outputs from Inspiring Scotland Portfolio Welcome Events, January 2022

This section summarises the combined results from the Menti questions used in the two welcome events. The events were held on 11th and 13th January 2022 and both followed the same agenda with the same presentations and same individuals presenting. Project staff could choose which event to attend depending on their availability.

- Out of 98 respondents across the two events, 20% had never applied for funding before, 37% had applied occasionally before, while 43% had regularly applied before. 83% of respondents at the first event had applied before (with 17% saying they had not applied before), while 76% of respondents at the second event had applied before (and 23% had not applied before).
- Respondents were asked to rate the application process. Out of a total of 96 responses, 17% rated the application process as very easy, 58% rated it as easy, 24% rated it neutral and only 1% as difficult.
- When asked what stage they were at in their project, 53% of (a total of 94) respondents said that they were just planning activities, 32% were just starting, 13% were well underway and 2% were nearly complete. No respondents reported that they were finished their activities.
- Respondents were then asked to rate their feeling about different aspects of their project from not at all concerned (1) to extremely concerned (5). Overall, respondents at the first event on 11th January (total 48) were slightly more concerned about the

different aspects of their projects than respondents at the second event on 13th January (total 47) including: completing their project by the end of March 2022 (rated 3.0 and 2.8); managing the impacts of covid-19 restrictions on their projects (rated 2.6 at both events); managing staff/volunteer absences due to covid-19 (rated 2.1 and 2.0); staying on budget (rated 1.7 and 1.5); and undertaking the project evaluation (rated 2.1 and 1.9). These results perhaps reflect the higher proportion of respondents who had previously applied for funding at the second event (83% compared to 76%).

- At both events, training in governance was ranked the least important out of five options for support for projects from Inspiring Scotland. At both events respondents felt that a training event on evaluation would be helpful, but an online peer forum (e.g. on slack) would be less so. At the first event, respondents placed more emphasis on opportunities to meet other projects through online drop-in sessions and less on a training event on fundraising. In contrast, respondents at the second event were more interested in a training event on fundraising and opportunities to meet other projects through online drop-in sessions (perhaps reflecting a slightly higher proportion of this group had not applied for funding before).
- In addition to the suggestion of a training event on evaluation being viewed as useful at both events, respondents were asked to indicate what might be particularly helpful for Inspiring Scotland to provide in terms of evaluation support. Word clouds were created from responses at both events which included the following terms: *clear guidance, ideas, templates, examples, simple, framework, flexibility, sharing best practice, case studies, suggested indicators, and expectations explained.*

In addition to these closed questions, respondents were asked to provide text comments in response to a small number of open-ended questions. The first question asked respondents what activities they had undertaken so far. In asking this question, it was acknowledged that respondents had only received confirmation of their successful bids a few weeks previously, just before the Christmas and New Year break, and so had not had much time to deliver activities - as reflected in responses to the question reported above relating to what projects had achieved so far.

Reviewing the text responses to this question reveals that the kinds of activities that (some) projects had undertaken included: advertising/recruiting staff and/or consultants; organising kick-off meetings, including meetings with partners and stakeholders, and other events; planning and preparatory work including background research relating to a new building or equipment; training; writing a business plan; submitting planning permission or obtaining other required permissions; purchasing equipment; fundraising; website design; and beginning community consultation.

Projects were also asked if they had achieved any particular successes so far. Responses to this question included: strengthening partnerships and collaborative relationships; exploring and narrowing down potential options for project activities; achieving positive feedback on proposed activities and generating local interest and excitement; successful initial project consultation with target groups, including in some instances people who had not previously engaged; recruitment of new staff and volunteers; and acquiring premises and commencing trading.

Respondents were also asked to identify any barriers that they had experienced in their work so far. The barriers identified by respondents included: (unexpected) difficulties in securing premises and/or necessary permissions with regard to planning, signage, etc.; delayed funding decisions (relating to this money and other sources); challenges caused by Covid-19 including being unable to visit people/organise face-to-face meetings/events and travel due to restrictions, staff/volunteer absences and delays to building supplies; securing long-term/core funding for the project; difficulties engaging with other partners/stakeholders and recruiting board members; the need to address some negative local feedback; the weather including strong winds and rain; and timing, including interruptions due to the Christmas break and challenges in aligning timings with other organisations especially when timescales are tight. This question also revealed some general concerns amongst respondents about the tight timescale for the work, and these concerns were also apparent through the types of questions submitted by respondents to be answered at the event with several relating to specific concerns and requests for flexibility regarding the end March 2022 deadline for spending and project activities.

Again, acknowledging that the vast majority of projects were in their very early stages, respondents were asked to indicate the key message/s that they would feed back to Scottish Government. Many comments reflected the value that respondents placed on receiving this funding in terms of being able to launch new activities and/or continue and expand existing activities, targeted at local priorities and led by the community, alongside the associated 'softer' benefits such as increased community confidence and empowerment, especially after the challenges of the last two years. One respondent summarised the key messages as: *"Flexibility on timescales, keep it simple, trust communities"*.

A number of themes emerged from the responses across both events, including the importance of:

- **A funding stream focused solely on rural areas:** *"Getting resources to the people who need it most and because of rurality can often slip through gaps as they need tailored support"; "Acknowledgment that rural community face serious difficulties. There is a serious lack of vision and long term funding"; "Better targeting to support the communities most in need especially remote rural communities"*
- **Placing explicit focus on doing things differently and encouraging innovation and creativity:** *Great that new ways of thinking are being rewarded"; "great way to test new innovative solutions"; "if we are testing new ideas, we need to accept that sometimes it won't work or will produce different solutions to those we are expecting"; "embrace testing and the risk of failure"*
- **Building projects on, and trusting, local knowledge and experience:** *"Best way forward. Know best what is needed in local community"; "Trust the community"; "Thank you for the opportunity to voice our ideas and give value to our work"; "Trust embedded organisations to direct CLLD and empower them to deliver"*
- **Community capacity-building to maximise opportunities such as this:** *"I think its very important, but some communities and board members are relatively inexperienced in this approach and probably need capacity-building"*
- **Flexibility to allow for different approaches in different places:** *"different communities have different needs and its good you have listened"; "Flexibility and open-mindedness essential to understand and meet the needs of the community";*

- **Flexibility to ensure funding can be responsive to (un)expected challenges:** *“I really appreciate the flexibility of this fund, and the support I am being offered - especially in light of the changes we have seen corona can necessitate. Community-led means being adaptable to the changes communities are subject to”; “A degree of flexibility required to accommodate delays which may be associated with this type of development”; “Allow more time for completion of outdoor projects, especially in areas where there is often wild winter weather”*
- **Making funding available at local, community level:** *“Listen to the real community involved rather than larger demographic areas”; “Communities with small populations very often have less capacity than larger communities - be aware”; “The pandemic has shown how important local communities are and how strong they can be. Funding is needed”; “Support is crucial, empowering communities is so important particularly with cut backs & impacts of pandemic”; “Vital to involve local communities to solve local issues”; “Giving local people the power to change when they understand the local priorities best”; “Small community based projects have a huge potential for building communities, getting people involved in their immediate environment”*
- **Simple, clear funding arrangements from application through delivery to evaluation:** *“Make opportunities and involvement as easy as possible to deliver”; “More advance notice of funding rounds and less last minute promotion”;*
- **A long-term approach to funding and evaluation:** *“Long term funding is vital to give communities the confidence and time to build capacity and support”, “We applied for the small grant because we didn’t think we could meet the end of March deadline for the large grant”; “Community led local development is a process that takes time. A modest amount of funding and more time to deliver it is often more impactful than a lot of funding and a short timeframe to deliver”; “Thank you for understanding that local development needs to come from the community. We need help with more longer term funding (3+ years) to allow us to plan, develop, test & iterate properly, as well as offer job stability”; “From experience the need for community based paid learning & development roles is vital for the long term impact in communities. Volunteer fatigue is a reality especially in small communities”; “A long term funding strategy is essential”; “Give projects more time to prove themselves”; “Please can we move away from short-term approaches. Projects having to be done in these timescales mitigates against success”; “New approaches take time to plan, implement and evaluate. A short term fund is very tricky for volunteer-run communities to firstly apply for, plan for, and undertake successfully”; “Community led community development is the way forward. I was amazed at the comparison with LEADER - LEADER was ridiculously [sic] complicated - this is a much better programme”*
- **Providing revenue-funding for organisations:** *“Revenue support for organisations is always a challenge. Without the core of an organisation being funded, we lurch from project to project”; “Support towards core operations and staffing, as well as short term projects”*
- **Engaging hard-to-reach groups:** *“Making a concerted effort to enable rarely heard voices from rural communities to access to resources and create opportunities locally and build back stronger and fairer”;*
- **Ensuring (or making space to build) engagement with local/regional stakeholders and in particular local authorities:** *“Make sure the local authority is on-board! They have caused us multiple delays. One officer have [sic] said 'sometimes doing nothing is the best thing”;* *“Local authorities, particularly planning departments, need better*

avenues for working with community groups and listening to their needs and wishes”; “Decentralising funding to a more local level so that community groups are able to react more quickly”; “Great to empower local communities to deal with issues themselves instead of relying on unreliable local authorities”; “There is a huge amount of will power to lead improvement locally. However, it is very hard to progress without support from local authorities and the current common experience is that our local authority is either ambivalent or obstructive”

- **Providing support for projects to share learning on a regular basis, especially if the funding is targeting groups that have not previously received support:** *“Linking up projects and promoting more collaborative work and networking to secure funding, plan for the future and create legacies to help rural community resilience”; “Contact with other similar initiatives would be good”; “Good to encourage local groups to work together rather than compete for funds?”*
- **Giving communities a voice in shaping funding/policy decisions based on their experiences:** *“It would be useful to have...an opportunity for community groups to contribute to CLLD funding policy”; “A lot of Scot Gov policy terminology requires explaining/translating into everyday terms, which takes time, but is essential for a community to develop”; “The approach of directly linking to policy development as per intro and evaluation session great”.*

Appendix 1: Analysis of Tranche 2 (Small and Large Grant) Applications⁵

1.0 Small Grants

Small grants – up to £3,000 for grassroots rural groups or organisations to support community projects that fit with local needs and are locally led. Simplified application process; unincorporated groups can apply and both capital and expenditure costs are eligible. No budget needs to be provided at application stage. There were a total of 69 applications, 63 of which were funded and 6 rejected.

1.1 Overview

	Requested Amount	Income Last FY
Minimum	£300	£0
Maximum	£3,000	£28,210,035
Mean	£2,728.54	£709,528.96
Median	£3,000	£12,938
Standard Deviation	£602.90	£3,665,408.60

Table 1: Overview of requested amount and Income for last FY for the 63 accepted applications

Table 1 shows a breakdown of some descriptive statistics for the 63 funded applications. The median amount for the requested amount is the maximum £3,000 which shows that the vast majority of applicants requested the maximum amount. The income from last financial years shows great variance among applicants with a range from zero to over £28million.

⁵ This analysis was undertaken by Barraí Hennebry who has been working with the Rural Policy Centre in support of our work on this project

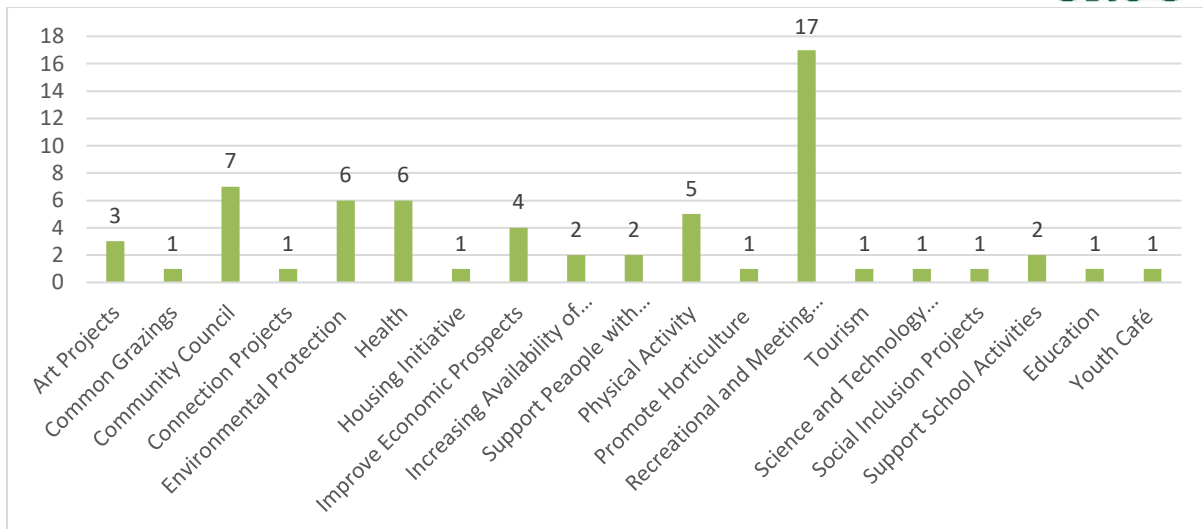


Chart 1: Organisational Aims

Chart 1 shows the organisational aims of the successful applicants. The most prominent organisational aim was to provide recreational and meeting facilities. Chart 2 below shows the successful ideas. The most prominent idea for a project was to improve or upgrade the current facilities of the applicant organisation.

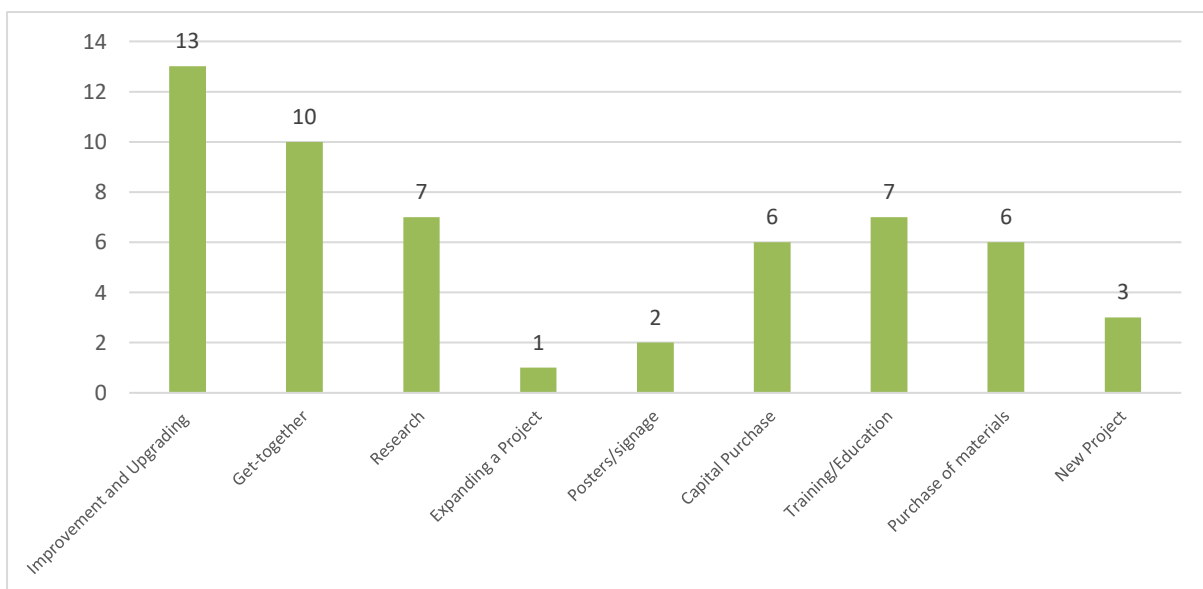


Chart 2: Project Ideas

Table 2 shows the location of the funded applications by LAG area, with Highland being the most successful with 13, followed by Dumfries & Galloway and Outer Hebrides (both with 8).

	Number of Projects	Total Funded amounts
Angus	1	£3,000.00
Argyll & the Islands	1	£2,076.00
Ayrshire	2	£6,000.00
Dumfries & Galloway	8	£21,175.00
Fife	5	£13,039.00
Forth Valley & Lomond	2	£3,300.00
Highland	13	£33,646.00
Kelvin Valley & Falkirk	1	£3,000.00
Lanarkshire	1	£3,000.00
North Aberdeenshire	1	£2,850.00
Orkney	4	£11,650.00
Outer Hebrides	8	£24,000.00
Rural Perth & Kinross	1	£3,000.00
Scottish Borders	4	£11,500.00
Shetland	5	£13,300.00
South Aberdeenshire	3	£9,000.00
Tyne Esk	1	£3,000.00
West Lothian	2	£5,362.00

Table 2: Location of funded applications by LAG area

Chart 3 shows the legal status of the successful applicants. The most dominant status was 'Scottish Charitable Incorporated Organisation', followed by 'Constituted Community Group'. The least popular was 'Trust' with only one successful applicant from a Trust.

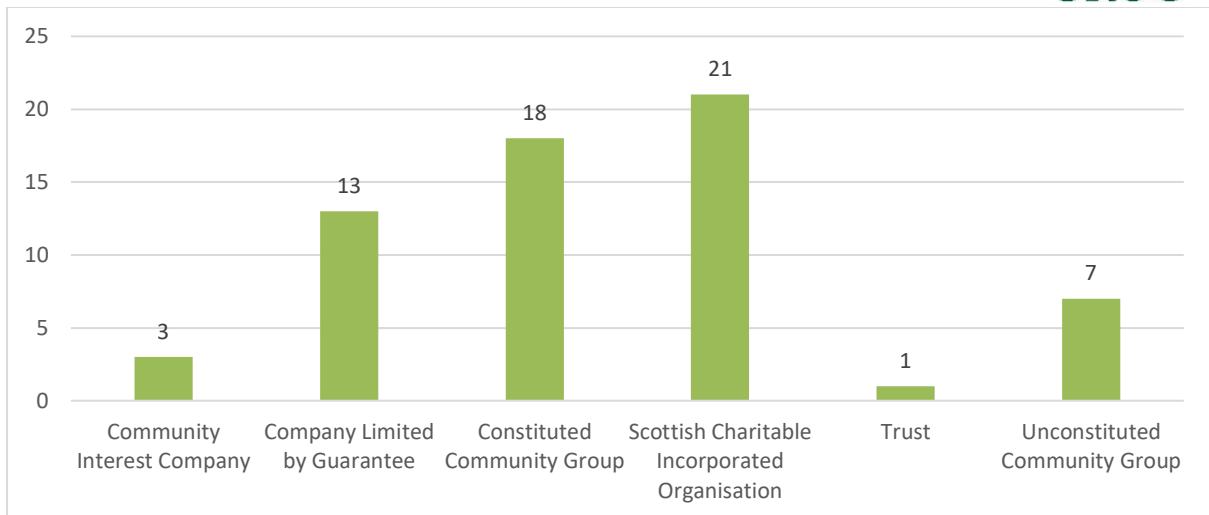


Chart 3: Legal status of funded applicants

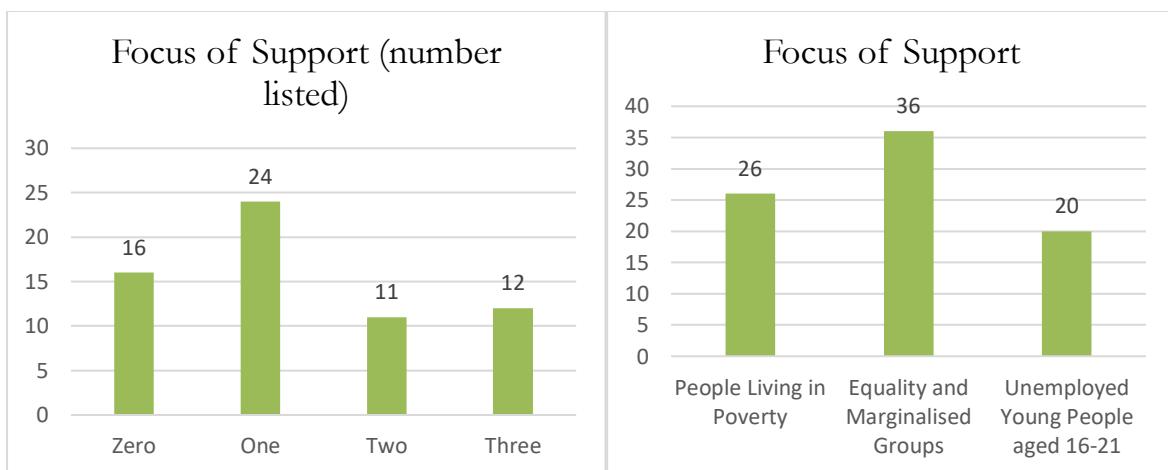


Chart 4: Focus of Support (number listed)

Chart 5: Focus of Support

For the focus of support there were three areas (people living in poverty, equality and marginalised groups and unemployed young people aged 16-21). Applicants could list up to all three of the areas. Chart 4 shows the number of areas that the applicants listed. The most dominant being to list just one however 16 applicants didn't list any and 12 applicants listed all three. Chart 5 shows that 'Equality and Marginalised Groups' was the most popular, being listed by 36 applicants, while 'Unemployed Young People aged 16-21' was the least popular with 20 applicants listing it.

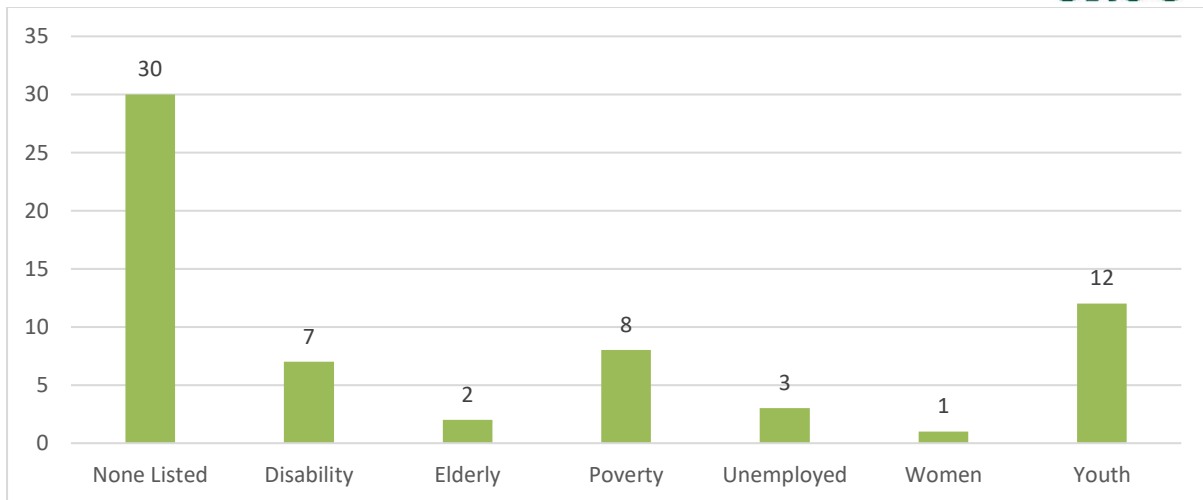


Chart 6: Groups to Benefit

Chart 6 shows the groups to benefit from the funded projects. 30 of the applicants didn't list any group. Excluding the 'none listed', the most prominent group to benefit was 'Youth' with 12 applicants. The lowest was 'women' with only 1 application listing women.

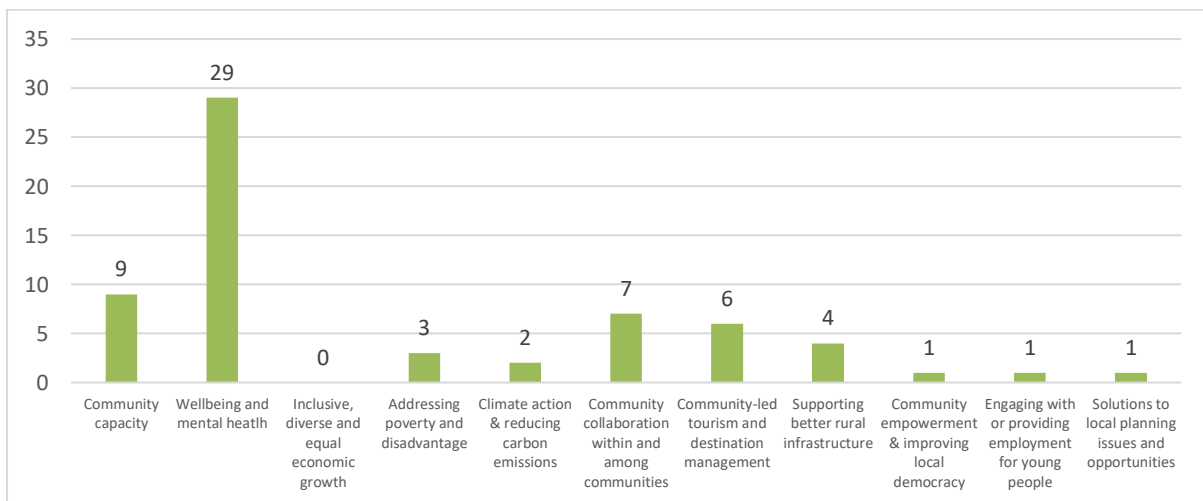


Chart 7: Contribution to Scottish Government policy priorities

Chart 7 shows the Scottish Government Policies which the projects are contributing to, the most prominent was 'wellbeing and mental health' with 29 applicants listing it. None of the applicants listed 'Inclusive, diverse and equal economic growth' so perhaps this was seen as too much of a macro issue for the projects to tackle.

2.2 Urban v Accessible Rural v Remote Rural

The applicants were asked to list the area for delivery (according to the 3-fold urban-rural classification) (see chart 6). There were more applications for 'remote rural' (30) than 'accessible rural' (25). As this was self reported, the postcodes for the head office were used to classify the rurality of the applicants (see chart 9). 'Remote rural' was the most prominent (36) followed by 'urban' (17), with 'accessible rural' being the fewest (10).

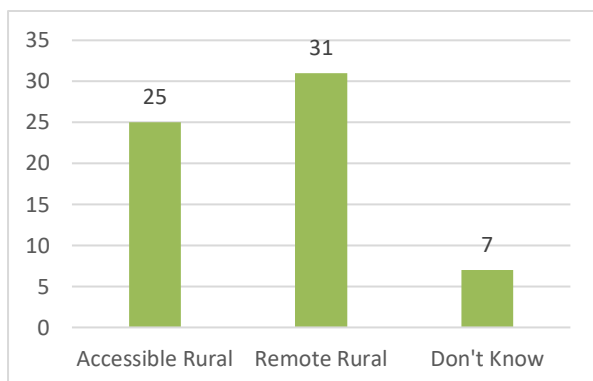


Chart 8: Areas for Delivery (self reported)

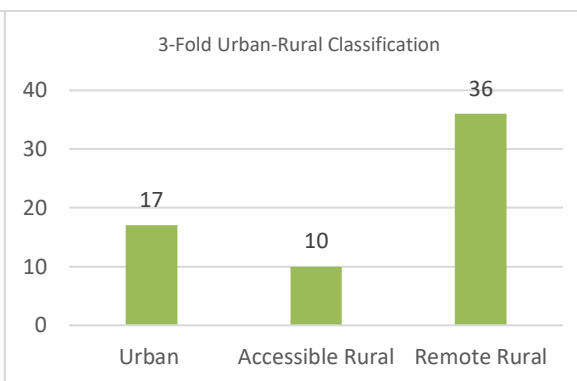


Chart 9: Head Office Postcode

	Requested Amount			Income Last FY		
	Urban	Accessible Rural	Remote Rural	Urban	Accessible Rural	Remote Rural
Minimum	£1,200.00	£800.00	£300.00	£0.00	£1.62	£0.00
Maximum	£3,000.00	£3,000.00	£3,000.00	£28,210,035.00	£194,012.00	£3,400,000.00
Mean	£2,862.18	£2,506.90	£2,727.00	£2,204,869.74	£23,385.19	£193,991.31
Median	£3,000.00	£2,884.50	£3,000.00	£31,521.80	£3,674.50	£13,172.81
St. Dev.	£424.25	£720.15	£620.46	£6,610,693.29	£57,019.75	£578,941.08

Table 3: Overview of requested amount and Income for last FY separated for Urban, Accessible Rural and Remote Rural

Table 3 shows the overview for the requested amount and the income for the last financial year divided according to the 3-fold urban-rural classification.

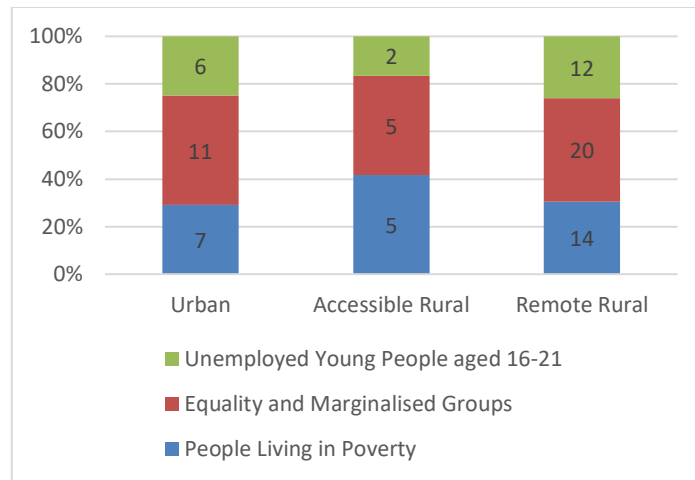


Chart 10: Focus of Support separated for Urban, Accessible Rural and Remote Rural

Chart 10 shows the focus of support separated according to the 3-fold urban-rural classification. 'Accessible rural' areas seem to have more emphasis on people living in poverty, while the focus of 'urban' and 'remote rural' are very similar.

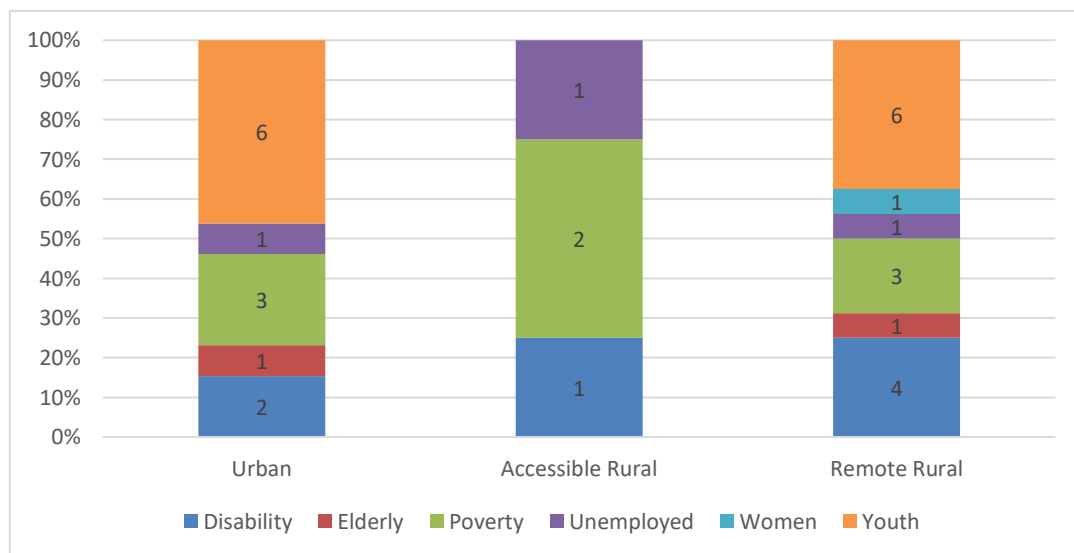


Chart 11: Groups to Benefit separated for Urban, Accessible Rural and Remote Rural

With only four of the 'accessible rural' applicants listing a group to benefit there is not much that can be learnt from that. The answers from 'urban' and 'remote rural' are very similar.

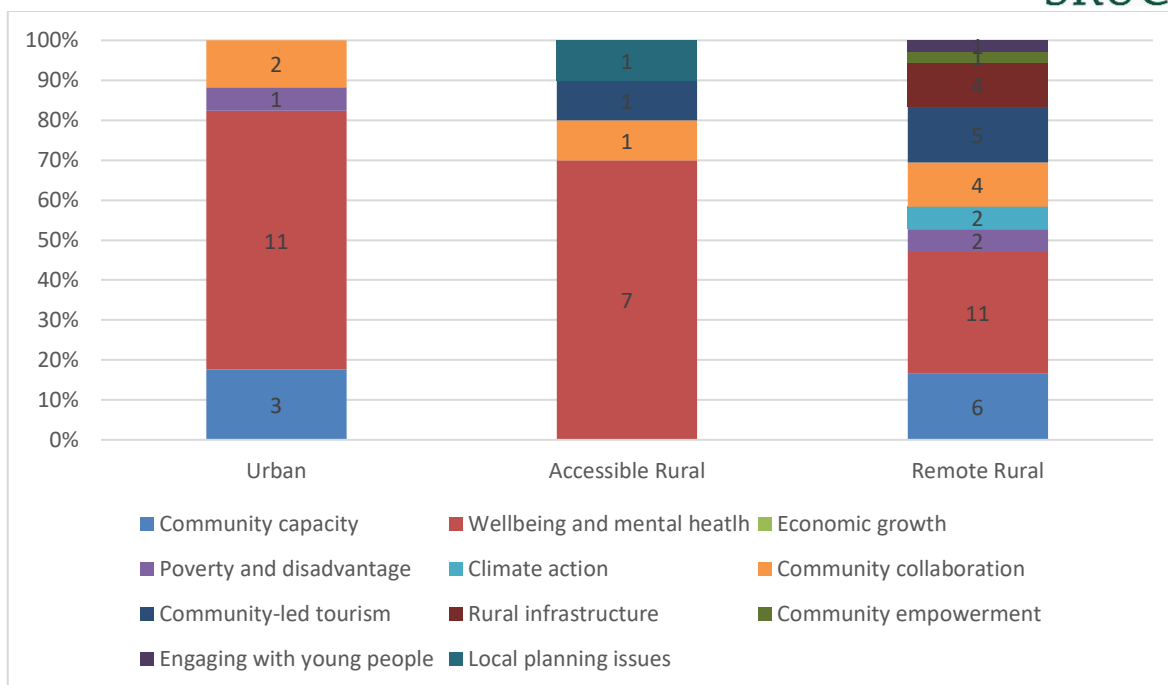


Chart 12: SG Policy Contributing to by Urban, Accessible Rural and Remote Rural

2.0 Large Grants

Large grants - of between £3001 and £50,000 for not for profit organisations to invest in community led initiatives that respond to local need. Again, capital and revenue costs are eligible and these can be delivered in partnership with other organisations. Clear and detailed budget will need to be provided. In total there were 133 applications, 56 of these applications were funded and 77 applications were rejected.

2.1 Overview

	Requested Amount	Income last FY
Minimum	£5,506.04	−£4,364.00
Maximum	£50,000.00	£43,890,436.00
Mean	£29,944.48	£1,185,773.66
Median	£29,867.50	£137,224.50
St. Dev.	£13,149.62	£5,837,186.45

Table 4: Overview of requested amount and Income for last FY for the accepted applications

Table four shows some descriptive statistics for the requested amount and income for the last financial year for the accepted applications. The mean and median for the requested amount are very close which indicates that the requested amount is normally distributed with an average of just below £30,000. The range of the requested amount was from £5,506.04 to £50,000. The income for the last financial year shows large variance from a minimum of minus £4,364 to over £43million. The mean is much higher than the median which indicates that it is positively skewed with some positive outliers.

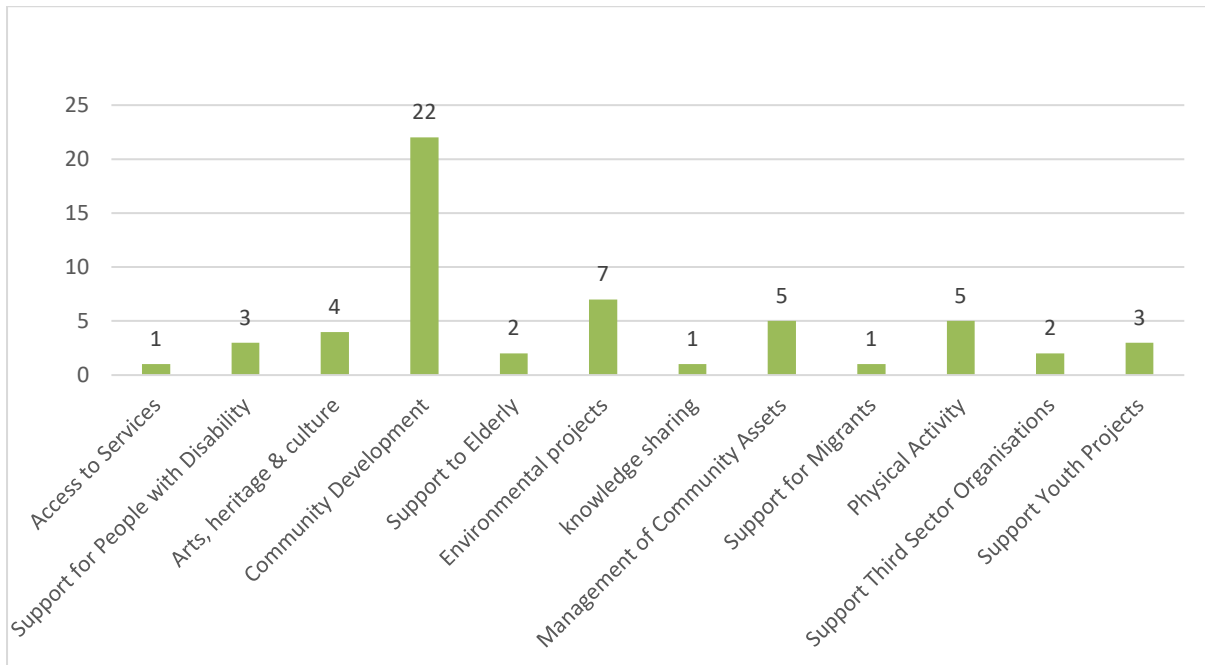


Chart 13: Organisational Aim

Chart 13 shows the aims of the successful organisations. The most prominent was 'community development with 22. The next was environmental projects with 7. Chart 14 below shows the successful proposed ideas. Similar to the small grants, the most prominent was improving and upgrading the facilities of the organisation.

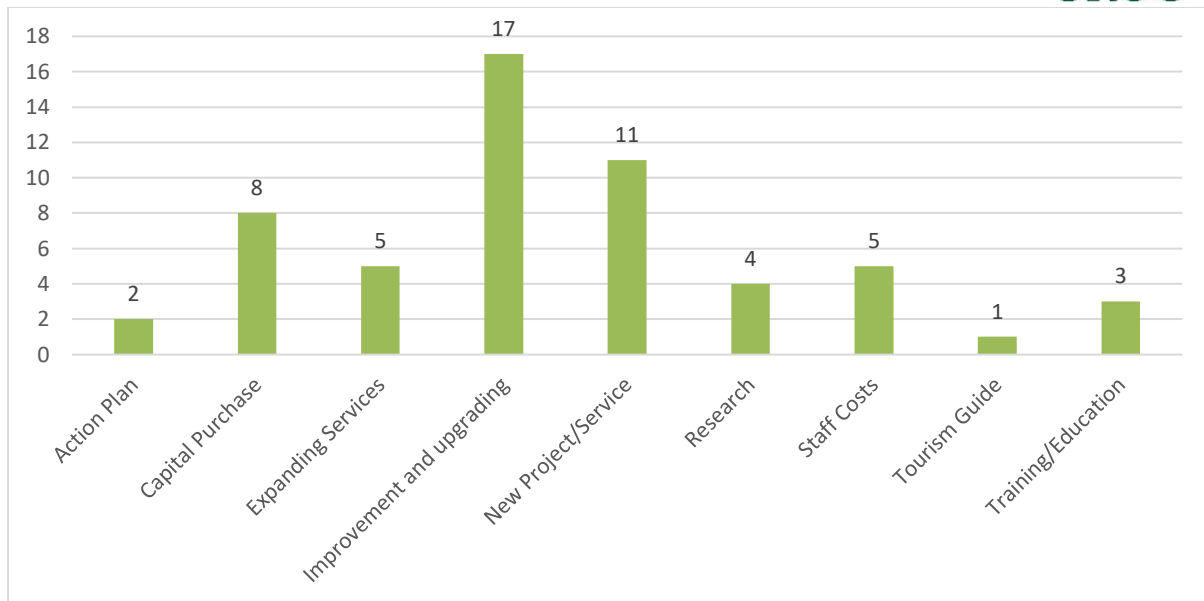


Chart 14: Proposed project ideas

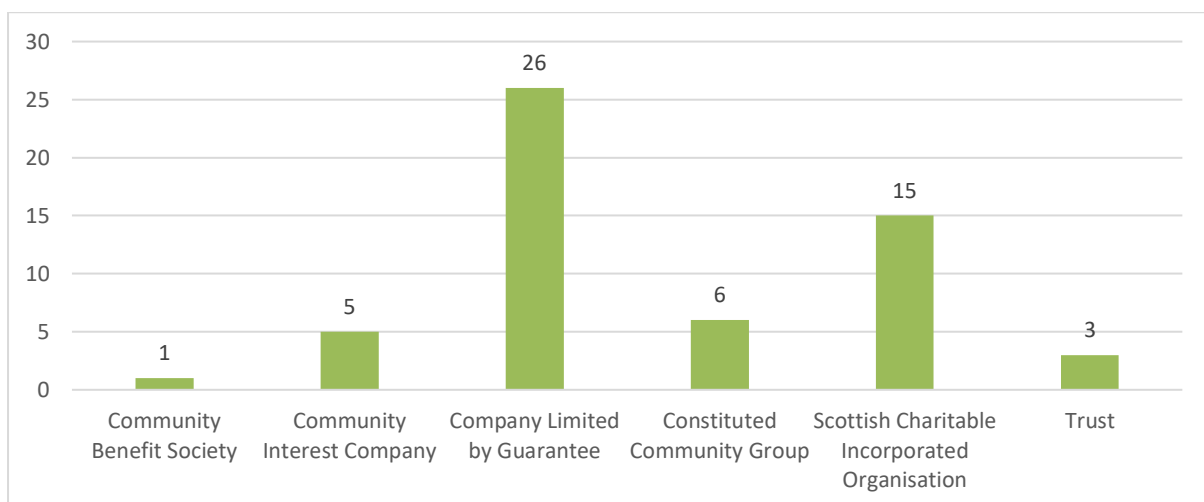


Chart 15: Legal Status

Chart 15 shows the legal status of the applications which interestingly is quite different to the legal status for the small grants applications (chart 3). For the large grants the most prominent was companies limited by guarantee (this was the third most prominent for the small grants applications). Community Benefit Society is the least prominent with only 1 successful application.

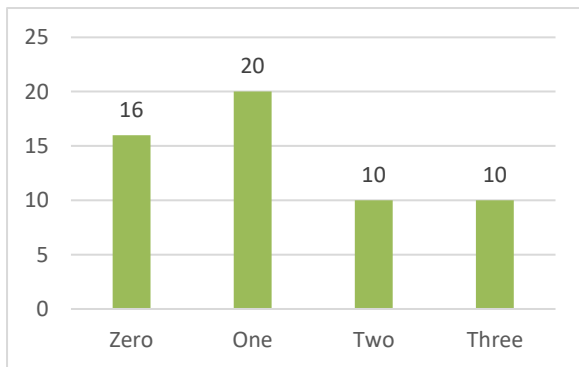


Chart 16: Focus of Support (number listed)

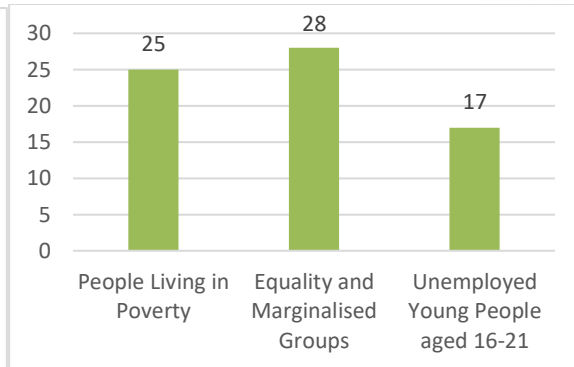


Chart 17: Focus of Support

Charts 16 and 17 show the number of focuses of support that applications listed and which ones were listed respectively. 'Equality and marginalised groups' was the most prominent and the least prominent was 'unemployed young people aged 16-21'. This is the same ranking as we saw with the small grants applications (chart 5).

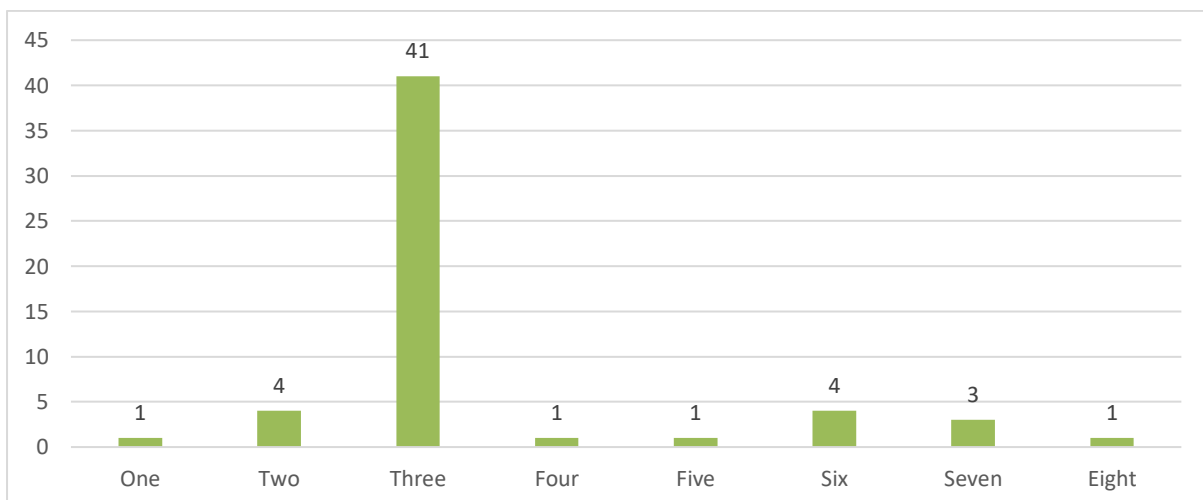


Chart 18: SG Policy Contributing to (number listed)

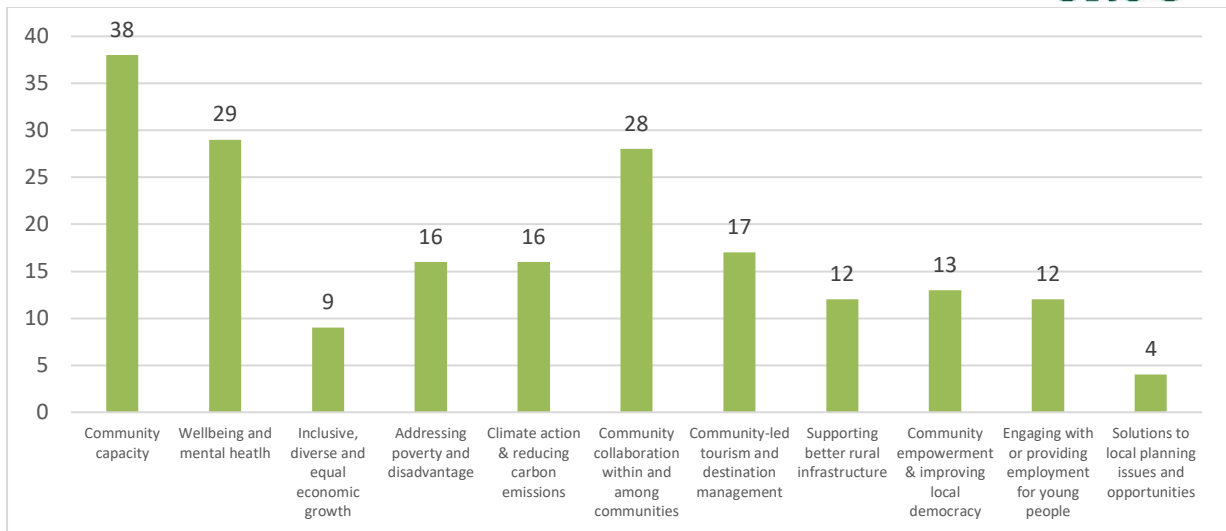


Chart 19: SG Policy Contributing to

Chart 18 shows the number of SG policies that applications are contributing to and chart 19 shows the prominence of the policies. The vast majority of successful applications listed 3 policies that they were contributing to. The three most prominent were: community capacity, wellbeing and mental health and community collaboration. The two least popular were solutions to local planning issues and inclusive, diverse and equal economic growth.

2.2 Urban v Accessible Rural v Remote Rural

The applicants were asked to list the area for delivery (according to the 3-fold urban-rural classification) (see chart 20). There were more applications for 'remote rural' (35) than 'accessible rural' (17). As this was self reported, the postcodes for the head office were used to classify the rurality of the applicants (see chart 21). 'Remote rural' was the most prominent (29) followed by 'urban' (16), with 'accessible rural' being the fewest (11).

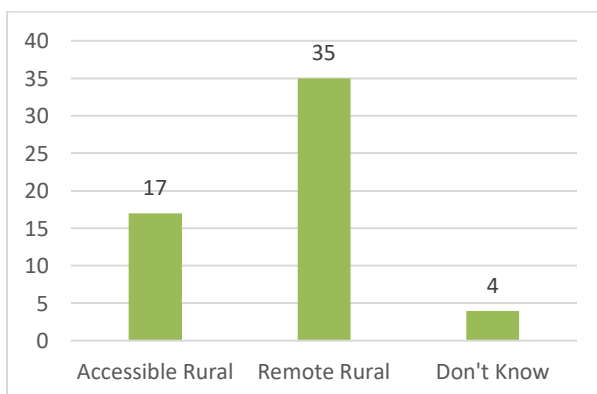


Chart 20: Area for Delivery (self reported)

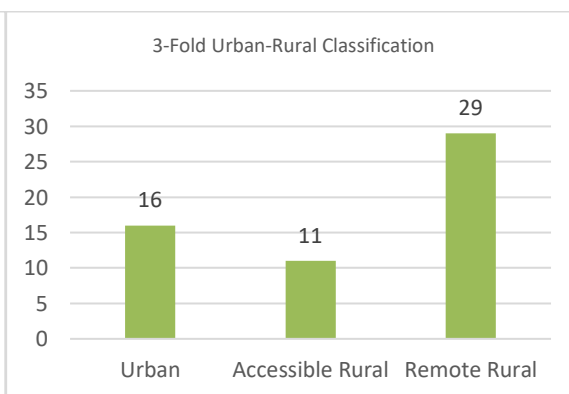


Chart 21: Postcode for Head Office

	Requested Amount			Income Last FY		
	Urban	Accessible Rural	Remote Rural	Urban	Accessible Rural	Remote Rural
Minimum	£10,000.00	£13,755.00	£5,506.04	£0.00	£0.00	£-4,364.00
Maximum	£50,000.00	£37,588.04	£50,000.00	£43,890,436.00	£843,710.00	£3,283,060.00
Mean	£31,146.79	£22,936.20	£31,939.45	£3,451,984.63	£277,770.36	£279,865.42
Median	£29,907.82	£20,000.00	£33,014.30	£266,669.00	£153,129.00	£80,837.00
St. Dev.	£11,236.50	£7,624.66	£14,791.24	£10,548,763.39	£293,809.48	£634,134.26

Table 5: Overview of requested amount and Income for last FY separated for Urban, Accessible Rural and Remote Rural

Table 5 shows the breakdown of the requested amount and income for last financial year divided according to the 3-fold urban-rural classification. The mean and median for the requested amount is lower for ‘accessible rural’ but seems to be quite similar for ‘urban’ and ‘remote rural’. For the income for the last financial year the applications from ‘urban’ appear to be wealthier while ‘accessible rural’ and ‘remote rural’ are more similar.

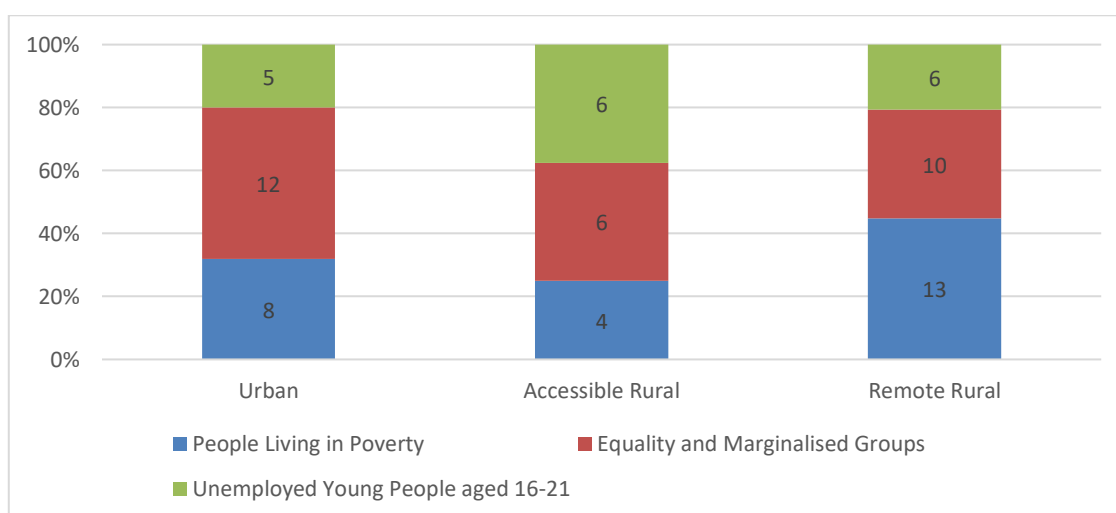


Chart 22: Focus of Support separated by urban, accessible rural, remote rural

The focus of support across the 3-fold classification seems to be very similar without any discernible differences (see chart 22).

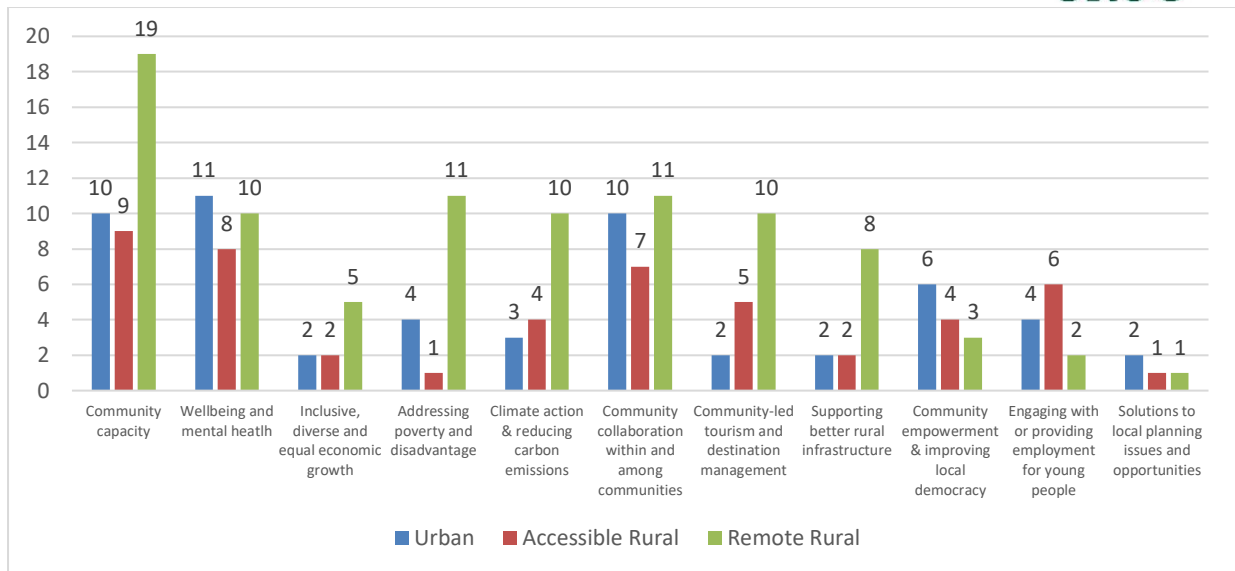


Chart 23: SG Policy Contributing to separated by urban, accessible rural, remote rural

2.3 Funded v Rejected

This section analyses the difference for the funded and rejected projects. There was a total of 56 funded applications and 77 rejected applications.

Table 6 shows an overview of the requested amount and income for last financial year for the funded and rejected applications. On average the rejected applications were requesting more money and had lower income from the last financial year.

	Requested Amount		Income Last FY	
	Funded	Rejected	Funded	Rejected
Minimum	£5,506.04	€50.00	-£4,364.00	-€4,959.02
Maximum	£50,000.00	€50,000.00	£43,890,436.00	€3,584,288.00
Mean	£29,944.48	€35,709.27	£1,185,773.66	€167,970.76
Median	£29,867.50	€39,575.00	£137,224.50	€28,440.00
St. Dev.	£13,149.62	€14,650.27	£5,837,186.45	€447,409.15

Table 6: Overview of requested amount and Income for last FY separated for the funded and rejected applications

Table 7 shows an in-depth breakdown of the funded and rejected applications by the LAG area. Overall the acceptance rate was 42.1% but some areas were much more successful. Highland had a total of 14 funded projects (over 60% acceptance rate). Dumfries and Galloway also had an over 60% acceptance rate with 7 funded applications. Other LAG areas which have a low acceptance rate included Forth Valley and Lomond (1 from 5 projects funded) and North Aberdeenshire (0 from 4).



	Number of Applications	Funded	Rejected	Acceptance Rate	Total amount Funded	Average per Funded Project	Total amount Rejected	Average per Rejected Project
Angus	6	2	4	33.3%	£56,346.54	£28,173.27	£112,110.00	£28,027.50
Argyll & the Islands	10	5	5	50.0%	£156,075.90	£31,215.18	£221,607.80	£44,321.56
Ayrshire	4	1	3	25.0%	£31,077.64	£31,077.64	£98,450.00	£32,816.67
Cairngorms	1	1	0	100.0%	£32,827.00	£32,827.00	£0.00	£0.00
Dumfries & Galloway	11	7	4	63.6%	£249,476.70	£35,639.53	£159,144.00	£39,786.00
Fife	15	6	9	40.0%	£137,511.74	£22,918.62	£234,908.48	£26,100.94
Forth Valley & Lomond	5	1	4	20.0%	£50,000.00	£50,000.00	£162,604.67	£40,651.17
Greater Renfrewshire & Inverclyde	3	0	3	0.0%	£0.00	£0.00	£148,260.00	£49,420.00
Highland	23	14	9	60.9%	£422,414.63	£30,172.47	£307,299.80	£34,144.42
Kelvin Valley & Falkirk	1	0	1	0.0%	£0.00	£0.00	£42,100.00	£42,100.00
Lanarkshire	1	0	1	0.0%	£0.00	£0.00	£21,870.00	£21,870.00
Moray	3	1	2	33.3%	£37,588.04	£37,588.04	£98,000.00	£49,000.00
North Aberdeenshire	4	0	4	0.0%	£0.00	£0.00	£140,400.40	£35,100.10
Orkney	5	4	1	80.0%	£108,732.39	£27,183.10	£50,000.00	£50,000.00
Outer Hebrides	7	4	3	57.1%	£101,900.92	£25,475.23	£102,086.00	£34,028.67
Rural Perth & Kinross	7	3	4	42.9%	£101,607.00	£33,869.00	£164,650.00	£41,162.50
Scottish Borders	13	5	8	38.5%	£145,542.50	£29,108.50	£297,843.00	£37,230.38
Shetland	3	0	3	0.0%	£0.00	£0.00	£66,873.00	£22,291.00
South Aberdeenshire	2	0	2	0.0%	£0.00	£0.00	£81,000.00	£40,500.00
Tyne Esk	3	0	3	0.0%	£0.00	£0.00	£80,052.00	£26,684.00
West Lothian	1	0	1	0.0%	£0.00	£0.00	£35,000.00	£35,000.00
Not Applicable	5	2	3	40.0%	£45,790.00	£22,895.00	£125,355.00	£41,785.00
Scotland	133	56	77	42.1%	£1,676,891.00	£29,944.48	£2,749,614.15	£35,709.27

Table 7: Breakdown of funded and rejected projects by LAG area



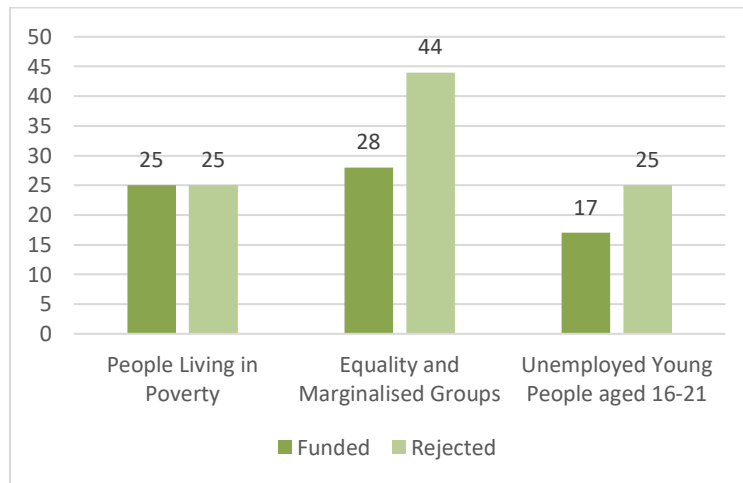


Chart 24: Focus of Support

The focus of support appears relatively similar for funded and rejected projects. There was a higher acceptance rate for projects focusing on people living in poverty (chart 24).

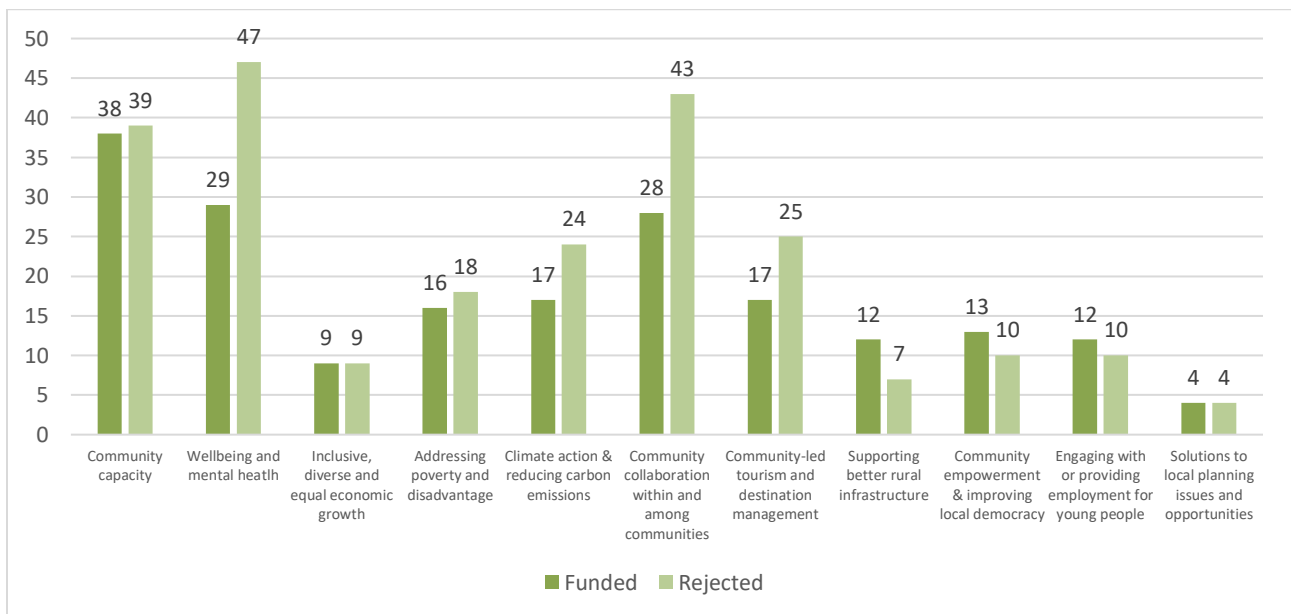


Chart 25: SG Policy priority contributing to

From Chart 25 we see that projects focused on ‘wellbeing and mental health’ and ‘community collaboration within and among communities’ had a lower acceptance rate while ‘community empowerment & improving local democracy’ and ‘engaging with or providing employment for young people’ had a relatively higher acceptance rate.