



A New Manifesto for Community Led Local Development



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Introduction

This paper considers, through the lens of Dumfries and Galloway, how the working out of a series of locally relevant and globally significant, disruptive forces create a new context for sustainable rural development. The two most obvious issues are the Covid-19 pandemic and Brexit, but wider post millennial environmental and societal challenges form an important backcloth to the emerging opportunities for change.

The document originates from the Dumfries and Galloway Futures Group. We draw our inspiration from approaching 3 decades of rural economic development in our area, arising from the LEADER programme and its wider connections. Our approach is informed by, but in no way seeking to look backwards towards LEADER. We recognise the opportunities to do things differently, building on the positive legacy of what went before whilst embracing some new and radical ideas arising from the opportunity change affords us.

The Dumfries and Galloway Local Action Group which has been an impetus for rural innovation over the last 25 years in the area has considered and supports this manifesto.

Rationale

At the Global, European and National levels, there is broad agreement amongst the OECD, EU and Scottish Government that the key to sustainable rural communities involves creating the conditions under which they build their own momentum through a process which we describe as economic subsidiarity.

The key ingredients are set out in the 7 principles of LEADER which have their origins in a particular programme but represent fundamental principles which overarch all rural geographies and are therefore globally relevant. These are:

An **area-based** approach which implies a focus on small, homogeneous, socially cohesive places, characterised by common traditions, a shared local identity, and a sense of belonging with common needs and expectations.

Local partnership driven through an approach which is representative of the existing local interest groups, drawn from the different socioeconomic sectors in the area.

Bottom-up which means that local stakeholders participate in decision-making about the strategic planning and in the selection of the priorities to be pursued in their local area. The involvement of local actors includes the population at large, economic and social interest groups and representatives of public and private institutions.

Locally managed the benefits of this local management lie primarily in the virtues of proximity. This approach enables a keen knowledge of the project promoters, and of the area's economic and social characteristics. Proximity improves information flows and streamlines and simplifies procedures for project promoters. Local

management makes it possible to foster the emergence of projects adapted to local needs and potentials that do not always fit within traditional institutional frameworks.

Multi-sectoral integrating several sectors of activity. The actions and projects contained in local strategies work best when linked and coordinated as a coherent whole. The governance should involve a melting pot of different actors because this diversity creates ideal conditions for innovation.

Networking and cooperation. Notwithstanding the local focus of the approach each area will achieve most where those involved look around and cooperate with other organisations, at local, regional, national and international level. Networking is a means of transferring good practice, of disseminating innovation and building on the lessons learned from local development. Networking forges links between people, projects and rural areas and can help overcome the isolation faced by some areas. Cooperation goes further than networking. It involves an area undertaking a joint project with others on the basis that new perspectives can often lead to new opportunities.

Innovation. The promotion of innovation encourages the development of new solutions for organising local/ rural societies. It works best when it is rooted in a permissive culture of local empowerment and the provision of resources and policies which encourage people to experiment, take risks and challenge established norms in pursuit of local creativity and expression.

The Dumfries and Galloway Context

Notwithstanding a significant tradition of local economic development activity a high level overview drawn from NOMIS (the online ONS resource for place based socio-economic data) shows:

Worse than Scotland as a whole

- High levels of economic inactivity
- High levels of workless households
- Significantly lower levels of professional employment roles
- Significantly lower levels of higher level qualifications
- Significantly lower weekly pay levels
- A smaller proportion of the workforce aged 16-64

Better than Scotland as a whole

- Lower levels of benefit claimants
- Higher number of manufacturing jobs
- Higher proportion of very small businesses
- Higher job density – the ratio between jobs and the working population

This profile is characteristic of a number of rural communities. Lower levels of benefit claiming allied to lower wages, considered alongside low skills levels and a small stock of professional roles suggest a low pay low skill equilibrium, driven in part by remoteness from major centres of economic activity. This is further borne out by the high level of job density which in this case reflects the significant distance challenges on a rural peninsula of commuting to work more widely.

This picture of economic remoteness is further reinforced by the relatively high level of manufacturing jobs. The growth of the service sector in large urban settlements leads to the scale of manufacturing in rural settlements where this has not been the case being proportionately higher in relation to the overall stock of jobs. In remote rural economies distance from competition also means that locally driven small scale manufacturing is insulated from more challenging market forces.

Finally the higher preponderance of very small and micro-enterprises reflects the fact that there is a more dynamic market for small scale locally orientated businesses servicing local communities across a very sparsely populated distribution of small settlements.

Taken in the round a strong case can be made that distance from markets and low critical mass in terms of population have led to significant rural market failure in Dumfries and Galloway.

In the context of these challenges, building from the bottom up following the principles of place, innovation and collaboration, is the best antidote to the rural market failure Dumfries and Galloway faces. The technical term for this process, founded on the 7 LEADER principles above, is the stimulation of neo-endogenous growth.

Approach

Applying these universal principles to practical action there are four core components which form our agenda: Animation, Administration, Cooperation and Resourcing.

Animation involves:

Working with the community at grass roots level through a process of community economic engagement to support the development of ideas, the working up of those ideas into proposals, the testing and positive challenging of these proposals and where appropriate supporting local people to bring them to fruition.

Animation works best where local communities have developed a clear sense of priorities in the form of a strategy and where this can be used to drive a commissioning process which gives some direction to where and how projects are supported, but not to the exclusion of the organic development of local creativity.

Administration involves:

Servicing the structures which support local people in the identification, funding and implementation of projects.

Managing the funding which supports the implementation of the approach. In this context experience suggests that successful interventions work best in terms of direct grant support towards a proportion of the cost of an overall project. In some cases the provision of loans can also be relevant when deployed in parallel with or as an alternative to grants. One benefit of loans is that they create a sustainable return to a fund and enable the resources at hand to be stretched further. Experience also dictates that micro and pilot project activity is a key element of the innovation and scale up process for good ideas. In this context a small delegated grant fund should be considered as part of the funding approach.

Managing the accountability structures with third party and funders.

Establishing and supporting a formative evaluation approach which provides a reflective and considered feedback loop to keep the delivery approach fresh, agile and contemporary.

Cooperation involves:

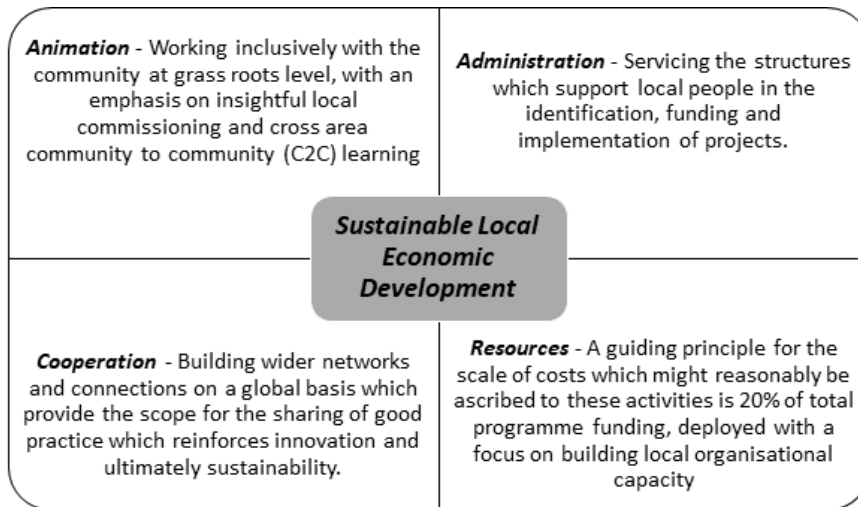
Building wider networks and connections on a global basis which provide the scope for the sharing of good practice which reinforces innovation and ultimately sustainability. In some cases this could involve joint funding of mutually relevant initiatives with communities in other jurisdictions.

Resourcing:

A guiding principle for the scale of costs which might reasonably be ascribed to these activities is 20% of total programme funding. It should be deployed in a way which focuses on building local organisational capacity.

Our four part agenda for CLLD is set out below – whilst there is a geographical logic to Dumfries and Galloway as a peninsula we are receptive to the idea of piloting wider and different geographical configurations of areas, both larger and smaller than the local authority area:

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Design and Delivery Mechanisms

There are a number of design considerations which should inform the establishment of delivery mechanisms for the approach set out above. These include:

- Locally owned – able to win the trust of local communities, enable their insights and support their agenda
- Sustainably resourced – able to support a capable team of delivery individuals with access to more specialist expertise as and when required. Having the financial scale and competence to manage community development grant and loan funding.
- Well networked – sufficiently flexible to be capable of joint working with partners in other settings and areas engaged in complementary and relevant activities. Also capable of effectively interacting with wider regionally significant initiatives for example (in Dumfries and Galloway): Borderlands, SOSE, Dumfries & Galloway Council community wealth agenda, Regional Economic Partnership, Third Sector Dumfries and Galloway.
- Inclusive – operating as a natural means of engagement for all aspects of the community including under represented and engaged groups including young people, BAME and LGBT communities

A consideration of these design principles should inform the development of the way forward.

Balancing Change and Continuity

In considering the application of the principles we have set out, to Dumfries and Galloway, we have thought through the opportunity to develop a bold trajectory for the future building on what has been achieved by the current LEADER Programme. Our thinking builds on the recently completed evaluation of the current LEADER programme.

The table overleaf identifies suggestions for future development. It describes how the LDS was developed, how it has been animated, the projects funded under the programme, and the monitoring and governance arrangements in place. It then provides some thoughts for the future against the backdrop of the current programme.

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SRDP Programme Document (2021-2024)	Dumfries and Galloway Previous Activity	Implementation	Future
<p>Actions</p> <p>LDS should include actions that will allow individuals, communities and businesses to:</p> <ol style="list-style-type: none"> 1. Drive community action on climate change 2. Enhance rural services and facilities, including transport initiatives 3. Enhance natural/cultural heritage, tourism and leisure 4. Support food and drink initiatives (e.g., short supply chains, community food) 5. Build co-operation with other LAGs in Scotland, UK and Europe: sub-groups will be established to focus on key areas such as fisheries and enterprise. NB: The Managing Authority will develop a common framework for co-operation. 6. Exchange learning and knowledge with each other, realise their potential, build opportunities for all <p>The LDS should demonstrate how it will meet one or more of these 6 rural development priority areas.</p>	<p>Themes</p> <ol style="list-style-type: none"> 1. Economy 2. Tourism (as an economic sector alongside its role to strengthen services) 3. Arts and culture – developing the role that arts and culture play in the life of the region, with a view to maximising its economic contribution 4. Land, coast and marine environments 5. Land and environment, including the development of farming, forestry, and natural environment assets 6. Development of fisheries sector and assets 7. Sustainable settlements 8. Through locally planning, with a particular focus on services for older people and vulnerable groups – delivered through integrated approaches <p>Rationale for theme selection:</p> <ul style="list-style-type: none"> • A greater economic focus for LEADER and EMFF in D&G • Innovation in land and sea based sectors • Positive engagement of young people in forging future roles for themselves • Strengthening the function of the region's small rural towns <p>Strengthening the integration of older and vulnerable people at risk of social exclusion Improving the engagement of volunteers</p> <p>Delivery of LDS Priorities</p> <p>The LDS will include actions that will allow individuals, communities and businesses to:</p> <ul style="list-style-type: none"> • Drive community action on climate change • Enhance rural services and facilities, including transport initiatives • Enhance natural/cultural heritage, tourism and leisure • Support food and drink initiatives (e.g., short supply chains, community food) • Build co-operation with other LAGs in Scotland, UK and Europe • Exchange learning and knowledge with each other, realise their potential, build opportunities for all 	<p>An extensive amount of work was undertaken at the start of the programme to develop the 3 themes – i.e., consultation and engagement process / evidence base to review 2017-2013 programme and horizon scan new opportunities and challenges. The focus of the current programme has been on supporting community-led projects in ways that build capacity and provide sustainable local solutions.</p> <p>The 3 themes have been animated by thinking through an applicant's journey. More officer resource was made available in the current programme to assist applicants to develop their ideas, complete the paperwork and implement their projects. This has resulted in fewer applicants withdrawing and/or making complaints about the bureaucracy but did require liaison with Local Authority colleagues to sign off in the M&A budget.</p> <p>As the LDS was being implemented some additional animation / promotion was undertaken in three areas of the region to increase the number of applications coming from the area. While some projects fit within one of four council areas, others have been region-wide.</p> <p>More applicant interest has been expressed in themes 1 (economy) and 3 (settlements) compared to 2 (environment). This is because some projects that fit in the second theme can be supported by other funding streams (e.g. EMFF).</p> <p>The projects funded have connected to one or more of the SRDP's 6 themes – with less emphasis from applicants on 1 (climate change) and 5 (cooperation). Some applicants have looked through the list of examples under a theme and sometimes made assumptions that their idea would not be eligible because it was not listed.</p> <p>Strategic projects have been supported by the programme – these have been led by officers, with some support from the LAG.</p> <p>Projects are only brought to the LAG if they fit with the LDS, are eligible, of sufficient quality, and are able to receive support from the officer team. The starting point of the assessment process is 'is this a LEADER project?'</p> <p>Good practice is collected from individual projects via monitoring and reporting forms and has been built into the evaluation of projects (e.g. Day of the Region) and the programme overall (Rocket Science commission). The officer team and LAG recognise and highlight examples of good practice from individual projects.</p> <p>Governance – key learning involves the benefits of being part of but having autonomy within a local authority and the benefits of having support around financial administration, bankrolling as the programme/applicants are paid in arrears, and alignment with other/public programmes.</p>	<p>The three themes of Economy, Land, Coast and Marine and Sustainable Settlements are still a great fit to the agenda.</p> <p>From the current programme, there are some dynamic projects in play which speak to the longer term challenges facing the area. More information is provided at the end of this report. These are: the care campus, Amaze Me LEADER, capacity for change (SRUC). In each case the opportunity is about being strategic and developing the models and their sustainability/legacy rather than focussing on them as individual projects.</p> <p>Collaborations with academic research institutes/ projects could be explored further in looking to build on good practice in the light of the global change agenda.</p> <p>Within the 6 SRDP actions, there is more that could be done around climate change (1) and cooperation (5). The key question raised concerns how to build on the network of contacts and cooperation which have been built up to date. It is also important to consider how to be broader in supporting projects which cover rural connectivity (transport (2)) – transport has to date been addressed in narrow terms.</p> <p>Future themes and projects will depend on the scale of funding available – the 3 themes could remain even if funding is reduced in any extension or successor programme.</p> <p>The new approach will need to align to other funding streams – particularly around theme 2 (environment/ EMFF) and opportunities for multi-funding. It will be very important to avoid duplication.</p> <p>The importance of taking a formative approach to evaluation is noted as a key ingredient in empowering an agile and responsive future programme.</p> <p>It is also important to build on current good practice in terms of staff and budget management roles where possible to provide the best means of maintaining the momentum developed by the LEADER programme.</p>

Cross Cutting Themes

In addition to the core themes of the LEADER Programme we have looked at the cross cutting agenda which should underpin a future agenda. These are set out in the table below:

Implementation	Future Learning
Innovation	
<p>There has been a broad definition/understanding of innovation by the LAG (e.g. around improvement, the creation of value) and harnessing ideas and structures from communities, businesses, groups and organisations.</p> <p>Under the current programme farm diversification, tourism and accommodation, and local food projects have been supported. The focus has been on the quality of the project and what it brings to Dumfries and Galloway (e.g. promoting local and pushing that out at a national level, meeting a need).</p> <p>Examples of innovative projects that came before the LAG include a high welfare/ethical dairy project to keep cows and calves together [approved] and seaweed project [funded by another scheme]. The LAG has been keen to avoid farm businesses coming forward with diversification ideas that are not innovative.</p>	<p>Animation informed commissioning could make a real difference to stimulating the potential for innovation which has been identified by the work of the current LEADER programme.</p> <p>In addition to animation, the management of the grant application and award process could put a higher structural premium on innovation as a means of maximising the approach of applicants.</p> <p>Innovation could centre on helping communities and businesses to find imaginative solutions to the issues/ challenges/barriers they face in ways that meet their needs, aspirations and are sustainable.</p> <p>There should be an acceptance of risk and tolerance of failure with any project that is innovative – this can be managed and will generate some useful learning and good practice.</p> <p>There could be more emphasis on ‘inclusive economy’ and supporting projects which bring and keep money in the region. For example, in fisheries (scallops, salmon) the innovation is in changing how we harvest from the sea and get the best products to market. This also means recognising things that are happening at a global level and having more action based themes for applicants which help translate global priorities into local action.</p> <p>The phasing out of direct payments and an introduction of a new farming system that rewards farmers for delivering public goods and the environment provides opportunities to define what that would look like in Dumfries and Galloway and/or for rural Scotland (and liaise with policy makers to implement) and to support an evolving mindset of farmers (i.e., as rural businesses important to the local economy and community as well as farmers).</p> <p>A new approach could help to set the architecture, priorities and actions in this new programme (reform/diversification in a post CAP/EU era). Farming is an important contributor to the Dumfries and Galloway economy [above national levels for GDP].</p> <p>It is also important to reflect that as per the evolution of the OECD new rural paradigm rural economic development needs to be understood in the wider context of the whole economy. This should be the focus of the new approach notwithstanding a key element of that being recognition of the ongoing importance of farming as a signature component of Dumfries and Galloway.</p>

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Implementation	Future Learning
Cooperation	
<p>Some examples of successful cooperation projects include Amaze Me LEADER [young people were a special focus of the LDS], Day of the Region, and projects with Wales and Ireland. These have provided opportunities to bring people together to find out what is happening in their area/Scotland and in other countries, to share practice, implement ideas that have been done elsewhere and to celebrate achievements. More information is provided at the end of the report.</p>	<p>The emphasis of a new approach should be in significant part on community wealth building – using cooperation activities to get people engaged and confident to participate and take sustainable economic ownership of their circumstances.</p> <p>Young people should be a key theme – with a view to ensuring they have a stake in their rural communities. Inclusion should be included as a key cross cutting theme more widely.</p> <p>More emphasis could be placed on business-to-business cooperation (e.g., a cooperative of quality, local food producers) and business-to-community cooperation (e.g. how rural businesses have supported residents with social/community services during COVID). This will be a key aspect of the evolution of post COVID recovery planning.</p> <p>More prominence should be given to encouraging applicant-to-applicant cooperation and more widely to joint working between communities with common interests. This will help build an infrastructure which is ultimately sustainable reducing the need for intensive on-going animation.</p>
Knowledge transfer	
<p>Day of the Region and earlier initiatives such as Capacity for Change have identified the scope for knowledge sharing and insight development between communities.</p>	<p>Knowledge transfer and organic networking amongst communities is the long term key to building sustainable and economically successful rural communities.</p> <p>Rather than seeing knowledge transfer as part of a deterministic assessment and scoring process any new programme should look for opportunities to broker collaboration and joint learning throughout the continuum from the start of project animation to the completion of a successful project. Structural opportunities to do this should be built into every stage of the project application and approval process along with it being a core component of the animation process.</p> <p>Setting up a LEADER beneficiaries network to build regional capacity and facilitate ongoing conversations between applicants/projects would reduce isolation, provide networking opportunities and a chance to share good practice more widely.</p>

Transition

The current LEADER programme has almost run its course. It is highly likely that there will be opportunities to address the issues raised in this paper through the roll out of the shared prosperity fund and other policy development over time. In the meantime the world does not stand still. The response to a series of dynamics in the context of a global agenda relating to sustainable rural communities, with their origins in the first 20 years of the new millennium (and in some cases earlier) is a key priority in Dumfries and Galloway.

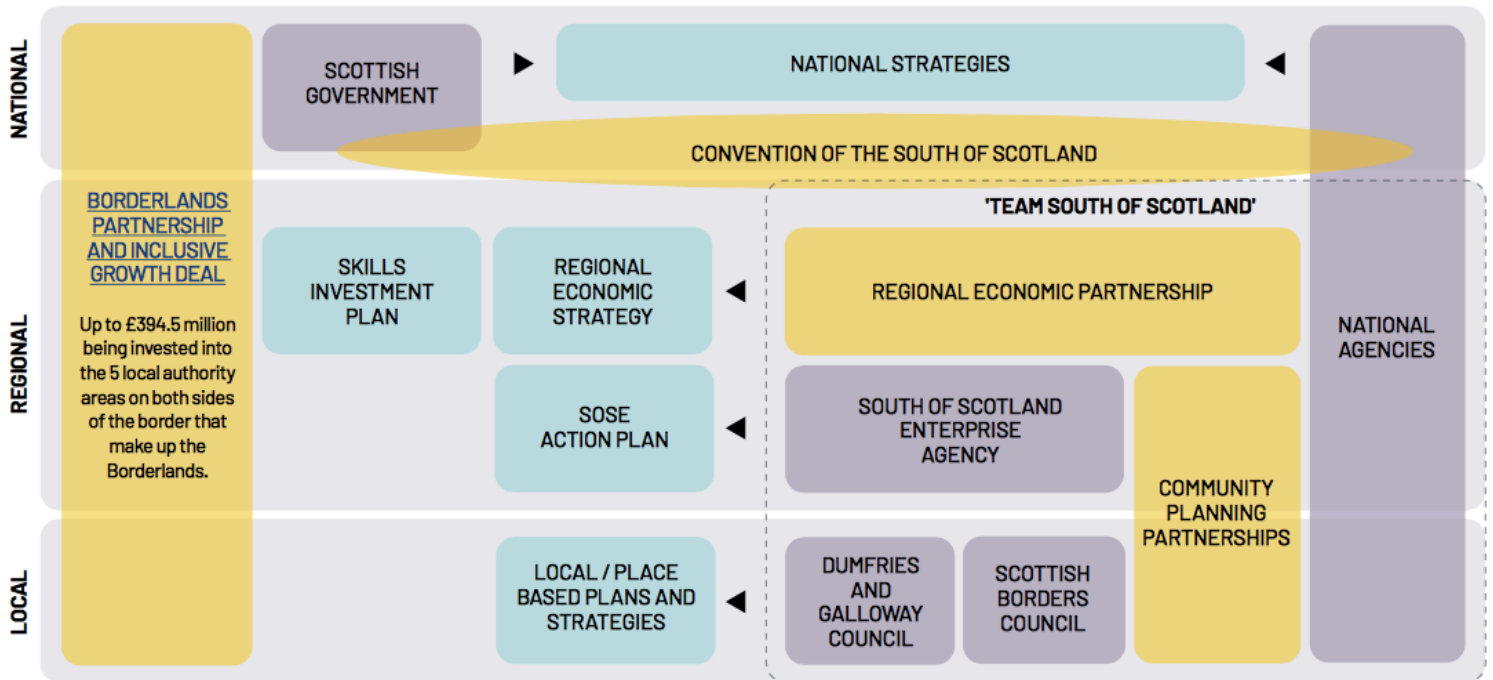
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We would therefore like to explore the opportunities to begin shaping a programme of future development without losing momentum in the short term. There are a number of established initiatives which form part of the backcloth to the future in this context. They include:

- Borderlands Growth – where all three core strategic principles are relevant to the community led rural development agenda in Dumfries and Galloway: narrowing the productivity gap, increasing the working age population and delivering inclusive growth (Borderlands Growth Deal Heads of Terms 2019).
- SOSE – with a key priority based on, bringing commerce and communities together, and streamlining their route to funding, markets, and success (Operating Plan 2020/21)
- Dumfries & Galloway Council Community Wealth Agenda – following the principles of: progressive procurement; fair and just labour markets, shared ownership of the local economy, socially just use of land and property and making financial power work for local places (Scotland's Centre for Regional Inclusive Growth)
- Regional Economic Partnership – which brings together the following organisations to set the strategic direction for the south of Scotland. It comprises leading members of Scottish Borders Council, Dumfries and Galloway Council, South of Scotland Enterprise, together with appointed members from business, communities, social enterprise, registered social landlords, and representatives from colleges, universities and public bodies including the Scottish Funding Council, Skills Development Scotland, Scottish Enterprise, and VisitScotland.
- Third Sector Dumfries and Galloway – the community focused third sector interface for Dumfries and Galloway with a commitment to social enterprise and community development.

The diagram overleaf taken from the SOSE Operational Plan 2021 very helpfully shows how these activities align – our position is clearly within the local place based plans and strategies agenda.

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KEY:

PLAN / STRATEGY

KEY PARTNERSHIP

KEY ORGANISATION

TEAM SoS

The next stage of our work involves the development of a transition plan taking account of the opportunity to work with these bodies and more widely our local communities to ensure we build on the learning of the LEADER programme and embrace the potential for positive change in Dumfries and Galloway.