

# Scottish Rural Communities Policy Review - Stage 2. Review of Policy and Delivery Context



**AGRICULTURE, ENVIRONMENT AND MARINE**

# **Scottish Rural Communities Policy Review**

## **Stage 2. Review of Policy and Delivery Context**

**June 2025**

**RESAS**

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Rural & Environment Science  
and Analytical Services



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## List of acronyms

CLLD	Community Led Local Development
COSLA	Convention of Scottish Local Authorities
EU	European Union
LAG	Local Action Group
RESAS	Rural and Environment Science and Analytical Services
SG	Scottish Government
SRA	Scottish Rural Action
SRCPR	Scottish Rural Communities Policy Review
SRN	Scottish Rural Network
SRUC	Scotland's Rural College

This report is an interim output of the Scottish Rural Communities Policy Review, and sets out the Policy and Delivery Context. This stage of the project was led by researchers at Scotland's Rural College (SRUC).

Further information can be found on the project webpage: [Scottish Rural Communities Policy Review](#).

The views expressed in this report do not necessarily represent those of the Scottish Government or Scottish Ministers

# 1. Introduction

This paper describes the recent, current and future policy and delivery context for Scottish Rural Action, the Scottish Rural Network and Community Led Local Development. The Scottish Rural Communities Policy Review (SRCPR), commissioned by the Scottish Government, commenced in late 2024 and will continue until early 2026. This project is reviewing these three elements of the current rural community support system and considering options for the future shape of the system<sup>1</sup>.

The Scottish Rural Communities Policy Review has five aims:

1. Evaluate the delivery of Community Led Local Development (CLLD), Scottish Rural Action (SRA) and the Scottish Rural Network (SRN),
2. Examine their strategic fit in relation to wider public and third sector interventions, identify their unique role and impact, any gaps or areas of duplication,
3. Consider and propose options for their future role, focus and delivery, including in relation to the Rural Support Plan and wider rural policy, and in the context of the forthcoming Rural Delivery Plan,
4. Consult and engage with a range of stakeholders,
5. Produce practical recommendations.

This interim output, a review of the policy context and delivery landscape, focuses on the period since 2020 to align with the timescale of the review (2020-21 for Scottish Rural Action; 2021-22 for Community Led Local Development and the Scottish Rural Network)<sup>2</sup>. Reviewing the policy context and delivery landscape is important in:

- a) understanding the context in which each initiative has evolved to date; and
- b) understanding how this context may evolve and therefore inform the shape and function of these initiatives in future.

This understanding is critical to ensuring that the wider review being carried out from 2024-6 proposes evidence-based, robust and appropriate options and recommendations to inform the shape of the future rural support system.

The shape of this support system will become much clearer over the next 12-15 months as the Scottish Government's Rural Delivery Plan and Rural Support Plan (described in the subsequent sections) move forward towards publication. In July 2024 there was a change at Westminster with the election of a Labour Government. This has implications for Scotland in terms of the extent, shape and priorities for United Kingdom (UK)-level funding and for policies in relation to reserved matters. It is also worth noting that the next Scottish Parliamentary election will be held no later than 7 May 2026. Manifestos for the election will be available before that which will

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<sup>1</sup> [Scottish Rural Communities Policy Review](#)

<sup>2</sup> A detailed review of the evolution of rural and island policy in Scotland since 1945 is available online here: [The evolution of rural and island policy in Scotland A review of the evolution of rural and island policy in Scotland since the Second World War, providing suggestions for future policy evolution.](#)

give an idea of how far the different parties prioritise rural issues and what the support system may look like in future. This review is therefore being carried out within a wider context of current and future political changes and opportunities.

## 2. Rural policy developments

### Evolving agriculture and rural communities legislation – the Agriculture and Rural Communities (Scotland) Act 2024 and Rural Support Plan

Since the UK voted to leave the European Union (EU) in the 2016 referendum, governments in all four nations have been working to design their agricultural and rural policies and programmes to replace the Common Agricultural Policy.

The most recent legislative development in Scotland saw the passing of the Agriculture and Rural Communities Bill by the Scottish Parliament on 18 June 2024, becoming an Act on 30 July 2024<sup>3</sup>. The Bill was a commitment in the Scottish Government's 2023-24 Programme for Government<sup>4</sup>, to provide powers to replace the EU's agricultural and rural development policies and programmes.

The Act gives the Scottish Government powers to provide support to agriculture and rural communities, and provides the overarching framework for that support.

The Act sets out the Scottish Government's general principles for future agriculture policy:

- a) the adoption and use of sustainable and regenerative agricultural practices,
- b) the production of high-quality food,
- c) the promotion and support of agricultural practices that protect and improve animal health and welfare,
- d) the facilitation of on-farm nature restoration, climate mitigation and adaptation, and
- e) enabling rural communities to thrive.

The Act requires Scottish Ministers to produce a Rural Support Plan which will set out the Government's priorities for a five year period, and associated secondary legislation to guide wider rural policy. There is little detail available as yet on what the Rural Support Plan will contain<sup>5</sup>.

### The Rural Delivery Plan

In a policy prospectus published in April 2023 ('Equality, opportunity, community, New leadership: A fresh start'<sup>6</sup>), former First Minister Humza Yousaf MSP announced that the Scottish Government would publish a Rural Delivery Plan by 2026 (the end of the current Parliament), to show:

“...how all parts of the Scottish Government are delivering for rural Scotland. As well as policies on agriculture, land reform, marine, and our Islands Plan,

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<sup>3</sup> [Agriculture and Rural Communities \(Scotland\) Act 2024](#)

<sup>4</sup> [2023-24 Programme for Government](#)

<sup>5</sup> A letter from Mairi Gougeon MSP, Cabinet Secretary for Rural Affairs, Land Reform and Islands to Finlay Carson MSP, Convener of the Scottish Parliament's Rural Affairs and Islands Committee in June 2024 sets out some information ([Rural Support Plan draft outline](#)).

<sup>6</sup> ['Equality, opportunity, community, New leadership: A fresh start'](#)

this will cover areas such as transport, housing, social justice, repopulation, digital connectivity and economic development.”

The Rural Delivery Plan will set out the actions that the Scottish Government is and will be taking which impact mainland rural communities, placing a new focus on rural delivery with the intention of identifying gaps in investment and reprioritising resources to address these gaps if needed. This commitment to publish a Rural Delivery Plan was reiterated in the Scottish Government’s 2023-2024 Programme for Government<sup>7</sup>. Work to develop the Rural Delivery Plan has been ongoing by the delivery team in Scottish Government since then, with a Ministerial Working Group set up in June 2023<sup>8</sup> and a Rural Stakeholder Group.

The Scottish Government conducted a survey on the Rural Delivery Plan in February-March 2025. This noted that:

“The Rural Delivery Plan will act as a framework to consider the full breadth of policy delivery in the rural space; it is an opportunity to bring together often siloed areas of interest and consider what is happening holistically.”

The Plan will set out a vision for rural Scotland, a series of strategic objectives and related key performance indicators setting out the basis for understanding progress against the objectives. The Scottish Government notes that the Rural Delivery Plan will build on previous work, including the National Council of Rural Advisers recommendations (in 2018<sup>9</sup>) and the outputs from the Scottish Rural and Island Parliaments in 2021 and 2023 (see section below).

The main output from the 2021 Scottish Rural and Island Parliament was the Manifesto for Rural and Island Scotland<sup>10</sup>, which called for a vision and policy framework for rural Scotland<sup>11</sup>. The 2023 event culminated in the ‘Last Dance’ workshop which brought together the views of stakeholders in attendance [to create a rural lens approach, including a framework for designing rural and island policy and service interventions](#)<sup>12</sup>. This approach aims to embed rural expertise across all stages of policy development and implementation, and is refined through continuous review.

The Rural Delivery Plan explicitly applies to mainland rural communities in Scotland, and not to island communities which are supported through the Scottish Government’s National Islands Plan.

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<sup>7</sup> See the Scottish Government’s [2023 policy prospectus](#) and [2023-24 Programme for Government](#).

<sup>8</sup> [Rural Delivery Plan: Ministerial Working Group - gov.scot](#)

<sup>9</sup> [New blueprint for Scotland's rural economy: recommendations to Scottish Ministers - gov.scot](#)

<sup>10</sup> [Manifesto for Rural and Island Scotland](#)

<sup>11</sup> [Scottish Rural Parliament 2021](#)

<sup>12</sup> [Scottish Rural & Islands Parliament 2023](#)

## National Islands Plan and Islands Community Impact Assessments

Following the passing of the 2018 Islands (Scotland) Act, the Scottish Government published its first National Islands Plan in December 2019<sup>13</sup>. The Plan sets out a framework for action to improve outcomes for Scotland's island communities. The Plan includes 13 Strategic Objectives relating to a wide range of issues, including population change (the issue that was the top priority identified by respondents during the consultation on the Plan), digital connectivity, housing, transport, fuel poverty, education, climate change and energy, empowered island communities, and strong local partnerships. Progress on achieving these objectives is reported on an annual basis by the Scottish Government<sup>14</sup>. The first National Islands Plan is currently under review (a statutory obligation every five years), with a new Plan currently being drafted.

In Autumn 2020, just under one year after the publication of the first National Islands Plan, the first Scottish Islands Survey was sent to 20,000 residents across Scotland's (permanently inhabited) islands<sup>15</sup>. The objective of the survey was to improve understanding about living on Scotland's islands and to gather baseline data against which to measure the success of the Plan. Over 4,300 people responded to the survey from 59 islands (a response rate of 22%) and a range of issues were raised including support for young people, employment, education and training provision, childcare, healthcare services, digital connectivity and the inability of infrastructure to meet tourism demand.

The data from the survey confirmed the need for future recommendations or policies to recognise that life is different in each island group and that different age groups have distinct experiences of island life. Therefore, tailoring to each island group and different age groups is appropriate.

A second Scottish Islands Survey was carried out in 2023, with the report of the findings published in 2024<sup>16</sup>. Again a 22% response rate was achieved (with 20,000 surveys sent out) across 66 islands. Key findings from the survey include the variety of experiences of island life (including within island groupings), in relation to issues such as accessing affordable housing, education provision and digital and transport infrastructure. A comparison of the 2020 and 2023 results showed a decline in island residents' perceptions of public transport, housing availability, fuel poverty and sense of community. More positively, access to fast internet connections and participation in community events have increased and young people are more likely to say they will stay in their island in the medium term.

Variations are also observed in terms of responses across different age groups, with young people (18-35) least satisfied with current housing and availability of housing

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<sup>13</sup> [National Islands Plan](#)

<sup>14</sup> The most recent annual report from 2024 was published on 31 March 2025. More information is available here: [Implementation and Measurement of the National Islands Plan - National Islands Plan: annual report 2024 - gov.scot](#)

<sup>15</sup> [National Islands Plan Survey: final report - gov.scot](#)

<sup>16</sup> [Scottish Islands Survey 2023: main findings report - gov.scot](#)

options and reporting lower mental wellbeing, but feeling more empowered when it comes to influencing the decisions made by community organisations.

The Islands (Scotland) Act 2018 also established a duty on public authorities to undertake Islands Community Impact Assessments (ICIAs) in relation to new policies, strategies and interventions. Islands Community Impact Assessments explore whether these new policies are likely to have different impacts in different island communities and between island and mainland communities. Guidance and a toolkit have been produced<sup>17</sup> but this exercise has not yet been formally evaluated.

## The Rural Lens Toolkit

In December 2022 the Scottish Government committed to apply a rural lens to projects funded as part of the National Strategy for Economic Transformation<sup>18</sup>. Rural policy officials took on the responsibility of developing guidance for this process across the Scottish Government, with a Rural Lens Toolkit being piloted with several policy teams in the Scottish Government in 2024-25. The Rural Assessment Toolkit was launched across government in early April 2025.

In a press release accompanying the publication of Scotland's Rural College's Rural and Islands Insights Report 2023<sup>19</sup>, funded by the Scottish Government through its Strategic Research Programme 2022-27, Cabinet Secretary for Rural Affairs, Land Reform and Islands Mairi Gougeon emphasised that the Rural Delivery Plan *“will ensure that a rural lens is applied to all ongoing policy.”*

Since 2007 and the introduction of the National Performance Framework<sup>20</sup>, the Scottish Government's approach to rural issues has been one of mainstreaming, or adapting policies to meet local needs rather than setting rural Scotland aside as something different. In 2018, the National Council of Rural Advisers called for rural issues to be embedded across all policies and the subsequent establishment of the Rural Economy Action Group was seen as the means to ensure that this happened systematically, including through achieving a better understanding and promotion of the rural economy in national economic plans and industry-led strategies<sup>21</sup>.

This non-mandatory commitment to mainstreaming and to apply a rural lens can be contrasted with the legislative requirement to undertake Islands Community Impact Assessments as part of the Islands (Scotland) Act 2018<sup>22</sup>.

## Scottish Rural Network

The role of rural networks has evolved over time since their introduction into the European Union's Common Agricultural Policy (CAP) in 2007, alongside LEADER (or Community Led Local Development). The Scottish Rural Network (SRN) was

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<sup>17</sup> [Island communities impact assessments: guidance and toolkit - gov.scot](#)

<sup>18</sup> [National Strategy for Economic Transformation](#)

<sup>19</sup> [Press release accompanying the publication of SRUC's Rural and Islands Insights Report 2023](#)

<sup>20</sup> [National Performance Framework | National Performance Framework](#)

<sup>21</sup> [Rural Economy Action Group - gov.scot](#)

<sup>22</sup> [Island communities impact assessments: guidance and toolkit - gov.scot](#)

established in 2007 to support the delivery of the Scottish Rural Development Programme (SRDP, pillar 2 of the CAP). It has evolved over time and is currently managed through the Network Support Unit within Scottish Government. The aims of the Scottish Rural Network are to:

- Get more people from rural and island communities, businesses and the wider public involved in policy developments that affect them;
- Help improve the delivery of the Scottish Rural Development Programme and wider agricultural schemes;
- Inform farmers, rural businesses and communities about policy and funding opportunities including future agricultural policy development;
- Encourage innovation in agriculture, food production, forestry and rural and island areas including community development.

The Scottish Rural Network has worked to encourage rural development by sharing information, ideas and good practice on sustainable economic growth and development and community empowerment, mainly through local and national events and regular communications. Prior to EU exit, it was one of four rural networks across the UK programmes linked within the framework of the UK National Rural Network.

The Scottish Rural Network is supported by the [Scotland Rural Network website](#), which has provided news, information and extensive networking opportunities for everyone living and working in rural communities. The Network has also provided funding to relevant rural initiatives and projects, for example to successive Scottish Rural and Island Parliament events, the UK-wide Plunkett Foundation and Scottish AgriTourism in 2024-25. The Scottish Rural Network was evaluated by the Scottish Government's Rural and Environment Science and Analytical Services (RESAS) Division in 2019-2020<sup>23</sup>.

## Scottish Rural Action

Scottish Rural Action (SRA) was established in 2013. Its vision is “for vibrant and connected rural and island communities which have control over their future, and which contribute to building a society that is inclusive, just and sustainable.”

The organisation<sup>24</sup> has five values: inclusion, diversity, cooperation, democracy and impact. Scottish Rural Action works with members and partners nationally, regionally and locally across Scotland to deliver four main activities:

- build a grassroots-led [rural movement](#) in Scotland that connects rural communities with each other and with politicians and decision-makers;
- collaborate with seldom-heard groups to create platforms that better enable their participation in the rural movement;

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<sup>23</sup> [Scottish Rural Network: evaluation - gov.scot](#)

<sup>24</sup> Scottish Rural Action was set up as a Company Ltd by Guarantee in 2013, and as a Scottish Charity in 2018.

- collectively develop a cross-sectoral, locally-informed understanding of rural Scotland's economy, society and culture that shapes local practice and national policy;
- deliver the biennial Scottish Rural and Islands Parliament.

Scottish Rural Action has a Board of Directors elected by the membership to govern the organisation, and a staff team, including a National Coordinator. The organisation was independently evaluated in 2019 by researchers at the James Hutton Institute<sup>25</sup>.

In addition to organising the biennial Scottish Rural and Islands Parliament events, Scottish Rural Action's current activities include providing advice on applying a rural lens to policies and services, organising events on particular topics<sup>26</sup> and submitting responses to relevant consultations on specific rural issues and experiences.

## Building a rural movement in Scotland

The building of a rural movement<sup>27</sup> in Scotland was a commitment in the Scottish Government's 2019-20 Programme for Government<sup>28</sup>, and it forms a key part of the work of Scottish Rural Action<sup>29</sup>.

In 2022, [Scotland's Rural College and Newcastle University published a report](#) based on research to explore the key characteristics, roles and methods of engagement employed by established rural movements in other European countries, in order to develop lessons to inform the Scottish approach.

Following this, a workshop was organised by Scottish Rural Action in November 2022 for strategic stakeholders. This explored how a rural movement may strengthen their individual programmes of work and collaboration between them.<sup>30</sup> The Scottish Rural and Islands Parliament provides a platform for Scotland's rural movement.

## The Scottish Rural and Islands Parliament

As set out above, one of Scottish Rural Action's key activities is to deliver the biennial [Scottish Rural and Islands Parliament](#). The first event was held in Oban in 2014, with subsequent events in 2016 (Breachin), 2018 (Stranraer), 2021 (virtual due to the COVID-19 pandemic), and most recently in 2023 in Fort William. The inaugural [Scottish Rural & Islands Youth Parliament](#) was held in 2023.

The format and purpose of Scotland's Rural and Islands Parliament is informed by comparable events in many European countries; indeed Scotland is a member of the [European-wide network of Rural Parliaments](#). The Parliaments are participatory,

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<sup>25</sup> [Microsoft Word - SRA Evaluation FINAL](#)

<sup>26</sup> See for example this event focusing on rural health: [2024 05 05 Report from Hows your rural health 0.pdf](#)

<sup>27</sup> A rural movement is a partnership approach to networking and amplifying the diverse voices of rural and island communities. It serves two functions: mobilising and connecting communities to each other so they are skilled and supported to shape their own futures; and connecting communities to decision-makers to co-produce national policy.

<sup>28</sup> [Programme for Government 2019 to 2020 - gov.scot](#)

<sup>29</sup> [Rural movement in Scotland](#)

<sup>30</sup> The report from this event is available online here: [Scotland's rural movement | Scottish Rural Action](#).

democratic processes which aim to raise rural voices, promote exchange and cooperation between communities and connect communities to decision-makers to ensure policy is shaped by rural and island expertise. The Scottish events have brought together hundreds of stakeholders, including rural and island community representatives, Non-Governmental Organisations (NGOs) and Scottish Government officials, to discuss key rural and island priorities. Outputs have included manifestos, practical projects and tools, and policy recommendations. Scottish Rural Action provides the Secretariat and coordination for the events and arranges the programme in collaboration with a range of organisations.

## Community Led Local Development

Since the early 1990s, the European Union's LEADER programme has, under various funding programmes, provided investment for bottom up, community led development, managed by Local Action Groups (LAGs) across EU member states. Since 2007 LEADER has been implemented under the Common Agricultural Policy's second pillar. In Scotland, this is known as the Scottish Rural Development Programme (SRDP). Following the UK's departure from the EU, the LEADER programme ceased to run in Scotland in December 2021.

In 2021-22 the Scottish Government commenced its Community Led Local Development (CLLD) programme to replace LEADER in Scotland. The design of the programme was based on the founding principles of LEADER but aimed to avoid some of its limitations and challenges, perhaps most notably the level of bureaucracy.

Community Led Local Development aims to address social, environmental and economic issues affecting rural and island communities to:

- 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 (for example short supply chains, community food);
- build co-operation with similar groups in Scotland, UK and Europe;
- empower communities to exchange learning and knowledge with each other, realise their potential and build opportunities for all.

The LEADER network of 21 Local Action Groups (LAGs) has continued to exist across Scotland through annual budgets under the Scottish Government's Community Led Local Development (CLLD) programme, although some of the groups have evolved, including in their governance arrangements. The CLLD programmes have differed in their size and aims since 2021, with over £38 million of Scottish Government funding provided in total (including 2025-2026) since 2021<sup>31</sup>:

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<sup>31</sup> [Community Led Local Development | Scottish Rural Network](#)

- In 2021-22, two test of change pilots were delivered with a total of £3.3million of funding for rural and island communities – the Rural Communities Testing Change<sup>32</sup> (RCTC) and the Rural Communities Ideas into Action<sup>33</sup> (RCIA) funds. This work was informed by learning from an evaluation of the first programme by Scotland’s Rural College<sup>34</sup> and additional work by the James Hutton Institute<sup>35</sup>. The Rural Communities Testing Change fund was available to LAGs to build on LEADER learning but to also properly innovate and test change. The Rural Communities Ideas into Action funding was open to all community groups and was delivered in partnership with Inspiring Scotland<sup>36</sup>. A report was undertaken at the end of these programmes which included recommendations regarding future Community Led Local Development funding delivery<sup>37</sup>.
- In 2022-23, two tranches of funding were delivered to Local Action Groups:
  - £8.6million to LAGs to support Community Led Local Development in their areas through the Rural Community Led Fund<sup>38</sup>. The funding was allocated to LAGs using the Socio-Economic Performance Index developed by the James Hutton Institute<sup>39</sup>. £1 million of this funding was dedicated to cooperation projects and to support new partnership working.
  - £3 million of funding was available to community groups and delivered by Inspiring Scotland through the Rural and Island Communities Ideas into Action Fund<sup>40</sup>.
- In 2023-24:
  - £11.6 million was committed by the Scottish Government to support Community Led Local Development across rural and island Scotland, including £6.7 million ringfenced for resource use by the Local Action Group network<sup>41</sup>. This was the amount needed to satisfy the requirements of the Agriculture (Retained EU Law and Data) (Scotland) Act 2020, and to enable the continued operation of the CAP schemes from January 2021. The stipulated requirement was that at least 5% of the Pillar 2 budget was allocated to LEADER (Community Led Local Development).

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<sup>32</sup> [Rural Communities Testing Change Fund | Scottish Rural Network](#)

<sup>33</sup> [Rural Communities Ideas into Action](#)

<sup>34</sup> [Evaluation](#)

<sup>35</sup> [Recommendations](#)

<sup>36</sup> [Inspiring Scotland website](#)

<sup>37</sup> [End of fund report](#)

<sup>38</sup> More information about how the funding was distributed between LAGs is available here: [Scottish Rural Development Programme \(SRDP\)- Scottish Rural Network \(SRN\) - RCTC - RCIA - CLLD Allocations 2022-23 - Website reference material - 14 December 2022.pdf](#)

<sup>39</sup> More information on the Index is available online here: [SEP INDEX - Executive Summary.pdf](#). The index was initially developed more than 10 years ago using 2011 data based on a basket of indicators (combined with population, area, etc.).

<sup>40</sup> [Rural and Island Communities Ideas into Action](#)

<sup>41</sup> [Local Action Groups | Scottish Rural Network](#)

- In addition, £2.9 million was available for capital funding (making a total of £9.6million available to Local Action Groups)<sup>42</sup>.
- Collaboration activities and better partnership working between Local Action Groups was supported by £900,000 of funding.
- Funding also supported a national Community Led Local Development conference in Aviemore hosted by the Scottish Rural Network bringing together stakeholders from across Scotland. The outputs from the conference included a short briefing on the future of Community Led Local Development<sup>43</sup> and a briefing focusing on the position of this initiative in the wider funding landscape<sup>44</sup>.
- At the 2023 Scottish Rural and Islands Parliament, a roundtable was held on the future of Community Led Local Development with the output from this discussion being a statement communicated to the Deputy First Minister, submitted to the Rural Delivery Plan Ministerial Working Group and included in the Scottish Rural and Islands Parliament's response to the Parliamentary enquiry on the draft Agriculture & Rural Communities (Scotland) Bill<sup>45</sup>.
- In 2024-25 the Scottish Government committed:
  - £12.2million for rural and island communities to support Community Led Local Development and similar initiatives to ensure they are sustainable, resilient and thriving with local voices shaping and driving community development. Of the £12.2 million budget, £6.9million is statutory funding for CLLD.
  - Tranche 1 of funding (£6.65 million, with 2.9m capital and £3.75m resource) was released to Local Action Groups in May/June 2024.
  - £250,000 was allocated for this review of Community Led Local Development, Scottish Rural Action and the Scottish Rural Network.
  - Tranche 2 of funding was announced in November 2024<sup>46</sup>.
  - In March 2024, a Community Led Local Development workshop was held for LAG chairs and programme coordinators in Glasgow, hosted by Angus Rural Partnership and supported by the Scottish Rural Network. The event built on earlier discussions which had focused on the need for the CLLD network in Scotland to consider how best to work collectively and strategically to lead the implementation of the programme going forward<sup>47</sup>.

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<sup>42</sup> More information on the allocation of funding to LAGs can be found here: [Website - Local Action Group Funding Allocations 2023.pdf](#)

<sup>43</sup> This briefing is available online here: [Rural Communities - The Future of CLLD briefing](#)

<sup>44</sup> This briefing is available online here: [CLLD Conference - 18th April Aviemore - Outputs - October 2023.pdf](#)

<sup>45</sup> The statement is available online here: [SRIP - CLLD Statement from 3rd November 2023.pdf](#)

<sup>46</sup> Information on LAG allocations is available online here: [LAG CLLD Allocations - FY 2024-25 \(1\).png \(1414x2000\)](#)

<sup>47</sup> The report from the Glasgow event is available online here: [here](#)

- The proposed Community Led Local Development budget for 2025-26 is currently awaiting approval through the Parliamentary approval process. In the budget approved by the Scottish Parliament on 25 February 2025, CLLD was allocated £9 million of funding, including £6.1 million of capital expenditure and £2.9 million in revenue.

### 3. Wider socio-economic and policy developments in Scotland

It is important as part of the Scottish Rural Communities Policy Review that the research team is aware of the wider (non-rural) policy and socio-economic contexts in which Scottish Rural Action, the Scottish Rural Network and Community Led Local Development have operated over the last few years.

Key parts of that context include the Covid-19 pandemic, the cost of living crisis (and associated rising levels of poverty and financial hardship in all parts of Scotland), public sector reform and decreasing public sector budgets, and the increasing importance of the Scottish Government's commitment to delivering a Just Transition to Net Zero. All of these have changed the way that each rural policy initiative has operated, including in practical terms (for example, from hosting face-to-face events and visits to holding meetings online), as well as in terms of the focus of their work. There are a number of wider policy developments which are of importance to this review, including in terms of land reform, community wealth building and community empowerment.

The Land Reform (Scotland) Bill was introduced to the Scottish Parliament in March 2024 and is currently (June 2025) at Stage 2 in the Scottish Parliament. This Bill includes a range of measures, including a prohibition on the sale of large landholdings over 1,000 hectares until Ministers can consider the impact on the local community (which could lead to some landholdings being lotted into smaller parts), legal responsibilities on owners of large estates to show how they use their land and how that contributes to public priorities (including addressing climate change and protecting and restoring nature), and how they engage with communities through Land Management Plans, and reforms to tenant farming and small landholding legislation<sup>48</sup>. The Bill also proposes an introduction of advanced notice of certain sales from large landholdings, linking to the Community Rights to Buy land and buildings. This will be supported by the ongoing (as of June 2025) review of the four Community Rights to Buy<sup>49</sup> which is considering legislative and procedural aspects of these rights. This will help to implement the current Land Reform Bill as well as existing processes of Community Rights to Buy (from the 2003 Land Reform (Scotland) Act (as amended) and the 2015 Community Empowerment Act.

The Community Wealth Building (Scotland) Bill was introduced to the Scottish Parliament in March 2025, and is currently at Stage 1. Amongst other things, this Bill instructs Scottish Ministers to publish a community wealth building statement setting out the community wealth building measures they intend to take and to publish guidance on community wealth building. The Bill additionally sets out a requirement for local authorities (working with other public bodies) to publish community wealth building action plans<sup>50</sup>. The Scottish Government has also increased its focus on

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<sup>48</sup> [Land Reform \(Scotland\) Bill | Scottish Parliament Website](#)

<sup>49</sup> [Community Right to Buy - gov.scot](#)

<sup>50</sup> [Community Wealth Building \(Scotland\) Bill | Scottish Parliament Website](#)

wellbeing (for example through the National Strategy for Economic Transformation, published in April 2022<sup>51</sup>).

The Scottish Government continues to place emphasis on community empowerment and strengthening local governance and democracy. The Community Empowerment Act (Scotland) 2015<sup>52</sup> gave community bodies new rights; a recent review of parts of the Act has been published which reiterated the Scottish Government's commitment to empowerment of communities. This noted that flexible decision-making processes, independent budgets and the right support is needed to support community empowerment. The key next step for community empowerment will be the Local Governance Review. The Local Governance Review being undertaken jointly by the Scottish Government and COSLA (Convention of Scottish Local Authorities) is focusing on exploring how communities can have greater control and influence over decisions that affect them, including by considering how powers and responsibilities are shared across national and local spheres of government. The Review has included two phases of Democracy Matters conversations across various communities (in 2019/20 and 2024), a public consultation, and input from various public sector stakeholders on alternative governance arrangements<sup>53</sup>.

Purchases of land and buildings from the Community Rights to Buy, and the Asset transfer legislation included in Part 5 of the Community Empowerment Act, are supported by the Scottish Government's Scottish Land Fund. This funding source is open to rural and urban communities for land purchases, and has been delivered since 2010.

Ongoing work to implement the Planning (Scotland) Act 2019<sup>54</sup> has implications for rural communities, particularly including uptake in creating Local Place Plans. These plans are led by local communities, and set out land use and spatial planning priorities. If registered by local councils and adopted as part of their local development plan, Local Place Plans will become a material consideration in planning application decisions. The Local Place Plan process has also been noted to support the production of Community Action Plans generally<sup>55</sup>.

It is worth noting that the Scottish Government also has funding available for community-led regeneration, including through the Empowering Communities Programme. There are two funds in this programme – the Investing in Communities Fund, with the current round from 2023-2026 (though applications are not currently being accepted), and the Aspiring Communities Fund, particularly targeted at communities in fragile and deprived areas<sup>56</sup>. The Scottish Land Fund, delivered in partnership between the National Lottery Community Fund and Highlands and Islands Enterprise (with Scottish Government funding) provides funding for urban

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<sup>51</sup> [Scotland's National Strategy for Economic Transformation - gov.scot](#)

<sup>52</sup> [Community empowerment - gov.scot](#)

<sup>53</sup> [Local Governance Review - Improving public services - gov.scot](#)

<sup>54</sup> [Community involvement in the planning process - Planning and architecture - gov.scot](#)

<sup>55</sup> [Local Place Plans | Our Place](#)

<sup>56</sup> [Empowering Communities Programme - Community empowerment - gov.scot](#)

and rural communities to own and manage land and land assets<sup>57</sup>. There are also a number of island-specific funding schemes, including the £3 million Islands Programme Fund which funded 10 projects in 2024-25 to deliver critical infrastructure to island communities to help boost employment and empower communities<sup>58</sup>.

Tackling poverty, including eradicating child poverty, is a Scottish Government priority, alongside growing the economy, tackling the climate emergency and improving Scotland's public services<sup>59</sup>. In a rural context, research is currently ongoing to examine the trends and drivers of rural and island poverty in both the period leading up to and following the cost of living crisis.

Key policy and delivery plans of relevance to this review include:

- the Tackling Child Poverty Delivery Plan 2022-26<sup>60</sup>;
- the Good Food Nation Act (passed in 2022) with duties for Scottish Ministers, local authorities and health boards to produce Good Food Nation Plans and a national consultation on producing a National Good Food Nation Plan<sup>61</sup>;
- the National Care Service Bill (though no longer with the commitment to create a National Care Service)<sup>62</sup>.

Finally, there are several relevant policies from Transport Scotland, including:

- the National Transport Strategy in 2020<sup>63</sup>;
- the 20 year (2022 to 2042) strategic review of Scotland's transport network performance in 2019<sup>64</sup>;
- the forthcoming Islands Connectivity Plan<sup>65</sup>.

The latter will replace the Ferries Plan and encompass ferry, aviation and fixed links as well as onward and connecting travel. It is worth noting, however, that these documents do not cover services managed by organisations other than Transport Scotland (for example, internal Orkney and Shetland ferry services).

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<sup>57</sup> [Scottish Land Fund | The National Lottery Community Fund](#)

<sup>58</sup> [Supporting island communities - gov.scot](#)

<sup>59</sup> For more information on these priorities see: [Priorities for Scotland: First Minister's statement - 22 May 2024 - gov.scot](#)

<sup>60</sup> [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot](#)

<sup>61</sup> [Good Food Nation - Food and drink - gov.scot](#)

<sup>62</sup> [Future of the National Care Service: Ministerial statement - gov.scot](#)

<sup>63</sup> [National Transport Strategy 2 | Transport Scotland](#)

<sup>64</sup> [Strategic Transport Projects Review 2 | Transport Scotland](#)

<sup>65</sup> [Islands Connectivity Plan | Overview | Transport Scotland](#)

## 4. Political and policy changes in Westminster

### Agricultural and rural policy developments

Ministers in the UK Government's Department of the Environment, Food and Rural Affairs (Defra) have taken a slightly different direction of travel with regard to new policies for agriculture and rural communities over the last few years.

The UK Conservative Government (with Boris Johnson as Prime Minister) published its agricultural transition plan in November 2020 (updated in January 2024<sup>66</sup>). In June 2023, Defra (under the Conservative Government of Prime Minister Rishi Sunak) published its policy paper for rural communities setting out how it plans to support growth and prosperity in rural areas based on four main priorities:

- *Growing the economy* – supporting rural areas to prosper and boosting opportunities through jobs and skills;
- *Connectivity* - delivering gigabit broadband and mobile coverage in rural areas and increase access to public transport;
- *Homes and energy* - facilitate the building of more homes for local people to buy where local communities want them, powered by secure and resilient energy supplies;
- *Communities* - rural communities continue to be places where people want to live and work. We will improve access to high quality health and social care and take further action to tackle rural crime<sup>67</sup>.

Defra's 2023 policy paper acknowledges that there are barriers to growing the rural economy, including in relation to connectivity and access to local skills and training and quality employment opportunities. It also notes that challenges resulting from the Covid-19 pandemic and high energy and food prices (associated with the war in Ukraine) have been worsened in the countryside. The paper outlines a £7 million fund to test new ways to bring together satellite, wireless and fixed-line internet technologies, proposals to increase affordable housing by creating a network of 'Rural Housing Enablers' to identify sites with local support for development and act as brokers between developers and communities, and pledges to improve transport networks and mobile coverage.

The UK Government also has a long-standing commitment to undertake rural proofing, a commitment originally established in the 2000 Rural White Paper and most recently reported on in the 2023-24 rural proofing report<sup>68</sup>. Whilst Defra acts as rural champion across the UK Government, the success of the rural proofing process relies on a good understanding of rural issues and how to respond to them across departments where policy officials take the lead on rural proofing.

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<sup>66</sup> ['The Path to Sustainable Farming: An Agricultural Transition Plan 2021-2024'](#)

<sup>67</sup> ['Unleashing rural opportunity'](#)

<sup>68</sup> ['Delivering rural opportunity: third report on rural proofing'](#)

## The Levelling Up agenda

The actions set out in the ‘Unleashing rural opportunity’ report in June 2023 were set in the context of the UK Government’s commitment to levelling up – or spreading opportunities more equally - across the country. The levelling up agenda was set out in February 2022 in the Levelling Up White Paper published by the UK Conservative Government<sup>69</sup>. A key pillar of the levelling up agenda was the launch of the UK Shared Prosperity Fund<sup>70</sup> in April 2022 with the initial three year funding period running until March 2025. The UK Shared Prosperity Fund was essentially a replacement for European Union Structural Funds and those elements of the European Union’s Common Agricultural Policy that did not support agriculture. The Shared Prosperity Fund had three axes: Communities and Place; Local Businesses; and People and Skills.

The UK Government described the £2.6 billion Fund as follows:

“It seizes the opportunities of leaving the European Union, by investing in domestic priorities and targeting funding where it is needed most: building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances. It will reduce the levels of bureaucracy and funding spent on administration when compared with EU funds. It will enable truly local decision making and better target the priorities of places within the UK. It will lead to visible, tangible improvements to the places where people work and live, alongside investment in human capital, giving communities up and down the UK more reasons to be proud of their area.”

The funding was delivered locally by local authorities, drawing in the expertise of other local stakeholders, including businesses, members of parliament (MPs) and the voluntary sector, to identify priorities. Four priorities for funding were identified:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are falling behind;
- Spread opportunities and improve public services, especially in those places where they are weakest;
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost;
- Empower local leaders and communities, especially in those places lacking local agency.

All areas in the UK received an allocation from the Shared Prosperity Fund based on a formula rather than a competition. In identifying places to receive Shared Prosperity Fund support in Scotland, there was a requirement to align with the aims of the Scottish Government’s National Strategy for Economic Transformation, and with other national funding streams (for example, the Vacant and Derelict Land Investment Programme, the Place Based Investment Programme, the Investing in

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<sup>69</sup> [Levelling Up White Paper](#)

<sup>70</sup> [UKSPF](#)

Communities Fund and the Strengthening Communities Programme), as well as local and regional strategies<sup>71</sup>.

A range of other funding schemes were launched alongside the Shared Prosperity Fund, including the Community Ownership Fund (worth £150 million, this closed in December 2024). This supported community groups across the UK (with capital and revenue funding) to take ownership of assets and amenities at risk of being lost.

The Rural England Prosperity Fund launched in September 2022<sup>72</sup> and served as a top-up to the UK Government's Shared Prosperity Fund (in line with the UK Government's aim to streamline the funding landscape) for eligible English local authorities, defined by the proportions of their populations that are rural. The Fund succeeded European Union funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England.

The Rural England Prosperity Fund (worth £110 million in capital grant funding) supported projects focusing on new and existing small businesses and community infrastructure in rural areas and funding was available for projects up until March 2025. As with the main Shared Prosperity Fund, the Rural England Prosperity Fund supported the aims of the UK Government's Levelling Up White Paper and it sat alongside other Defra funding schemes:

- The Farming in Protected Landscapes programme – which provides funding to farmers and land managers in protected areas (including National Parks) to support nature recovery, mitigate the impacts of climate change, provide opportunities for people to discover the landscape, and protect or improve the quality and character of a landscape or place<sup>73</sup>;
- The Farming Investment Fund – funding for farmers, growers or land managers to increase productivity, manage their land to benefit the environment and support their agricultural business<sup>74</sup>;
- The Platinum Jubilee Village Hall Improvement Grant Fund – a £3 million fund to fund 100 village halls to improve their facilities<sup>75</sup>.

As its name suggested, the Rural England Prosperity Fund sought to specifically address the challenges facing rural areas, including lower productivity rates, poorer connectivity and poorer access to key services.

Since the election of the Labour UK Government in July 2024 there have been some changes to this funding landscape at UK level. In particular, it is worth noting that the UK Shared Prosperity Fund has been continued on a transitional and more limited basis, with £900 million of investment made available in 2025-26 (including in Scotland)<sup>76</sup>.

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<sup>71</sup> More information on these requirements is available here: [Interventions list for Scotland - GOV.UK](#)

<sup>72</sup> [Rural England Prosperity Fund: prospectus - GOV.UK](#)

<sup>73</sup> [Payments to support parks, National Landscapes and the Broads – Farming](#)

<sup>74</sup> [Farming Investment Fund \(FIF\) - GOV.UK](#)

<sup>75</sup> [Village Halls to see major revamp as Platinum Jubilee fund opens - GOV.UK](#)

<sup>76</sup> [UKSPF 2025-26 allocations - GOV.UK](#)

## The Plan for Neighbourhoods

In March 2025 a new funding scheme was announced by the UK Government, making £1.5 billion available for 75 selected communities across the UK through the Plan for Neighbourhoods<sup>77</sup>. The aim of this fund is to “foster stronger, better connected and healthier communities” across the UK through investment in high streets, local parks, youth clubs, cultural venues, libraries and health and wellbeing services in scope of regeneration and creating local growth and opportunities. New Neighbourhood Boards will be created across the 75 selected communities bringing together residents, businesses and public sector bodies to decide on spending priorities in their area.

The funding, amounting to £20 million for each of the 75 places, will be available over the next decade. This fund forms part of the UK Government’s Plan for Change missions to grow the economy, launched in December 2024<sup>78</sup>. Five key missions have been outlined:

- kickstarting economic growth;
- building a National Health Service (NHS) fit for the future;
- ensuring safer streets;
- breaking down barriers to opportunity, and;
- becoming a clean energy superpower.

The plans to achieve this are ambitious but questions have been raised about their potential to engage with, and deliver benefits for, places across the UK. For example, in terms of kickstarting economic growth, they do raise questions about how areas that have long been disadvantaged can engage, especially if they do not already have strong public-private partnerships and a track record of inward investment. Areas have been selected across the UK on the basis of key factors including rates of deprivation and healthy life expectancy. Ten places have been chosen in Scotland:

- Arbroath
- Elgin
- Kirkwall (Orkney Islands)
- Peterhead
- Dumfries
- Irvine
- Kilmarnock
- Clydebank
- Coatbridge
- Greenock

## The Planning and Infrastructure Bill

Alongside the Plan for Neighbourhoods, the UK Labour Government introduced the Planning and Infrastructure Bill<sup>79</sup> to the UK Parliament in March 2025. The Bill

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<sup>77</sup> More information on the Plan for Neighbourhoods is available online here: [£1.5 billion to restore pride in Britain's neighbourhoods - GOV.UK](#). This Plan is set in the context of the Devolution White Paper (covering England only) which is focused on valuing community assets and empowering communities to be able to influence their neighbourhoods [English Devolution White Paper - GOV.UK](#).

<sup>78</sup> [The Government's Plan for Change missions](#)

<sup>79</sup> [Guide to the Planning and Infrastructure Bill - GOV.UK](#)

extends to England and Wales, with some provisions for infrastructure extending to Scotland.

The Bill aims to speed up planning decisions in England, and also contains new policy on a number of retained powers. It sets out a number of legislative changes for Scotland, including:

- Changed provisions for connecting electricity generation infrastructure, new harbour fees and port consents, and electric vehicle charging points.
- Proposals for a Bill Discount Scheme for households closest to new electricity transmission infrastructure. This scheme aims to boost community acceptance of new transmission infrastructure by ensuring communities directly benefit from their proximity to the new infrastructure.

## Conclusion

This document has set out the wider policy and delivery context for the Scottish Rural Communities Policy Review, with a focus on the period since 2020. It described the principles of the Agriculture and Rural Communities (Scotland) Act 2024, including ‘enabling rural communities to thrive’, the requirement to publish a Rural Support Plan, and the parallel Scottish Government commitment to publish a Rural Delivery Plan and to adopt a rural lens approach across government (which can be contrasted with the legislative commitment to undertake island proofing through Islands Community Impact Assessments).

While the Scottish Rural Network and Community Led Local Development both have their ‘roots’ in European Union legislation (in the form of the Common Agricultural Policy) with their roles and resource-levels evolving since the UK left the European Union, this is not the case for Scottish Rural Action, with this organisation working closely with communities across rural and island Scotland to build capacity and strengthen the rural movement in Scotland. The activities of Scottish Rural Action, the Scottish Rural Network and Community Led Local Development have all evolved in the context of broader policy developments and funding decisions in Scotland, including on land reform, community wealth building and local governance and community empowerment, and in the wider UK, where the government shifted in July 2024 to a Labour administration and policy priorities have evolved in relation to agriculture and rural issues, and wider community level development.

Setting out this context is important for understanding why the three programmes being reviewed have evolved in the ways they have over the last few years, as well as how they might evolve in future.



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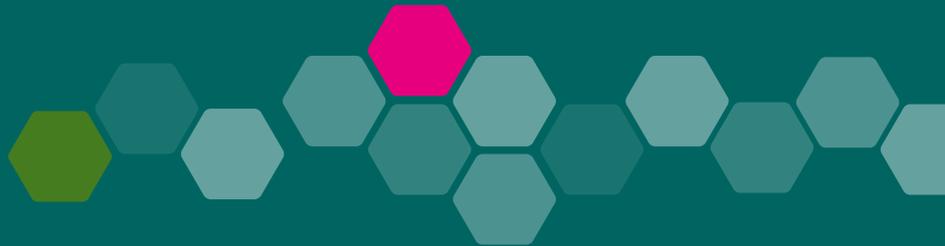
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