

Scotland's Rural College

## Place-based policy approaches and rural Scotland

Atterton, Jane

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## Place-based policy approaches and rural Scotland

### RESAS Strategic Research Programme Research Deliverable 3.4.2 Place-based policy and its implications for policy and service delivery

Author: Jane Atterton ([jane.atterton@sruc.ac.uk](mailto:jane.atterton@sruc.ac.uk))

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## **Executive Summary**

- There has been a return to place-based policy-making in Scotland in recent years, particularly as a result of the recommendations of the Christie Commission on the delivery of public services and the Community Empowerment (Scotland) Act 2015. However, the term 'place-based approach' remains poorly defined and the implications for rural Scotland have not been fully explored.

## **Defining 'place-based approaches'**

- The Organisation for Economic Co-operation and Development's (OECD) New Rural Paradigm (2006) and its more recent Rural Policy 3.0 (2016) are fundamentally based on place, and the need to build on local assets and potential through integrated partnership working. Its parallel regional development work has demonstrated how all regions have the potential to grow and argued that they should be supported to do so, through tailored place-based approaches to encourage economic growth and the creation of a more inclusive society.
- The European Commission (EC) work on place-based approaches emphasises the need for a balance of exogenous and endogenous interventions and multilevel governance to develop integrated, locally-owned strategies. For the OECD and EC this approach is about much more than funding directed towards particular places; it signifies a new philosophy and style of operating.
- In Scotland, the re-emergence of place-based approaches is set very much in the context of reform of Scotland's public services, given tightened budgets and increased demands, to encourage more integrated service provision at local level. However, in the Christie Commission, and the Government's response to it, it is argued that place-based approaches do more than provide an opportunity to address key agendas such as prevention and early intervention, and tackle inequalities. They also offer the potential to tackle cross-cutting issues through an integrated and joined-up approach across geographic and organisational boundaries and to develop the most appropriate responses, based on bottom-up endogenous knowledge, resources, etc. and putting communities at the heart of activities.

## **Implications for rural Scotland**

- The new emphasis on place-based policy approaches in Scotland has particular implications for its rural communities. For example, in terms of services, there are specific challenges in rural locations relating to the costs of service delivery, which need to be recognised as today's place-based approaches are funded from mainstream resources. However, more positively, place-based initiatives offer opportunities for rural areas to be at the forefront of innovative approaches to the delivery of services through new collaborative working or the use of digital technology.
- Defining the appropriate scale of place for an intervention is critical in rural areas and taking a functional region (e.g. a town and its hinterland) may be more appropriate than using existing administrative boundaries.
- It is critical that there is an adequate evidence base to inform the design of place-based approaches, and to monitor and measure their impact, but this evidence base does not always exist for rural areas. As inequality and deprivation are the key issues guiding the location of place-based approaches, it is especially important that up-to-date and fine grained data exists to identify these in all locations and thus target approaches appropriately and accurately measure impacts.
- There is evidence to suggest that rural communities often have high levels of capacity due to their remote location or the challenges that they have faced (i.e. due to necessity), therefore they may be particularly well placed to engage in place-based initiatives. However, having a public (and private) sector which is supportive of and helps to build this engagement is critical, particularly in those communities which do not

have a history of engaging, in order to avoid the creation of an increasingly uneven socio-economic development landscape.

- Moreover, having a policy framework which recognises and is supportive of place-based innovation at local level is important.
- Finally, notwithstanding the considerable challenges that some rural areas still face, including in terms of the requirement to enhance their capacity to engage, the adoption of a place-based approach in national policy-making in Scotland offers the opportunity to develop a more positive dialogue around the future of rural communities based on their wider range of economic, social and environmental assets and their often untapped potential.

## 1. Introduction

There has been a return to a place-based approach in Scottish policy in recent years, in particular through the recommendations of the Christie Commission on the delivery of public services, and through the Community Empowerment (Scotland) Act 2015, with the statutory requirement that Community Planning Partnerships (CPPs) divide their areas into smaller localities. However, although it is generally accepted that the current emphasis on place differs from the place-based approaches seen in the 1960s and 1970s, there is “*no one single definition of what is meant by a place-based approach*”<sup>1</sup>.

The implications of the move to a place-based approach for *rural* Scotland have also not been widely discussed, yet much has been written about the need to take a place-based approach in rural policy-making in the international literature, in particular by the OECD, including in its New Rural Paradigm and Rural Policy 3.0, and in its 2008 rural policy review in Scotland where the organisation advocated taking a ‘place-tailored’ approach to rural policy and programmes. This empirical work is mirrored in the literature on theoretical approaches to rural development, where there has been a shift from exogenous, to endogenous and now to neo-endogenous, or more recently, nexogenous approaches to rural development<sup>2</sup>.

This briefing starts by outlining the OECD and European evidence on place-based policies which has emerged in the last decade or so and then reviews the growing importance of place-based approaches in national level policy-making in Scotland in the last few years. When comparing the three it is clear that there are different starting points, and that there are both differences and similarities in terms of the key principles identified in each.

The briefing concludes by arguing that there are particular considerations which must be taken into account when policy-makers are applying place-based principles in rural areas. For example, the ongoing structural and service provision challenges that exist in many of the more remote rural areas must be acknowledged, and there may be a need for public sector actors to continue to support and build capacity particularly in communities which may be experiencing long-term depopulation. This may be difficult at a time of reducing budgets. However, taking a place-based approach that includes the key principles from the European and OECD work in this area offers the potential to build on the considerable assets and opportunities that exist across Scotland’s rural areas in a very positive way.

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<sup>1</sup> Improvement Service (2016) *Place-based approaches to Joint Planning, Resourcing and Delivery – An overview of current practice in Scotland*, Improvement Service: Livingston. Available online: <http://www.improvementservice.org.uk/research.html>.

<sup>2</sup> In short, while exogenous approaches are driven from outside a local area, endogenous approaches emphasise local people mobilising local resources to generate locally-rooted development. Neo-endogenous approaches recognise the importance of extra-local factors, but emphasise that the power still lies locally to generate development activities. Nexogenous development emphasises the importance of reconnecting and binding together forces across space, allowing exogenous and endogenous forces to be matched to lead to rural revitalisation.

## 2. The OECD and European Commission place-based approaches to regional and rural development

This section outlines the key features of place-based policies as advocated by the OECD and the European Commission, with each sub-section concluding with a short summary.

### 2.1 The OECD's place-based approach

A series of publications have been published by the OECD which, when combined, build a body of evidence regarding the use of place-based approaches and identifying some of its key principals.

Published in 2006<sup>3</sup>, the New Rural Paradigm (NRP) could be argued to be the first of these publications. The NRP is based on two key characteristics: a focus on places instead of sectors and on investments instead of subsidies. Underlying the NRP is a shift in the way that policies are implemented to include a cross-cutting and multi-level governance approach. This is because, as the OECD argues, designing policies for different areas requires input from a variety of public and private actors operating at different levels and geographies. For the OECD, fostering new public-private partnerships and integrating new stakeholders and resources into bottom-up, place-based approaches at a local level is critical. To evaluate and compare different policies across countries and regions within countries a comprehensive analytical framework is required including both quantitative and qualitative sets of indicators.

As part of its programme of regional work, the OECD published two reports in 2009<sup>4</sup> which argued that the objective of development intervention is to promote growth in all regions and, importantly, that all regions have the potential for growth, even those that might be regarded as lagging or underdeveloped. Indeed, the evidence from the OECD's regional research demonstrated how some predominantly rural regions in its member states have, on average, shown faster growth than intermediate or even predominantly urban regions<sup>5</sup>. In a place-based approach, growth is based on endogenous potential, highlighting the need to move beyond 'one-size-fits-all' approaches.

In its 2012 *Promoting Growth in All Regions*<sup>6</sup> report the OECD reinforced its message of basing development approaches on local assets and presented a strong rationale for Governments to invest in underdeveloped regions rather than just focusing on a few main engines of growth (i.e. urban centres). The evidence presented included noting a tendency for underdeveloped regions to adopt a dependency culture, waiting for 'prop-up' support

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<sup>3</sup> OECD (2006) *New Rural Paradigm*, OECD Publications: Paris. Available online: <http://www.oecd.org/gov/regional-policy/thenewruralparadigmpoliciesandgovernance.htm>

<sup>4</sup> OECD (2009a) *How regions grow*, OECD Publications, Paris; OECD (2009b) *Regions matter*, OECD Publications, Paris.

<sup>5</sup> OECD (2012) *Promoting Growth in All Regions*, OECD Publications: Paris. Available (to purchase) online: <http://www.oecd.org/publications/promoting-growth-in-all-regions-9789264174634-en.htm>

<sup>6</sup> OECD (2012) *Promoting Growth in All Regions*, OECD Publications: Paris. Available (to purchase) online: <http://www.oecd.org/publications/promoting-growth-in-all-regions-9789264174634-en.htm>.

from the national level, based on a presumption that they have no growth potential and are just a drag on national performance. Instead, the OECD argues, there needs to be a positive, proactive strategy of exploiting their resources through integrated, coordinated and tailored investments. By taking such a place-based approach significant economic growth potential can be untapped and a more inclusive and fairer society can be created through its ability to mobilise local actors and ensure they are involved and engaged in the development process.

In its 2014 publication, *Innovation and Modernising the Rural Economy*<sup>7</sup>, the OECD argued that the need for a place-based approach is greater in rural territories because the less densely populated a region is, the more the key determinants of its growth performance tend to be specific to that region. In part this is because rural economies are more likely to be defined by their natural geography (i.e. natural resources, topography, transport network, climate) than cities. The report also highlighted that the success (or otherwise) of rural regions is considerably more affected by changes in global economic conditions than is the case for urban regions. In response, the potential of strategies based on investing in and promoting the natural, cultural and recreational amenities in rural areas calls for a holistic approach, which may encompass infrastructure, private sector development and environmental policies.

The OECD's 2016 Regional Outlook report<sup>8</sup> outlines the organisation's new Rural Policy 3.0. This represents an extension and refinement of the NRP, and focuses on identifying more specific mechanisms for the implementation of effective rural policies and practices. The OECD argues that a key objective of rural policy should be to increase rural competitiveness and productivity in order to enhance the social, economic and environmental wellbeing of rural areas. Within this approach, policies should focus on integrated investments and the delivery of services that are adapted to the needs of different types of rural areas. Rural Policy 3.0 describes a partnership-driven approach that builds capacity at the local level to encourage participation and bottom-up development:

*“Rural Policy 3.0 is fundamentally grounded in a place-based approach which, in order to be successful, requires the active engagement of local communities. Some places have a great deal of community capacity while in other places, such capacity needs to be nurtured and fostered. In either case, effective rural development requires new ways of working both between different levels of government and across all the local actors, businesses, community groups and others. This rich landscape is both a valuable source of information about communities' assets and strengths, and offers the potential of partnership to implement projects and programmes. A bottom-up approach is critical to develop and implement successful rural policies.”*

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<sup>7</sup> OECD (2014) *Innovation and Modernising the Rural Economy*, OECD Publications, Paris. Available (to purchase) online: <http://www.oecd.org/regional/innovation-and-modernising-the-rural-economy-9789264205390-en.htm>.

<sup>8</sup> OECD (2016) *OECD Regional Outlook 2016, Productive Regions for Inclusive Societies*, OECD Publications, Paris. Available online: <http://www.oecd.org/publications/oecd-regional-outlook-2016-9789264260245-en.htm>.



The OECD's work on place-based approaches has not been without its critics. For example, the World Bank's 2009 World Development report<sup>9</sup> argued that regional development policies should instead be based on a 'spatially blind' approach. This view is firmly grounded in new economic geography theory which advocates the advantages associated with agglomeration in urban centres, and argues that efforts to spread economic activity will undermine growth and prosperity<sup>30</sup>. Furthermore, in 2012, the Bank's Chief Economist argued that place-based approaches are "kind-hearted and well intentioned, but fundamentally misguided"<sup>10</sup>.

In response to this criticism, OECD representatives argued that:

*"... all good economic policies should be 'people-centred', in the sense that they should maximise welfare... we argue that in order to maximise aggregate growth and welfare, economic policies may in some instances have to take the spatial or territorial dimensions into account. This is what should be meant by place-based policies"<sup>11</sup>.*

Expanding on this, they emphasise the key elements of the place-based approach, including i) a shift in the objectives, units of intervention, strategies, tools and actors involved, and ii) the need to go beyond the traditional approach of fiscal transfers to address the endogenous factors that may prevent a region from delivering its potential, even when spatially-blind national-level institutions and policies are sound. They continue:

*"The overall objective is growth enhancement, not compensation. To the extent that they achieve this objective, such policies may be considered people-centred, whether they are spatially-blind or place-based. Thus, the dichotomy between 'place-based' and 'people-centred' is simply false".*

To summarise, the key features of a place-based approach for the OECD are:

- A multilevel governance approach
- Cross-sectoral (i.e. territorial) partnership working, including bottom-up actors
- Mobilising local people, resources and assets to generate integrated investments (rather than subsidies) and the delivery of services adapted to local needs
- All regions have the potential to grow, even those defined as peripheral or lagging
- The need for a place-based approach is greater in rural areas.

## *2.2 The European Commission's approach to place-based development*

In parallel with the OECD's work on regional and rural development, a place-based approach has also been advocated by the European Commission (EC), including in the

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<sup>9</sup> World Bank (2009) *Re-Shaping Economic Geography: World Development Report*, The World Bank, Washington DC, 6 November.

<sup>10</sup> Gill, I. (2010) *Regional development policies: Place-based or people-centred?*, VoxEU.org 9 October.

<sup>11</sup> Garcilazo, J., Oliveira, J. and Tompson, W. (2010) Why policies may need to be place-based in order to be people-centred, voxEU.org, 20 November 2010.

Commission's 1988 document on *'The Future of Rural Society'* which emphasised the need for an approach based on local development actions and the assets of rural areas<sup>12</sup>.

The work of Barca in 2009 in relation to the EC's regional policy has been key in shaping the development of its place-based approach. For Barca:

*"A place-based policy is a long-term strategy aimed at tackling persistent underutilisation of potential and reducing persistent social exclusion in specific places through external interventions and multilevel governance. It promotes the supply of integrated goods and services tailored to contexts, and it triggers institutional changes. In a place-based policy, public interventions rely on local knowledge and are verifiable and submitted to scrutiny, while linkages among places are taken into account... this strategy is superior to alternative strategies that do not make explicit and accountable their territorial focus...."*<sup>13</sup>.

Here, a place-based approach therefore requires a balance between exogenous and endogenous forces, with local people working together and with other local and extra-local actors to formulate and deliver locally tailored activities. In short, the term 'place-based' refers to a strategic and integrated approach to governance with different institutional relationships and it is the term 'region' that is more often used in Europe rather than 'place'. The approach is therefore about much more than a spatial focus for policies or funding, in the way it was used to tackle concentrations of urban deprivation in the 1960s and 1970s in Scotland, for example.

The European approach has many similarities with the OECD's NRP and Rural Policy 3.0 and its wider regional work. The main difference, however, is that the OECD work is more clearly based on empirical, regional-level analysis, which they argue demonstrates that all regions have the potential to grow, and that harnessing this growth will benefit the wider national economy.

As well as informing the regional policies of national governments in Europe, this place-based theory of working has been important in informing the EC's Cohesion Policy, in various different ways. It has encouraged a move *towards* a broader set of interventions rather than individual regional aid and infrastructure instruments, and a move *away* from redistributive measures towards the promotion of economic growth and encouraging innovation and entrepreneurship (in line with the EU's Lisbon Agenda). Transnational cooperation and cross-border links have also been encouraged, as has - to some extent at least - a focus on city regions and rural-urban links, although the extent to which this has happened has been constrained by usually long-established administrative boundaries. The adoption of a place-based approach in Europe has also led to a greater emphasis on evaluation as a key part of the policy process, which can be conducted at different stages of implementation, and which provides an evidence base for the success – or otherwise – of place-based approaches.

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<sup>12</sup> European Commission (1988) *The Future of Rural Society*, European Commission, Brussels.

<sup>13</sup> Barca, F. (2009) *An Agenda for a Reformed Cohesion Policy: A Place-Based Approach to Meeting European Union Challenges and Expectations*. Independent Report, prepared at the Request of the European Commissioner for Regional Policy Danuta Huebner, European Commission, Brussels.

Perhaps most importantly, however, there has been a shift from a 'top down' model, dominated by central government to a multi-level governance model, which involves both government and non-government actors from sub-national to supra-national level, including the EU itself. For the EU, this process encourages one of the key features of place-based approaches; the mobilisation of local knowledge and preferences to ensure that place specificities are addressed with tailored and integrated responses.

In European rural policy, the LEADER programme is a good example of this kind of approach. This way of working is challenging, however, as it involves many more actors operating both horizontally across policy domains and vertically across multiple governance levels. It also requires national level actors to trust those working locally so that they can be fully engaged in decision-making processes and subsequent actions.

Cohesion Policy 2014-20 is based on the adoption of a place-based approach to ensure an effective delivery of the Europe 2020 strategy. Territorial Investments and Community Led Local Development provide a framework for some of the place-based principles (e.g. integrating sectors and territorial dialogue) but the EC acknowledges that implementation remains a challenge and there is still a lack of understanding of what a place-based approach is about. At the same time, there is lots of evidence of place-based approaches on the ground, demonstrating how, although they are driven by unique local circumstances and are therefore non-transferable, a number of common features can be identified: valuing and reviving territorial identity as a unique asset is the starting point of every place-based initiative; ambitious strategies naturally expand beyond geographical and sectoral boundaries; an open governance system is the instrument to ensure a smooth implementation of the initiative; a strong leading capacity is needed to steer the process and ensure a long term commitment to results; experimenting and learning-by-doing are natural ingredients in place-based approaches.

The EC notes the aspects of place-based working which are novel and experimental and concludes that there is a clear need to “...*change the mindset of decision makers moving from a more administrative and compliance-driven attitude to a more result-oriented and entrepreneurial one*”<sup>14</sup>.

In summary, key to the place-based approaches advocated by Barca and taken up by the EC, including in their earlier 1988 rural report, and put forward by the OECD, are the principles of investing in endogenous local assets and potential, encouraging bottom-up participation and multi-level partnership working in holistic rather than sectoral activities guided by locally owned strategies. For the OECD and EC, the place-based approach is more than a term used to describe the targeting of funding, it also describes a style and philosophy of operating. From an academic perspective, the following quote emphasises the key elements of this new philosophy which:

*“emphasises the identification and mobilisation of endogenous potential, that is the ability of place to grow drawing on their own resources, notably their human capital and innovative capacities. This approach aims to develop locally-owned strategies*

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<sup>14</sup> European Commission (2015) *Territorial Agenda 2020 put in practice, Enhancing the efficiency and effectiveness of Cohesion Policy by a place-based approach Volume I – Synthesis Report*, European Commission: Brussels.

*that can tap into unused economic potential in all regions and are the basis for strategies that tackle questions of sustainable development and human wellbeing. Such approaches require strong and adaptable local institutions...At the same time, such approaches require the involvement of a wide range of stakeholders and mechanisms for identifying assets in the local economy that can be the basis for local growth strategies.*<sup>15</sup>

This quote also illustrates well that the 'people-based' versus 'place-based' policy dichotomy is misleading. In reality, current place-based approaches are highly person-centred in that they are shaped by local people and are based on a strategy of building on and enhancing their knowledge, skills and resources. The briefing now moves on to discuss the emergence of place-based approaches in Scotland recently.

To summarise, the key features of a place-based approach for the EC are:

- Adopting an approach which is cross-sectoral and tailored to the territory and its resources
- Encouraging innovation, entrepreneurship and economic growth through mobilising local resources, often through innovative, experimental approaches
- Locally generated growth is key, but with linkages beyond the local area to other rural areas (including trans-nationally) or urban centres
- A multilevel governance approach involving government and non-government actors, including communities

### **3. Place-based policy approaches in Scotland**

The term place-based is certainly not new in Scotland with these approaches dating back to the largely urban regeneration programmes of the 1960s and 1970s. Perhaps the most notable Scottish example is the regeneration project in the East End of Glasgow which ran for a decade from 1976 and involved £200 million of public investment. More recent place-based initiatives include Social Inclusion Partnerships (SIPs, 1999-2006) and Community Planning Partnerships (CPPs, since 2003).

The rationale for the early place-based approaches was the existence of spatial concentrations of poverty on the edges of Scotland's towns and cities and in some inner city areas: if poverty itself was spatially concentrated then so too should be the responses to it. In these approaches, additional funding was made available and ring-fenced.

There is a lack of substantive information on how effective these early place-based interventions were<sup>16</sup> but the evidence that is available suggests that they: i) were effective at delivering physical renewal and environmental improvements in neighbourhoods; ii) could deliver socio-economic change but this was often not sustainable beyond the funding period;

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<sup>15</sup> Tomaney, J. (2010) *Place-based Approaches to Regional Development: Global Trends and Australian Implications*, Sydney, Australian Business Foundation.

<sup>16</sup> Improvement Service (2016) *Place-based approaches to Joint Planning, Resourcing and Delivery*, An overview of current practice in Scotland, Improvement Service: Livingston. Available online: <http://www.improvementservice.org.uk/place-based-approaches-to-public-services-across-scotland-examined.html>.

and iii) could build capacity for ongoing partnership-working<sup>17</sup>. It was also apparent that SIPs (a spatially focused response to a spatially concentrated problem) failed to address the poor quality of mainstream public services provided in low income neighbourhoods and had less impact on individual outcomes such as education, employment and health than was anticipated.

This formed part of the rationale for CPPs which, it was believed, would be able to re-prioritise the budgets of mainstream service-providers to low income neighbourhoods and therefore improve the outcomes for people living in these areas. In other words, with the move to community planning there was a recognition that place-based initiatives on their own would not be able to alter the long-term trajectories of low income neighbourhoods and that a more 'strategic' approach was required.

However, as the 2011 Christie Commission report<sup>18</sup> argues, the shift to community planning has had little impact on key outcomes such as income, employment, health, learning and safety with inequalities remaining static or, worse, the gap between the poorest and the most advantaged increasing. As a result, the Commission<sup>19</sup> advocated radical changes to the way that public services are delivered in Scotland in response to falling revenue and rising demand (including as a result of these growing disparities). It recommended several key pillars to underlie changes in public services and to tackle inequalities in Scotland, including participation (by local people and communities), partnership, prevention, performance and place. These now form the guiding principles of the so-called "Scottish model of public sector reform" and are made reality through the Community Empowerment Act (Scotland) 2015. The Commission's recommendations can be set within the wider framework of public service reform driven by the outcomes-focus of the National Performance Framework<sup>20</sup>.

There are a number of reasons why it is appropriate to focus on place in public services in the context of the Christie Commission's model. Such an approach provides a counterbalance to working in silos - cross-cutting approaches can be used to tackle cross-cutting issues through an integrated and joined up approach and partnership working. Working at local level provides the best opportunity to engage people and communities in the design and delivery of services. As a requirement of the Community Empowerment (Scotland) Act 2015, and in response to new targets set by Audit Scotland around community participation and engagement, CPPs have been developing new place-based approaches at the sub-authority (i.e. neighbourhood or locality) level. The Act replaces Single Outcome Agreements with Local Outcome Improvement Plans and increases the focus on localities and place-based communities as drivers of public service reform. Much

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<sup>17</sup> Matthews, P., Netto, G. and Besemer, K. (2012) '*Hard-to-Reach*' or '*Easy-to-ignore*'? A rapid review of place-based policies and equality (September), supported by funding from the Equality and Human Rights Commission Scotland.

<sup>18</sup> Commission on the Future Delivery of Public Services (2011) Report of the Commission on the Future Delivery of Public Services. Available online: <http://www.gov.scot/Publications/2011/06/27154527/18>

<sup>19</sup> Commission on the Future Delivery of Public Services (2011) Report of the Commission on the Future Delivery of Public Services. Available online: <http://www.gov.scot/Publications/2011/06/27154527/18>

<sup>20</sup> Matthews, P., Netto, G. and Besemer, K. (2012) '*Hard-to-Reach*' or '*Easy-to-ignore*'? A rapid review of place-based policies and equality (September), supported by funding from the Equality and Human Rights Commission Scotland.

greater account is taken of the needs of localities and communities experiencing socio-economic disadvantage and poorer outcomes, with CPPs having an explicit commitment to reduce inequality, thereby requiring them to have a strong understanding of their communities.

Therefore, since 2014-15 place-based approaches have become increasingly widespread across Scotland's local authorities, with most focused on areas which are experiencing high levels of deprivation and the majority adopting a holistic approach, for example, by focusing on inequalities and supporting people, families and communities to improve their life outcomes in the round. Often these approaches have involved mapping and profiling the features of a place to inform the development of an asset-based approach. New tools are available for this, including the Place Standard<sup>21</sup> and Understanding Scottish Places<sup>22</sup>.

However, despite most place-based approaches operating with a similar set of common principles (i.e. putting communities at the heart of the activities and seeking to embed effective approaches by utilising mainstream resources and community assets), defining them remains a challenge and, to date, robust evidence on their impacts is limited<sup>23</sup>. One proposed operational definition of place-based approaches has been put forward by the Working Group on place-based approaches to tackling inequality, which includes representatives from several organisations including the Scottish Government, the Development Trusts Association Scotland, What Works Scotland, and SURF (Scotland's Regeneration Forum):

*“A community of people bound together because of where they live, work or spend a considerable proportion of their time, come together to make changes to that place which they believe will improve the physical, social or economic environment and in doing so tackle issues of inequality.”*

It is also worth noting that, based on the evidence gathered in their 2016 report on place-based approaches in Scotland<sup>24</sup>, the Improvement Service have set up a place-based learning network to exchange information and best practice ideas through the UK-wide public sector Knowledge Hub platform.

Recent work by What Works Scotland has set out four rationales for the current place-based approaches in Scotland which can be summarised as<sup>25</sup>:

- **The civic** – people identify with neighbourhoods and therefore they have meaning in peoples' lives (particularly in low income economies with strong bonding social

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<sup>21</sup> For more information, see: <http://www.placestandard.scot/#/home>

<sup>22</sup> For more information, see: <https://www.usp.scot/>

<sup>23</sup> Improvement Service (2016) *Place-based approaches to Joint Planning, Resourcing and Delivery – An overview of current practice in Scotland*, Improvement Service: Livingston. Available online: <http://www.improvementservice.org.uk/research.html>.

<sup>24</sup> Improvement Service (2016) *Place-based approaches to Joint Planning, Resourcing and Delivery – An overview of current practice in Scotland*, Improvement Service: Livingston. Available online: <http://www.improvementservice.org.uk/research.html>.

<sup>25</sup> Bynner, C. (2016) *Rationale for Place-based approaches in Scotland*, What Works Scotland Working Paper (July). Available online: <http://whatworksscotland.ac.uk/publications/>. The four rationales are adapted from Lowndes, V. and Sullivan, H. (2008) How low can you go? Rationales and challenges for neighbourhood governance, *Public administration* 86 (1), pp. 53-74

capital). Civic activity can mobilise local assets (including physical, social, cultural, economic etc. resources) and increase the participation of individuals in civic life. The Christie Commission identified that the sub-local level was the right scale for engaging local communities in the co-design and delivery of local services (one of the four pillars of Christie is 'people'). According to the Scottish Government, place is a 'magnet for partnership and the basis for stronger community participation in the design and delivery of local services'<sup>26</sup>.

- **The joined-up** – neighbourhoods provide a location for developing innovative joined-up local actions and partnership working by a range of stakeholders to provide more integrated service provision. A key driver for the place-based approach is to break down organisational and institutional silos and bring organisations together through a shared local orientation in service delivery. The Institute for Government refers to place-based approaches as 'service integration at a local level'. This links to 'partnership', another pillar of Christie.
- **The political** – at neighbourhood level there is the potential for improvement in accessibility, accountability and responsiveness in decision-making – i.e. clearer lines of responsibility and a more participatory democracy. Place-based approaches may be able to offer an opportunity to devolve power away from managers and budget holders at the senior and political level towards front line officers, community organisations and local people thereby increasing new, deliberative spaces.
- **The (socio-)economic** – through neighbourhood working there is the potential for effectiveness and efficiency by exploring synergies between related services and reducing duplication and costs (relating to Christie's 'performance' pillar). Neighbourhoods are sites where diverse citizens' needs can be more easily identified and so appropriate personalised services can be provided. Austerity means that public services are under pressure to 'do more with less' at a time when an ageing population and 'failure demand' (demand which could have been avoided by earlier preventative measures) mean that demand for services is rising. This links to prevention is the fourth pillar of Christie and is now regarded as a key feature of new approaches to place-based working in Scotland<sup>27</sup>.

The following lengthy quote explains well the Scottish Government's rationale for place-based working:

*"Evidence clearly demonstrates that improved outcomes for people and better use of resources can be achieved when local services are planned and delivered through effective place-based partnership and integrated service provision.... Many of the effective solutions to the complex challenges we face...lie locally. The best ideas and most effective solutions will often come from those with the most direct experience of the issue at hand – that is, users of services and frontline workers. ... we will advance a series of initiatives in this parliament to sharpen the focus of public services on 'place' as a magnet for partnership and as the basis for stronger community participation in the design and delivery of local services.... We want public service organisations to break through bureaucratic barriers and operate*

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<sup>26</sup> Scottish Government (2011) *Renewing Scotland's Public Services: Priorities for Reform in Response to the Christie Commission*, Scottish Government, Edinburgh (September). Available online: <http://www.gov.scot/Publications/2011/09/21104740/9>.

<sup>27</sup> Improvement Service (2016) *Place-based approaches to Joint Planning, Resourcing and Delivery – An overview of current practice in Scotland*, Improvement Service: Livingston. Available online: <http://www.improvementservice.org.uk/research.html>.

*across organisational boundaries to produce integrated services that deliver better value for money and improve the social and economic wellbeing of the nation. We will give people and communities a much stronger voice in the decisions that affect them, responding effectively to their aspirations and concerns. The type of place-based partnership we envisage will be comprehensive and participative, harnessing the full spectrum of talents and capacities of public bodies, citizens, third sector organisations and local businesses. Our approach will be open, inclusive and responsive and, where appropriate, we will take opportunities to place greater responsibility and control in the hands of citizens and communities*<sup>28</sup>.

This discussion demonstrates the extent to which the drivers for place-based service delivery are more complex and challenging than only the pursuance of asset-based community development, improved partnership working and community engagement. In part the drivers are also financial, resulting from ongoing reductions in public sector budgets and increasing demands from an ageing population and welfare reform. These financial and efficiency drivers require the public sector to change the way it operates, for example, by exploring how to engage with other partners, including private and community sector actors, and how to use technology in innovative ways to help reduce the costs of service delivery<sup>29</sup>.

As mentioned earlier, much has been written recently on place-based approaches in Scotland<sup>30,31,32</sup> and drawing on this work, the following summarises the key characteristics identified:

- **Governance and partnership-working:** Public services work in partnership with one another and with the private and third sectors to plan, design and deliver services in the most disadvantaged areas. The process is either led by the local community or by the public sector. This may require efforts to 'blur the boundaries' between professionals and recipients and between producers and consumers of services, perhaps by reconfiguring the way that services are developed and delivered, for example, through community budgeting, outcomes-based commissioning and co-production.
- **Targeting:** A community is targeted in order to address issues that exist at the neighbourhood level with a view to reducing inequalities in life outcomes. There is a focus on prevention and early intervention, tailored to local needs and circumstances, to reduce the demand for services.

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<sup>28</sup> Scottish Government (2011) *Renewing Scotland's Public Services: Priorities for Reform in Response to the Christie Commission*, Scottish Government, Edinburgh (September). Available online: <http://www.gov.scot/Publications/2011/09/21104740/9>. (p. 10)

<sup>29</sup> Scottish Government (2011) *Renewing Scotland's Public Services, Priorities for Reform in Response to the Christie Commission*, The Scottish Government, Edinburgh. Available online: <http://www.gov.scot/Publications/2011/09/21104740/0>.

<sup>30</sup> Including: Improvement Service (2016) *Place-based approaches to Joint Planning, Resourcing and Delivery – An overview of current practice in Scotland*, Improvement Service: Livingston. Available online: <http://www.improvementservice.org.uk/research.html>.

<sup>31</sup> Pinoncely, V. (2016) *Poverty, place and inequality, Why place-based approaches are key to tackling poverty and inequality*, Royal Town Planning Institute (RTPI) (May). Available online: <http://www.rtpi.org.uk/knowledge/research/projects/poverty,-place-and-inequality/> (p. 31).

<sup>32</sup> Bynner, C. (2016) *Rationale for Place-based approaches in Scotland*, What Works Scotland Working Paper (July). Available online: <http://whatworksscotland.ac.uk/publications/>.



- **Assets:** The approach builds on and supports the capabilities and assets of local people, rather than focusing on their needs through a deficit model. This includes changing mindsets (especially in the public sector) to view people as assets rather than as passive recipients of services and supporting and incentivising them to become more engaged and empowered. People must be equal and essential partners in service design and delivery; effective local place leadership is critical.
- **Focus:** The approach requires creative working to take partnership approaches to overcome departmental and organisational silos and to tackle issues in a holistic or thematic manner.
- **Public sector as facilitator rather than deliverer**<sup>33</sup>: Rather than simply providers, public sector agencies need to become catalysts and facilitators of services. Again, this requires a strengthening of the capacity of local communities and actively engaging them in developments. Exploring innovative ways of delivering services, including through digital technology is part of this process.

In essence, many of these are general principles of good practice; the place-based approach is about applying them in a particular geographical context. For policy-makers, 'place' is an attractive term which offers the potential for a holistic, territorial, cross-sectoral approach, at a time of increasing demand but reduced budgets.

However, place is a contested and challenged term which means different things to different people for different reasons. There is a risk that place-based approaches become a catch all for possibly inconsistent policies or policy agendas that may be more appropriately addressed through thematic approaches or at other levels of government<sup>34</sup>. As such, the evidence for place as the right framing for the four policy rationales described earlier needs careful scrutiny.

It has also been argued that place-based approaches can lack a strategic focus in terms of how to link localities to wider socio-economic networks and public services. This lack of focus, therefore, delivers an inward-looking approach which doesn't recognise the links to broader strategies, policies and processes. They can be gendered and blind to equalities issues<sup>35</sup>, and reflecting the concerns and priorities of all the actors involved can be very difficult with the effectiveness of community engagement varying tremendously<sup>36</sup>.

This discussion has reviewed the key features of place-based working in Scotland:

- participation (involving people and communities), including to identify and build on the assets of their local community;

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<sup>33</sup> See also Shucksmith, M. (2010) Disintegrated Rural Development? Neo-endogenous Rural Development, Planning and Place-Shaping in Diffused Power Contexts, *Sociologia Ruralis* 50(1), pp. 1-14.

<sup>34</sup> Bynner, C. (2016) *Rationale for Place-based approaches in Scotland*, What Works Scotland Working Paper (July). Available online: <http://whatworksscotland.ac.uk/publications/>.

<sup>35</sup> Matthews, P., Netto, G. and Besemer, K. (2012) *'Hard-to-Reach' or 'Easy-to-Ignore'? A rapid review of place-based policies and equality*, Supported by funding from the Equality and Human Rights Commission Scotland.

<sup>36</sup> Improvement Service (2016) *Place-based approaches to Joint Planning, Resourcing and Delivery – An overview of current practice in Scotland*, Improvement Service: Livingston. Available online: <http://www.improvementservice.org.uk/research.html>.

- cross-sectoral, joined-up partnership-working by the public, private and third sector to tackle issues (particularly inequality) in a cross-cutting way, where the public sector may become a facilitator rather than a provider;
- and a focus on early intervention and prevention. The (re-)emergence of a place-based policy agenda in Scotland in recent years is very much grounded in reform of public services and the need for more integrated service provision at local level.

Place-based working is inherently complex and challenging, not least in terms of empowering communities to ‘do things for themselves’. The particular challenge facing local authorities and their planning partners today is how to tackle the root causes of inequality and poor outcomes in disadvantaged places by working more effectively together and in (true) partnership fashion with communities, whilst also ensuring that those communities are linked into wider socio-economic networks and being mindful of tightened budgets and the need to improve value-for-money<sup>37</sup>.

In short, place-based approaches have the potential to support community-led initiatives but they need to be linked to wider investment and poverty reduction strategies if they are to make a significant contribution<sup>38</sup>. Moreover, recent work by Audit Scotland has highlighted that CPPs have so far not made the anticipated changes to resource allocation that would be required to achieve improved outcomes and reduce inequalities. Some CPPs have been trying to ‘bend their spend’ towards low income neighbourhoods but to little effect<sup>39</sup>. Scotland’s Regeneration Forum (SURF) has called for a socio-economic duty to be implemented which would require public bodies to consider social and economic disadvantage when allocating resources<sup>40</sup>. The reality could be that a changed role for the public sector as facilitator of services and promoter of capacity-building across communities, local government and the private sector, will actually require substantial funding of local development precisely at a time when this is being reduced.

#### **4. Place-based policy approaches and rural Scotland**

This final section discusses the implications of the shift towards place-based approaches at national level in Scotland for rural areas specifically, drawing on aspects of the European and OECD work where relevant.

First, it is worth reiterating that the principles of the OECD, EC and recent place-based approaches in Scotland are very similar, although the starting positions and emphases are somewhat different. The OECD’s New Rural Paradigm and the subsequent Rural Policy 3.0 are based on the two key principles of investment in assets rather than subsidy, and places and involving local people rather than sectors. These principles are key to the

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<sup>37</sup> Improvement Service (2016) *Place-based approaches to Joint Planning, Resourcing and Delivery – An overview of current practice in Scotland*, Improvement Service: Livingston. Available online: <http://www.improvementservice.org.uk/research.html>

<sup>38</sup> Bynner, C. (2016) *Rationale for Place-based approaches in Scotland*, What Works Scotland Working Paper (July). Available online: <http://whatworksscotland.ac.uk/publications/>

<sup>39</sup> Bynner, C. (2016) *Rationale for Place-based approaches in Scotland*, What Works Scotland Working Paper (July). Available online: <http://whatworksscotland.ac.uk/publications/>

<sup>40</sup> See: <https://www.surf.scot/2016-fairer-scotland-action-plan/> for more information on SURF’s response to the Scottish Government’s Fairer Scotland Action Plan in October 2016.

recommendations from the OECD's review of rural policy in Scotland in 2008 which acknowledged the diversity of rural Scotland, citing evidence to show how some rural regions display the highest GDP per capita growth, yet others experience long-term outmigration, demographic ageing and poor economic performance and access to services. The OECD argued that this diversity "*calls for a flexible policy, tailored to the opportunities and needs of different places*", which is less focused on sectors and offers a more integrated approach based on partnership and bottom up participation<sup>41</sup>.

In their parallel empirically-based regional development work, the OECD has focused on the argument that all regions have the potential to grow and that the potential of lagging regions can be fulfilled through tailored policy interventions that enhance both local assets and the social and human capital of local people to engage in development activities. For the EC, the theoretically-informed work of Barca emphasises the need for a balance of exogenous and endogenous forces and for integrated, partnership working by multiple actors (including communities) at multiple geographical scales.

Unlike the OECD and EC work, the renewed emphasis on localities and place-based approaches in Scotland has been guided by the recommendations of the Christie Commission and embodied in legislation in the Community Empowerment Act (Scotland) 2015. It is situated in the context of the design, delivery and budgeting of public services<sup>42</sup> at a time of reduced budgets and increasing demand, an emphasis on prevention, early intervention and personalisation, and the need to tackle growing inequalities and disadvantage. However, despite these different starting points, the key principles are similar, including the need for an integrated and joined up approach, partnership working and involving communities from the bottom-up.

It is worth noting that both the Christie Commissions report<sup>43</sup> and the Scottish Government's 2011 response document, 'Renewing Scotland's public services'<sup>44</sup>, each contain only one reference to rural (the creation of rural social centres and the rollout of superfast broadband, respectively). Neither document explicitly acknowledges the potential for the principles of service delivery to play out differently in rural areas. Some of the place-based tools that have emerged as part of this agenda can be applied to both rural and urban areas, including the Place Standard and Understanding Scottish Places. This is in line with the Government's preferred approach to mainstream rural issues across policy domains which, it is argued, helps to ensure that rural doesn't become separate and forgotten.

However, there are particular rural challenges and opportunities in relation to service delivery that must be understood and acknowledged to ensure that rural people are not disadvantaged, especially at a time when improving performance and reducing expenditure

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<sup>41</sup> OECD (2008) *OECD Rural Policy Reviews Scotland, UK*, OECD Publications, Paris.

<sup>42</sup> For more discussion of this, please see: Institute for Research and Innovation in Social Services (2015) *Place-based Working*. Available online: <https://www.iriss.org.uk/resources/irisson/place-based-working>

<sup>43</sup> Commission on the Future Delivery of Public Services (2011) Report of the Commission on the Future Delivery of Public Services. Available online: <http://www.gov.scot/Publications/2011/06/27154527/18>

<sup>44</sup> Scottish Government (2011) *Renewing Scotland's Public Services, Priorities for Reform in Response to the Christie Commission*, The Scottish Government, Edinburgh. Available online: <http://www.gov.scot/Publications/2011/09/21104740/0>.

across the public sector are such important drivers of changes in service delivery in Scotland (in contrast to earlier place-based approaches which tended to have additional investment).

Much has been written about the cuts to public services due to budgetary constraints across the UK. Recent research in England, for example, highlighted that a number of services are struggling to maintain levels of provision in rural areas, with bus services and bank branches at particular risk<sup>45</sup>. The financial driver behind the move to place-based approaches raises concerns for rural areas where the costs of delivering services are higher due to the dispersed nature of the target population and the distances involved. At the same time, such pressure may bring about positive change, including an increasing use of online and digital service delivery mechanisms and a new role for private and community or third sector actors in the design and delivery of services. The increased responsibilities that this places, particularly on charities, community groups and individuals, should be noted and monitored to ensure that it remains manageable.

The strong OECD narrative around fulfilling the untapped potential of underdeveloped regions is not explicit in the recent shift to place-based approaches in Scotland. However, it is one which has potentially important implications for Scotland's rural areas as it offers an opportunity to evolve the debate from one which tends to emphasise their needs and to downplay or underestimate their potential contribution to one which emphasises their assets and how to grow this potential. These assets may be economic, in terms of the contributions of the wide variety of rural businesses, but also environmental, including clean water, renewable energy, sites for carbon storage and high quality food production. More fundamentally, this argument offers a rationale for continuing to invest in rural areas, especially remote, sparsely populated areas<sup>46</sup>, for economic as well as equity reasons, but to do so in new ways. This investment may be to tackle long-standing structural challenges to do with transport and connectivity for example, that cannot be solved by local communities alone but are critically important in terms of their future development trajectory<sup>47</sup>. There may also be a basic level of service infrastructure which the public sector has to deliver for communities, such as environmental services and neighbourhood amenities on which community groups can build<sup>48</sup>. It may also be social investment in building local institutional capacity to engage with initiatives, or in entrepreneurship or environmental assets and resources on which to build new local development strategies.

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<sup>45</sup> Rural Services Network (2017) The State of Rural Services 2016 Report, Available online: <https://rurallengland.org/the-state-of-rural-services-2016-report/>.

<sup>46</sup> Indeed, this approach raises the question of whether major core urban centres should be left to continue to grow without the need for significant policy intervention although some long-term challenges may require attention, for example to congestion and social inclusion (Barca, F., McCann, P., and Rodriguez-Pose, A. (2012) The case for regional development intervention: place-based versus place-neutral approaches, *Journal of Regional Science*, 52 (1), pp. 134-152).

<sup>47</sup> See Bock, B. (2016) Rural Marginalisation and the Role of Social Innovation, *Sociologia Ruralis* 56 (4), pp. 552-573 for more discussion of the importance of infrastructure and connectivity for 'nexogenous development' in rural communities to access resources, knowledge, etc. that is not available locally.

<sup>48</sup> The work in Research Deliverable 3.4.1 'Demographic change in remote areas' is particularly focusing on these issues and whether demographic changes can weaken the capacity of a community so much that it no longer has the critical mass for development.

As demonstrated by the work of the Improvement Service in 2016, place-based approaches are happening across a wide variety of scales in Scotland ranging from small localities (e.g. villages or a small neighbourhood in a town or city) to much larger geographical areas (e.g. an island or a cluster of villages etc.). However, as one of the guiding principles of public services, it is important to consider what place means in a rural context, specifically as this will likely differ when compared to an urban context. For example, it may be more difficult to identify meaningful 'local' places or neighbourhoods in rural locations where people are travelling long distances from where they live to work or social activities. However, there is likely to be great divergence across rural residents in terms of their identification with a locality or neighbourhood depending on their own personal mobility, age, gender, stage in the life course, etc. For example, those with restricted transport options are likely to demonstrate much lower levels of mobility and to identify with a more local place. For urban dwellers, work and leisure activities are likely to take place across a smaller geographical area. For rural areas, therefore, the most appropriate scale for place-based approaches, and for the endogenous resources and community or communities on which they are based, is a key consideration and there may be a stronger rationale for interventions built around functional regions (rather than administrative boundaries), which are designed from the bottom-up through cooperation between settlements or between a town and its rural hinterland.

As discussed earlier, past place-based approaches in the 1960s and 1970s were typically fairly large-scale economic, social and environmental regeneration initiatives that received a significant injection of external and ring-fenced funding and targeted deprived urban locations. But today's place-based approaches are different as they are being overwhelmingly funded through mainstream resources and apply across localities whether they are urban or rural. The basis of these approaches though is still deprivation and (increasing) inequality, with places chosen for focus because people in them are experiencing a higher level of deprivation than other places within a CPP area. However, there is general agreement that measuring rural deprivation and inequality is challenging as those living in such circumstances tend to be dispersed and 'under the radar' of data and policy<sup>49</sup>. As a result, rural deprivation tends to be underestimated. This underlines the importance of having secondary data on inequalities that is reliable, up-to-date and fine-grained enough to inform and measure the impact of the intervention – which is not always the case for rural areas.

There is much more work to be done to improve the rural evidence base across a range of socio-economic issues. This in turn will help to highlight the huge diversity across rural Scotland upon which tailored place-based policies must be shaped and their impacts measured<sup>50</sup>. At the same time, secondary data is only one source of evidence for CPPs and others on the extent and nature of these inequalities because local knowledge is also increasingly being used (via tools such as the Place Standard). When gathering local

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<sup>49</sup> For more discussion of this, please see: Skerratt, S., Atterton, J., Brodie, E., Carson, D., Heggie, R., McCracken, D., Thomson, S. and Woolvin, M. (2014) *Rural Scotland in Focus 2014*, Edinburgh: Rural Policy Centre, SRUC (Scotland's Rural College).

<sup>50</sup> Skerratt, S., Atterton, J., McCracken, D., McMorran, R. and Thomson, S. (2016) *Rural Scotland in Focus 2016*, Edinburgh, Scotland's Rural College (SRUC).

intelligence it is important that this is done systematically and in a way which gives all local people a voice, including the most excluded groups and individuals.

Turning to another key principle of place-based working, community involvement, much has been written about community capacity and capacity-building in a rural context, including with reference to the EU's LEADER programme<sup>51</sup> and the shift towards the community ownership of assets, including through land buyouts, with rural communities often seen as having high levels of capacity due to their remote location or the challenges they have faced. However, generally-speaking, more remote rural areas which are suffering from depopulation and the out-migration of skilled and entrepreneurial people may suffer from limited capacity in the community or third and private sectors, while accessible rural areas (many of which have seen population growth in recent years) may be well-placed to engage. The increased reliance on communities to (co)deliver services brings challenges for those communities and individuals that can't engage. It risks creating a more uneven socio-economic landscape; on the one hand there are those who can and do engage, and on the other there are those that cannot and do not engage, potentially leaving them even further behind<sup>52</sup>.

The extent to which the state (and/or private sector perhaps) can recognise and then respond to instances where communities fall behind is a critical consideration in place-based approaches. This is where the role of the state as an enabler or facilitator of service delivery is important – simply removing state support for cost-cutting reasons and leaving local groups obliged to enact place-based strategies through necessity is unlikely to lead to empowerment<sup>53</sup>. Without this external support for capacity-building, some communities will not be able to step up to the new responsibilities being asked of them.

It is also important to recognise that the 'community anchors'<sup>54</sup> that exist across rural and urban Scotland are likely to have different characteristics and capacities and therefore require different support policies with respect to building their leadership, their capacity to coordinate (including with institutions outwith the local area) and to take on transferred assets, for example<sup>55</sup>. This local institutional capacity-building is perhaps the factor that will be most critical to the success of place-based approaches.

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<sup>51</sup> See for example: Skerratt, S. and Steiner, A. (2013), "Working with communities who do not engage: complexities of empowerment", in Special Issue of *Local Economy: Localism: Debunking the Myths*, Vol 28(3); Skerratt, S. (2012), "The need to shift rural community development from projects towards resilience: international implications of findings in Scotland", Chapter 7 in Sjoblom, S., Andersson, K., Marsden, T. and Skerratt, S. (2012), *Sustainability and Short-term Policies: Improving Governance in Spatial Policy Interventions*, Ashgate Publishing, pp.127-152

<sup>52</sup> Skerratt, S. and Steiner, A. (2013), "Working with communities who do not engage: complexities of empowerment", in Special Issue of *Local Economy: Localism: Debunking the Myths*, Vol 28(3).

<sup>53</sup> See for example: Shucksmith, M. (2012) *Future Directions in Rural Development*, A Report for the Carnegie UK Trust. Available online: <http://www.carnegieuktrust.org.uk/publications/future-directions-in-rural-development-full-report/>.

<sup>54</sup> This term refers to a range of independent community-led organisations, including community development trusts, community housing associations, community councils and community social enterprises.

<sup>55</sup> Henderson, J. (2015) *Community Anchors*, What Works Scotland Think Piece (November). Available online: <http://whatworksscotland.ac.uk/publications/community-anchors/>

These issues relating to community capacity relate to debates about the concept of innovation, and particularly innovative behaviour by rural communities. It is often argued that rural innovation takes place in response to a challenge or problem (i.e. necessity), is usually incremental and small-scale, and is often not measured or measurable nor recognised in (nor indeed supported by) policies or strategies. That is not to say that policy is unimportant or unnecessary. It can provide an important enabling framework whether in terms of the policy or strategy and its guiding principles itself, or in the form of external investment in infrastructure or connectivity for example<sup>56</sup>. Place-based approaches (particularly that advocated by the EC) allow for, and indeed encourage, innovation at local level, for example: amongst public sector staff who are required to re-think how they work to involve communities; through individuals and communities engaging in new processes in new ways; through innovative responses to particular challenges such as demographic ageing or welfare reform and their knock-on impacts (e.g. on mental health<sup>57</sup>); or through tackling different aspirations alongside economic growth, such as enhanced wellbeing<sup>58</sup> or happiness. The term 'social innovation' has been introduced:

*"...as a new panacea for realising development and growth while, at the same time, warranting social inclusion and counteracting social inequality. Rural social innovation is distinctive in its dependence on civic self-reliance and self-organisation due to austerity measures and state withdrawal, and its cross-sectoral and translocal collaborations."*<sup>59</sup>

Finally it is worth noting the importance of trans-national cooperation and learning to address the potential for insularity, one of the criticisms of place-based approaches. Certainly Scotland's rural areas are well placed to do this through a variety of existing mechanisms including, for example, the Scottish Rural Network, the European Network for Rural Development, links between the Scottish Rural Parliament and the European Rural Parliament and other Rural Parliaments elsewhere, and through the international links of researchers working in this area. In this way, while development approaches are fundamentally grounded in local people and assets, activities are linked in positive ways to wider networks and learning. This practical approach mirrors the direction of travel of in terms of theoretical approaches to rural development, for example, through networked, neoendogenous or nexogenous development<sup>60</sup> (as opposed to endogenous or exogenous development).

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<sup>56</sup> See for example: Dargan, L. Shucksmith M. (2008) LEADER and innovation, *Sociologia Ruralis*, 48(3), pp. 274-291.

<sup>57</sup> Curl, A. and Kearns, A. (2015) Financial difficulty and mental wellbeing in an age of austerity: The experience in deprived communities, *Social Policy and Society* 14, 02, pp. 217-240.

<sup>58</sup> It has been argued that the holistic nature of place-based policies means that they are often associated with improvements in wellbeing (Matthews, P., Netto, G. and Besemer, K. (2012) 'Hard-to-Reach' or 'Easy-to-Ignore'? A rapid review of place-based policies and equality, Supported by funding from the Equality and Human Rights Commission Scotland).

<sup>59</sup> Bock, B. (2016) Rural Marginalisation and the Role of Social Innovation, *Sociologia Ruralis* 56(4), pp. 552-573.

<sup>60</sup> See for example: Lowe, P., Murdoch, J., and Ward, N. (1995) Networks in Rural Development: beyond exogenous and endogenous models in J. D. van der Ploeg and G. Van Dijk (eds.) *Beyond Modernisation: The Impact of Endogenous Rural Development*, Van Gorcum: Assen pp. 87-105; Murdoch, J. (2000) Networks – a New Paradigm of Rural Development? *Journal of Rural Studies* 16

Drawing on the OECD and EC literature, and the increasing importance of place-based approaches in national policy in Scotland, Section 4 has raised some key questions and concerns for rural areas. In summary:

- The definition of place must be meaningful to the rural area in which the initiative is situated and the people that live and work there. It may be more appropriate to consider functional regions, such as a town and its hinterland or a collection of small settlements, rather than administrative regions.
- Given the particular challenges of rural service provision at a time when budgets are tightening, rural areas may offer ideal sites for the exploration of innovative approaches to joint delivery, the use of digital technology, public-private-third sector collaboration, etc.
- But the public sector must be supportive of such initiatives; this may include financial, facilitation and capacity-building support, or placing trust in the hands of new actors and partnerships to deliver in new ways. All actors must be committed to encouraging innovative, new ways of working.
- Previous research suggests that many rural communities have high levels of capacity to engage with the new place-based approaches and release their endogenous potential, but this is not the case for all communities. Those communities and individuals that have lower capacity, for whatever reason, may need additional support, particularly in the short term, to build the capacity and facilitate the engagement of local institutions with local and extra-local partners.
- Notwithstanding the ongoing structural challenges facing some rural areas, including in relation to depopulation and demographic ageing for example, there is a need for a much more positive conversation on the development of rural areas which emphasises their economic, social and environmental assets and potential, not just the challenges they face.

## 5. Concluding comments and future research

This briefing has reviewed the European and OECD work on place-based approaches and has discussed how place-based approaches have re-emerged recently in Scotland. Though there is no clear, agreed definition, the key principles of a place-based approach – mobilising endogenous potential, harnessing creative energy and knowledge in order to devise locally tailored strategies, engaging an array of interests and actors across diverse territories and relational geographies and multiple scales, supported by effective and adaptable institutions<sup>61</sup> - are generally accepted and hard to dispute, but Section 4 of this briefing has explored how they might play out differently in rural locations.

Over the next four years, the research within this Research Deliverable of the Strategic Research Programme will build on this review and provide further evidence and analysis on the extent to which the new emphasis on place-based approaches is fit-for-purpose for rural

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pp. 407-419; Ward, N., Atterton, J., Kim, T.Y., Lowe, P., Phillipson, J. and Thompson, N. (2005) *Universities, the knowledge economy and 'Neo-endogenous Rural Development'*, Newcastle-upon-Tyne: Centre for Rural Economy Discussion Paper Series No.1; Bock, B. (2016) Rural Marginalisation and the Role of Social Innovation, *Sociologia Ruralis* 56 (4), pp. 552-573.

<sup>61</sup> Pugalis, L. and Bentley, G. (2014) (Re)appraising place-based economic development strategies, *Local Economy* 29 (4-5), pp. 273-282.



Scotland and, if not, what the alternatives might be. The work is being undertaken in the context of ongoing policy agendas relating to public service provision, regeneration (with its associated funding streams), community empowerment and land reform, for example, but also in relation to a number of new policy developments of particular relevance to rural Scotland, including the Rural Infrastructure Plan and the Islands Bill.

The work will explore a number of key issues within the broad theme of how different service provision models and policy interventions can help to improve social and economic outcomes across rural and small town Scotland. Key issues include: how, why and when does the community or private sector step in when the public sector is no longer providing a service and how does this differ in rural areas compared to urban areas?; to what extent do place-based approaches target resources where there is disinvestment, or actually serve as a vehicle for disinvestment?; how well do 'universal' (or spatially blind) policies deliver to rural when compared to urban Scotland?; (how) can place-based approaches bring together the often quite separate physical or spatial and community planning aspects in new innovative ways and how can we best share the lessons learned from these approaches?; how can the tensions between policy aspirations and fiscal realities be reconciled – could it be that the increased focus on place-based community development and prevention actually requires additional investment in local income neighbourhoods?

The research will provide clear evidence-based recommendations for how best to shape place-based policy interventions to address differences in economic and social performance across Scotland's rural areas and small towns.