Developing a Rural SEN – Discussion Paper

BACKGROUND

Support was secured from Scottish Government for Inspiralba to host a Rural Social Enterprise Focus Group in March 2019 in Oban. The purpose of this session was to identify shared objectives, synergies, potential for collaborative working and build a network of support with a focus on Rural Social Enterprise.

Having received increasing requests in recent years to explore the development of a thematic Rural Social Enterprise Network, Senscot was keen to participate in the Rural Social Enterprise Focus Group and has subsequently offered to facilitate further discussion around establishing and supporting a Rural SEN.

The SENs provide a forum for social enterprises to access peer support, share resources and develop effective solutions to shared challenges. They give social enterprises a collective voice with which to raise important issues at both a local and national level.
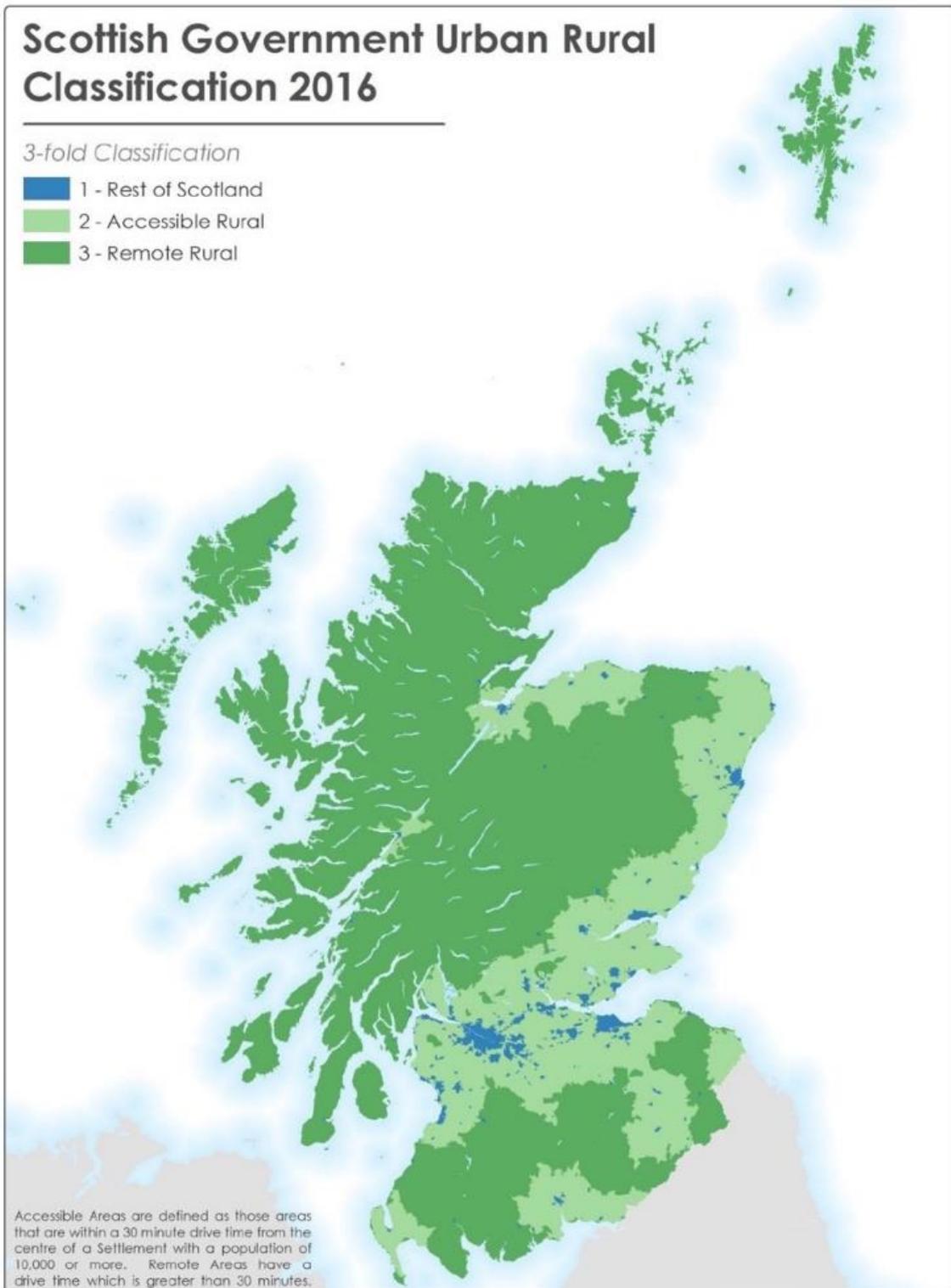
There are currently six thematic networks – Community Food, Cultural & Creative, Employability, Health, Sport and Tourism and 16 local networks, including several with significant rural areas including: Angus, Argyll, East Lothian, Fife, Forth Valley, Moray, Perth & Kinross, Scottish Borders, North and South Ayrshire.

Inspiralba and Senscot have pulled together this Discussion Paper as a starting point for subsequent conversations.

DEFINING RURAL IN SCOTLAND   [Scottish Government Definitions](#)

Scottish Government 6-fold Urban Rural Classification	
1 Large Urban Areas	Settlements of 125,000 or more people.
2 Other Urban Areas	Settlements of 10,000 to 124,999 people.
3 Accessible Small Towns	Settlements of 3,000 to 9,999 people and within 30 minutes drive of a settlement of 10,000 or more.
4 Remote Small Towns	Settlements of 3,000 to 9,999 people and with a drive time of over 30 minutes to a settlement of 10,000 or more.
5 Accessible Rural	Areas with a population of less than 3,000 people, and within a 30 minute drive time of a settlement of 10,000 or more.
6 Remote Rural	Areas with a population of less than 3,000 people, and with a drive time of over 30 minutes to a settlement of 10,000 or more.

Scottish Government 3-fold Urban Rural Classification	
1 Rest of Scotland	Settlements of 3,000 or more people
2 Accessible Rural	Settlements of less than 3,000 people and within 30 minutes drive of a settlement of 10,000 or more.
3 Remote Rural	Settlements of less than 3,000 people and with a drive time of over 30 minutes to a settlement of 10,000 or more.

Scottish Government Urban Rural Classification 2016

3-fold Classification

- 1 - Rest of Scotland
- 2 - Accessible Rural
- 3 - Remote Rural

Accessible Areas are defined as those areas that are within a 30 minute drive time from the centre of a Settlement with a population of 10,000 or more. Remote Areas have a drive time which is greater than 30 minutes.

RURAL ISSUES & OPPORTUNITIES
There are a range of factors that create significant challenges for rural communities across Scotland, including:

- The changing demographics – out migration of young people and a growing older age population (overall decreasing and aging population).
- People 'living on the fringe' can be excluded or experience deprivation that is often not acknowledged in conventional measures.
- Remote communities experience geographic, transport, broadband & mobile phone challenges.
- Vulnerabilities in the local economy, including reducing traditional industries (e.g. fishing, agriculture, forestry) and reliance on service sector employment.
- Affordable housing challenges, with the market being influenced by second home / holiday accomodation.
- Self-employment and SME make up the majority of private sector business activity, emphasising the importance of enterprise skills.
- Each town and village community has its own distinct needs and aspirations as well as cultural, social and economic differences and a strong sense of community.
- There are a wealth of natural resources and good quality of environment.

SOCIAL ENTERPRISE IN RURAL SCOTLAND
These challenges and opportunities have been a strong call to action, resulting in a diverse range of community led solutions being delivered using a social enterprise model, often responding to market failure to ensure vital services are sustained as well as managing natural and physical assets for community benefit.

The 2017 Social Enterprise Census for Scotland demonstrates the significance of social enterprise in the rural context, with 34% of Scotland's social enterprises based in rural Scotland which has only 18% of the nation's population.

There is also significance in the small scale of the majority of rural enterprises, with 48% delivering activities in a single neighbourhood or community compared with 26% operating at that level from all social enterprises across Scotland.

This is also evident in the turnover scale, with 70% of SEs having a turnover of less than £100k compared to 57% at this scale in the national context.

There are also challenges for smaller enterprises in identifying and accessing opportunities to deliver services for the public sector (e.g. only 9% of SEs in Argyll securing contracts with the public sector – compared to the national average of 15%).

POLICY CONTEXT
Social enterprise as a model for the inclusive growth of Scotland's economy, supporting communities to thrive, is recognised across a number of Scottish Government areas of activity. The Social Enterprise Strategy for Scotland provides an overview of the shared ambitions for social enterprise in Scotland and provides a framework for action 2016 - 2026. The strategy focuses on three main priorities: Stimulating social enterprise; Developing stronger organisations; Realising market opportunities. The strategy recognises how social enterprise models can build sustainable economic growth, tackling inequalities and build a fairer Scotland.

Enabling Legislation including the Local Governance Review and Community Empowerment Act provides a legislative and policy framework which is likely to open future opportunities for social enterprise. Community land ownership and asset management have strong rural roots.

The SGs Local Governance Review is part of a government policy direction intended to strengthen local and community decision-making and democratic governance. The intention is to 'grow Scotland's economy for everyone's benefit, support communities to focus on their priorities, and help new ideas to flourish'.

Over time, this is likely to lead to power being devolved downwards. Locality planning, participatory budgeting, and community empowerment are all examples of this direction of travel. A strong local social enterprise sector is important to ensure services are locally organised, people powered, and enterprising and learning from the rural context should be cultivated and shared more widely.

SUPPORTING RURAL SOCIAL ENTERPRISE
Support streams funded within the social enterprise sector includes various funding Scottish Government:
- Business Support programme to assist the enterprising third sector in Scotland.
- Funding and support for start-up and growth delivered by First Port Start Up and Launch Me programmes for new social enterprises and those wishing to scale.
- Social Enterprise Academy Leadership Training.
- Partnership for Procurement which supports collaboration for contracts.
- Enterprise Accelerator programme for existing community-based organisations who aim to become more enterprising.

There is also support for networking which includes:
- Senscot provide networking support to 16 local social enterprise networks, which includes a few networks in rural areas.
- Senscot facilitating thematic social enterprise networks (Health, Community Food, Sport, Culture, Tourism and Employability in partnership with Social Firms Scotland.)
- The Scottish Rural Network encourages rural development by sharing information, ideas and good practice with support from SG.

There is also wider support which assists rural community development and links strongly to enterprising approaches. This includes SG support for:
- Strengthening Communities delivered by Development Trusts Association Scotland which assists local communities to support community led activity, partnership working and enterprise via Development Trusts.
- Community Land Scotland, with funding available for land of asset purchase via the Scottish Land Fund.

There is also a community economic development approach established by Highlands and Islands Enterprise (HIE) over the past 50 years that recognises the value of nurturing the development of dynamic sustainable communities. HIE work with a wide range of social enterprises working in rural communities, with more of a focus on growth over recent years, and support to specific initiatives focused on developing remote and fragile areas. It is hoped that learning from this will assist in supporting social enterprise approaches to rural challenges in the South of Scotland region with the development of the new South of Scotland Enterprise agency.

GAPS & OPPORTUNITIES
The majority of rural social enterprise is community led, responding to market failure or identifying enterprising opportunities to maximise community benefit from assets, such as land, premises or natural resources. This often requires collective leadership responses as well as an enterprising approach and ability to balance a complex range of income streams. Whilst there are considerable learning resources for 'social enterprise' and 'community development', in addition to well-established programmes in 'Leadership skills' there appears to be a gap in terms of focus on rural social enterprise or collective leadership.

Inspiralba, an Argyll based social enterprise is currently working with partners in Finland, Estonia, Romania and Germany on an Erasmus project. There would be potential value in extending the reach of the ViSENet learning resources and networking across Scotland. The ViSENet project aims to create open access digital learning material for rural social enterprise. This will include evaluated and piloted resources that address local needs and opportunities for social enterprise solutions for rural communities. It will also establish an international network of rural social enterprises to exchange experiences, good practices and disseminate learning material created. Although the Erasmus project brings some resource for development of learning materials and local piloting work in Argyll, there would be significant benefits in sharing this more widely across the Scottish Social Enterprise landscape and in the Global context via the International Observatory.

A well connected rural social enterprise sector would provide learning and support to build on the achievements to date in the rural context, building capacity to respond to the challenges and opportunities from community empowerment, devolved decision making, natural resources and the changing economy. Accompanying this, increasing use of digital resources would assist greater engagement and inclusion of the rural context for social enterprise as well as connection across policy areas, including rural, community land, social enterprise and renewables.

RURAL SOCIAL ENTERPRISE NETWORK
The development of a thematic focused Rural Social Enterprise Network is currently being considered as a mechanism / approach to increase connectivity amongst the rural social enterprise sector across Scotland. The following benefits are anticipated:
- Increase the representative voice of rural social enterprise in a national context
- Connecting policy areas and connected themes, issues and opportunities - access to markets, tourism, culture and heritage, asset-based approaches, etc
- Sharing learning across rural SE's & increased opportunities for collaboration & peer learning
- Increase the involvement of young people in rural social enterprise
- Wider learning to be shared across thematic SENs (e.g. improved use of technology and virtual comms)