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The influence of public funding on community-based sustainability projects in Scotland

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ABSTRACT

Community-based initiatives (CBIs) towards sustainability are increasing. Their activities and impacts have attracted academic interest but little attention has been given to how CBIs engage with policy and institutional spaces. One way in which CBIs engage with these spaces is through receiving public funding. This paper looks at the challenges and opportunities that public funding presents for community groups. Data for this paper were gathered through interviews with CBIs and public funding bodies. The findings show that CBIs experience challenges negotiating technical and procedural, goals and ways of working, affecting their identity and aspirations. In conclusion, we argue that although public funding is crucial for CBIs, it is accompanied by a range of managerial and technical procedures that enrol CBIs in state accountability mechanisms. This may have the effect of favouring a certain type of CBIs or excluding those that cannot or will not accept public funding.

1. Introduction

Grassroots, community-based initiatives (CBIs) are widely considered to be sites of innovation and driving mechanisms for bringing about the social and technological changes required for transition to a low-carbon society (Seyfang and Haxeltine, 2012; Feola and Nunes, 2014; Taylor Aiken, 2015c; Urry, 2009). Recent years have seen increasing interest in the activities and potential impact of community-led innovations towards sustainability (Peters et al., 2010; Scoones et al., 2015; Hobson et al., 2014; Seyfang and Smith, 2007). Much of this interest has focused on social and technological innovation (Hargreaves et al., 2013; Heiskanen et al., 2015), on participation and justice (Bamberg et al., 2015; Castán Broto and Westman, 2016; Bickerstaff et al., 2013; Fuller and Bulkeley, 2013) and on the success and potential for scaling-up (Feola and Nunes, 2014; Forrest and Wiek, 2014). Recently attention turned to the politics of community-based sustainability transitions (Avelino et al., 2016; Scoones et al., 2015; Mason and Whitehead, 2012; Barnes, 2015; Fischer et al., 2017), including policy frameworks influencing governance of community-led transitions (Taylor Aiken, 2015c; Creamer, 2015; Eadson, 2016). This paper contributes to this growing area of research through exploring the relationship between public funding and CBIs in Scotland.

In Scotland, centralised administration and concentrated patterns of private land ownership mean that many communities lack access to resources or capital to self-fund local/grassroots action (Wightman, 2013; Riddoch, 2013). In such cases many community groups access public funding to enable activities to happen. A range of funding schemes, such as the Climate Challenge Fund and the Big Lottery Fund (see Section 2.3), are available to CBIs (Markantoni, 2016; Taylor Aiken, 2014). Receiving and managing public funding has a number of effects on CBIs, in addition to enabling projects to happen. Taylor Aiken (2015a) has highlighted the ways in

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which public funding can generate tensions within groups as members try to negotiate a collective purpose, vision and focus of activities (such as social engagement and awareness raising) within the confines of a funding programme and wider policy context which may emphasise other priorities (for example carbon accounting – see Section 4.2.2). Furthermore, the availability and aims of public funding schemes are largely driven by government priorities and fiscal responsibilities, which may not always align with the interests and aspirations of local and non-state actors and organisations (Taylor Aiken, 2014). In particular Creamer (2015) has shown that there is a mismatch in timing between short-term political requirements for demonstrable results within one year, and longer-term aspirations of community groups which do not always have measurable outputs in such a relatively short time (see also Langendahl et al. (2016)). Public funding can therefore present something of a dilemma for CBIs; it provides a useful source of income but it can have other (unforeseen) consequences for how CBIs operate.

Public funding is an important resource for CBIs across Europe but especially in Scotland. The EU project TESS (Towards European Societal Sustainability¹), looking at the impact and success of sustainability transitions across Europe, surveyed 63 CBIs in six European regions.² Eighteen CBIs indicated they had received public funding in the previous 12 months, ranging from a few hundred Euros to several hundreds of thousands, and totalling €4m. The mean was 44%, suggesting that nearly half the funding of these 18 initiatives came from public sources, and public funding made up 17% of total income for CBIs in this survey. In Scotland, reliance on public funding was more pronounced than in the other five European regions, with eight of nine initiatives surveyed receiving public funding, totalling €1.1m. In other words, Scottish CBIs made up 14% of the sample but took 27% of the funding. In Scotland, therefore, CBIs are more reliant on public funding than CBIs elsewhere in Europe, leaving us wondering what effects, if any, this has on the identity and governance of sustainability initiatives in Scotland.

While public funding can provide vital funds to enable staff recruitment and the purchase or rental of other assets and resources, it also brings technical and administrative responsibilities for CBIs to the funders, typically the state or state representatives. Funding programmes, and the rules concerning the administration of public funds, can be challenging for volunteer-led groups, who may need time to develop the skills and capacities needed to negotiate procedures and bureaucracy (Middlemiss and Parrish, 2010). Administrative demands and the competition for funding can also generate tensions within CBIs, which affect cohesion and integrity (Creamer, 2015). Other studies have highlighted how funding issues can create conflicts between differing aspirations and rationalities within CBIs (Fischer et al., 2017). However, to date relatively little research has been conducted on how public funding policies influence the roles and relationships of ‘top-down’ state actors and ‘bottom-up’ CBIs.

In this paper we discuss the importance of public funding for enabling community-led activities, and explore the ways in which it influences the activities and operation of CBIs. In doing so we respond to calls to critically engage with the relationship between community groups and policy and institutional spaces (Moore and Mckee, 2014; Chatterton and Cutler, 2008; Taylor Aiken, 2016) and challenge normative assumptions that public funding for CBIs has only positive effects. The paper starts by discussing the wider relationship between CBIs and policy, in which we situate the public funding dilemma, before looking more closely at public funding in Scotland. The findings first present some of the technical and procedural aspects of accessing and managing public funding as experienced by CBIs. We then discuss how public funding can shape the identity, goals and ways of working of CBIs, ultimately impacting their contribution to change. We focus on the way in which engagement with public funding creates a space between top-down (state) and bottom-up (community), and the ways in which CBIs, as institutional actors, negotiate this space. In doing so we also examine the ways in which CBIs seek to maintain autonomy and at times resist some of the perceived impacts of public funding.

2. The public funding landscape in Scotland

In Scotland there are a number of publicly administered funds, at different scales, available to CBIs. Starting at the EU level, public funding (available to community-based initiatives) is provided through 5 big funds collectively known as Structural and Investment Funds. These funds are managed and delivered in Scotland as part of the Scottish Rural Development Programme (SRDP), of which LEADER is the most widely known. LEADER delivers support for rural development through implementing Local Development Strategies and is administered through Local Action Groups (LAGS).³ The aim of LEADER is to enhance the capacity of local rural community and business networks to build knowledge and skills and to encourage innovation and co-operation to achieve local development objectives.

At a national (Scotland) scale, The Big Lottery Fund, the Scottish Land Fund and the Climate Challenge Fund are the largest public funding sources in Scotland for community based activity.

The Big Lottery is a public body responsible for distributing funds raised by the National Lottery. It makes grants to projects in various areas including health, education and the environment. It funds projects in line with objectives set by government. The Big Lottery Fund is a substantial funding source currently managing a range of grants totalling around half a billion pounds (almost €0.6 bn) with grants ranging from large sums with complex and demanding administrative requirements, to more light touch, smaller amounts of money such as the Awards for All scheme.⁴

The Scottish Land Fund was established in 2012 and offers individual grants of up to £1 million to support community groups to

¹ <http://www.tess-transition.eu/>.

² The data for this survey were collected between January and June 2015 according to the methodology described in detail in TESS Deliverables 2.2 and 2.3. The eight TESS partners interviewed 63 community-based initiatives across six EU regions including 9 in the UK (Scotland), 10 in Finland (Southern area), 10 in Germany (Berlin), 11 in Italy (Rome), 11 in Spain (Catalonia) and 12 in Romania (Western region).

³ For more information about the Local Action Groups see: <https://www.ruralnetwork.scot/funding/leader/local-action-groups>.

⁴ For more information see: <https://www.biglotteryfund.org.uk/scotland>.

buy and develop land and/or buildings for the benefit of their local area. In 2016-17 there was £10 million available (€11.1m). The fund offers practical support and advice to community groups to develop their projects and to administer the funding, and is a means of putting legislation for community empowerment and land reform into practice (<https://www.biglotteryfund.org.uk/scottishlandfund>).

The *Climate Challenge Fund* (CCF) provides grants for a range of community based initiatives specifically to encourage behaviour change to lower carbon living. Since 2008 the CCF has awarded over £61 million (€70m) of funding to 696 projects in 512 communities across Scotland. The funding is rolled out annually. Initially targeting those wanting to tackle climate change, the CCF programme administrators have in recent rounds of funding sought to appeal to other community groups, such as sports clubs, church congregations and youth clubs. The intention is to broaden awareness of climate change and community action beyond environmental groups, and to show how climate actions can become part of everyday life. The CCF has funded a range of projects including community gardens, recycling/waste aware/composting schemes, cycling/mobility and transport clubs and energy projects (see <http://www.keepsotlandbeautiful.org/sustainability-climate-change/climate-challenge-fund/>).

At a local level, local authority funding schemes and business development funds can also provide CBIs with income. These are often small sums of money which can be used to supplement larger grants or fund a small project or add-on to an already existing development (such as chairs for a public building renovation or resurfacing a play area damaged by flooding). Given that they often have a relatively straightforward application process and reporting requirements, these funds may be suitable for groups that have little previous experience of accessing funding or those who may not have the capacity or desire to deal with larger, more complicated projects. These smaller funds are often seen as capacity building funds for groups who can use it to show a ‘track record’ in successful tendering.

3. Methods

This research is part of the EU-FP7 funded project TESS (Towards European Societal Sustainability, grant agreement no. 603705) and builds on empirical work collected earlier in the project which indicated the importance of public funding for CBIs (see Section 1). Data for this part of the project was collected between February and May, 2016. We interviewed 9 individuals with first-hand experience of public funding and community-based initiatives (5 funders, 2 CBI staff, 2 network coordinators⁵). We chose a purposeful sample to cover a broad range of opinions, from both funding bodies and CBIs at local, national and EU level. We aimed to get a range of views from organisations which had emerged as important in the funding landscape from earlier stages of TESS research, and from previous conversations with others interested in this area. These interviews were supplemented with data from previous interviews (n = 5–2 funders, 2 CBI staff and 1 local authority employee) conducted in 2015 as part of the substantive data collection in the TESS project.

We contacted all the interviewees by email and then conducted the interviews over the phone or in person at times suitable for them. The interviews were semi-structured and lasted between twenty and eighty minutes, and aimed to explore peoples’ experiences with state funding. All interviews were transcribed and coded using qualitative data software following a coding framework that was developed inductively based on the empirical data. We used a grounded theory approach to analyse the data, in that we did not seek to ‘test’ theory but were looking to gain insights into the policy landscape of public funding from the themes that emerged from the data (rather than through theoretical testing) (Glaser and Strauss, 1967). Quotes from the interviews are included in verbatim. To preserve confidentiality we have anonymised interviewees, noting only their role.

4. Findings

4.1. Practical problems arising from public funding landscape

Accessing and managing public funding raises several technical issues for community groups, including negotiating bureaucracy through meeting application, administration and reporting requirements. These relate to the skills and resources of members to manage administrative processes, living with the ups and downs of funding cycles and dealing with regulations governing competition and commercialisation. The section below looks at how CBIs negotiate the technical aspects of engaging with public funding.

4.1.1. Balancing acts: capacity, uncertainty and regulations

CBIs can face practical issues in accessing public funding including having members with the appropriate skills and knowledge to apply for funding, and meet reporting requirements and other administrative tasks. Often referred to as ‘capacity’ (Middlemiss and Parrish, 2010; Craig, 2007), it is unequally distributed across communities and individuals; not everywhere or everyone has the same skills, time and knowledge to successfully negotiate the funding landscape (Baldwin and King, 2017). For some groups applying for and then managing funds can be a major challenge. CBIs often needed support to develop ideas, form groups, apply for funding and carry out activities, and funding bodies sometimes had difficulties in allocating the full funds because not enough suitable projects came forward. This was seen as a barrier to the development of community based activities in Scotland:

“That’s another problem that groups have, they don’t have enough capacity to write a good proposal. So they’ve tried to do that

⁵ These roles are not exclusive – the network coordinators also were active in CBIs and on funding bodies.

with the disadvantaged groups – give them some support” (Funder 2).

Funders were aware of this challenge and often put support in place by offering strategic planning and budgeting training, amongst other things. This infrastructure was seen as important to provide support to community groups in the funding process. This included, for example, Community Support Officers led by local authorities who work with communities to develop proposals and provide administrative support, and who were seen as particularly valuable, but under-resourced.

Networks and facilitators such as DTAS (Development Trust Association Scotland) were important examples of helpful infrastructure, but they are also often poorly resourced. One interviewee indicated that networks could contribute to capacity building through offering technical support in the funding process:

“If the networks were resourced they could play an important role in building capacity within the local groups in terms of building awareness about the possibilities of EU funding because there is a huge awareness issue as well [...] [there is] definitely big scope for capacity building, awareness raising – that kind of activity. Possibly some kind of technical support maybe, in putting together funding proposals.” (Network coordinator 1).

Another technical issue that CBIs had to negotiate was the association between public funding and policy and financial timetables, which do not always match the plans and aspirations of community groups (Creamer, 2015; Taylor Aiken, 2014). The end of a funding cycle can create insecurity about the future as groups try to secure further funding. Negotiating fiscal and reporting deadlines was likened to “walking a tight rope” (CBI leader 3).

Many CBIs rely on volunteers, with work commitments, other responsibilities and limited time, and the accompanying issues that being reliant on volunteers can bring (Woolvin and Hardill, 2013). CBIs that employ staff find they can offer little job security because of the time-limited basis of grants, often lasting only one or two years and rarely if ever longer than 3 years. One CBI employee in the role of manager (CBI manager 1) told us that short-term contracts and the constant job insecurity eventually forced them to look elsewhere for employment although they had significant experience with community projects and had even won awards for the projects they managed. The CCF have tried to address short-termism and insecurity in their latest round of funding by giving three months of salaries in advance, and previously by offering ‘follow-on funding’, but employment insecurity is still common in grant-led projects, leading to stresses in project planning and difficulty in deciding the scope of a project and its future plans. CBIs would like to know further in advance about funding availability but policy timetables did not always make this possible:

“And what seems to happen year after year is that projects who have put in an extension – so projects that already have CCF funding have put in a ‘next stage’ of their project, funding application – and are waiting until literally days before they need to tell staff that they’ve still got a job because a Minister hasn’t made the announcement yet. That’s also been a problem with growing projects. The timing has worked out for them that they don’t know whether they’re going to be growing next season, and the year’s wearing on and actually they need to be planting now” (Network coordinator 2)

Uncertainty over funding can therefore have material effects on the activities and forward planning of CBIs, on members’ and staff commitment and thus on their organisational structure and potential to plan for the future.

A final practical issue, encountered mostly by those who accessed EU level funding, were the regulations ensuring no commercial advantage from public funding, known as ‘State Aid’ rules.⁶ Among funders there was often uncertainty around what counts as state aid and how it should be applied. The risk of breaching state aid regulation was enough to lead some funders (and community groups) to be risk-averse and register all public income as subject to state aid rules even if it was well below the ‘de minimis’⁷ limit.⁸ State aid and the worry of reaching ‘de minimis’ was a concern for groups in receipt of multiple grants or those involved in funding capital asset purchases with funds from Scottish Land Fund and Big Lottery:

“It’s something that’s in my mind that we’ve got to be very very careful, and it might trigger something in the future that might stop us doing something that we want to do. It’s such a complex issue to get your head around, that a lot of groups are nervous and probably won’t do something – they won’t actually do an initiative – because it could have state aid implications, and state aid’s frightening, you know” (CBI manager 2).

EU state aid regulations potentially limit entrepreneurial innovation for community-led groups and activities, because it means that those who receive public funding are unable to develop their ideas for commercial benefit. In some cases this limited CBI activity and reduced the type of activities a CBI could engage in. An example of this would be a bike repair workshop which was deemed to have an unfair competitive advantage over a similar, market-led business. Rules concerning state aid therefore force CBIs to either commercialise or to remain grant dependent. This can make it difficult for publicly funded, community-led organisations to move into the market without changing their social basis and community focus.

This section has discussed some of the procedural or technical aspects of managing public funding experienced by CBIs. Next we

⁶ The rules around state aid are particularly relevant to CBIs as they include funding given to charities, public authorities and non-profit making bodies if they are involved in commercial activities. The EU considers public funding which complies with the ‘de minimis’ regulation to have a negligible impact on trade and competition, and does not require notification and approval. These rules were put in place to ensure that no commercial advantage could be gained by organisations in receipt of public funding.

⁷ The total ‘de minimis’ aid which can be given to a single recipient is €200,000 over a 3-year fiscal period.

⁸ One CBI in Scotland for example had to sign a ‘de minimis’ form for a £12,000 public grant. The reason given was that if additional funding was received this could take them over the ‘de minimis’ limit.

discuss how public funding can shape the identity, goals and ways of working for community initiatives, ultimately impacting their contribution to sustainability.

4.2. Influencing identities and ways of working

4.2.1. Gathering momentum and finding direction

Small chunks of money, or short term project funding, were important for small, one-off projects such as refurbishing an existing community play park. However, larger and longer funding sources were required for more strategic activities, such as tackling climate change through changing behaviour. CBI interviewees thought that on the whole public funding tended to be short term, although some programmes provided funds for a two or three year period. A further criticism was the reluctance to fund follow-on activities once a grant finishes. This was understood as trying to avoid ‘grant dependency’, and to spread limited funds to other areas.

The length of grants influenced the type and success of many initiatives’ activities. Interviewees discussed that starting up a CBI, and beginning activities can involve a lot of experimentation and time is required to become established in a community. A very experienced project managers told us that gathering momentum and developing networks and links which facilitate their organisation with their activities can take years. Working and running a CBI can be a process which requires on the job training, making mistakes and learning while going along. With time, CBIs can become established, embedded and better known in local areas, increase their membership and become more confident in tackling local issues (see for example the following blog post <http://www.sustainable-communities.eu/greenerkennay/>). However this did not sit well with funding timeframes:

“Well, the first year is a trial and error time...basically. And then once you’ve found things that work, your money runs out!” (Network coordinator 2)

CBIs and funders were often working to different timetables, which affected the consolidation and prospects for CBIs. One interviewee recounted a vignette which showed the importance of long term activities in CBIs – in the first two years of funding some community members came to help in the CBI gardens, and learn about local food. In particular older people and teenagers were most reluctant to try new recipes. However, now after being there for years, they have various participants across the demographics, and those who were previously apprehensive about trying new food, are open to ideas and even experimenting with recipes at home. Short term piece meal funding was sometimes detrimental to this type of activity because when the funding was cut after a year or two, vital progress, momentum and a lot of the social capital and learning that was already established could be lost:

“So that [yearlong funding source] will finish which is not long enough for this kind of work; we really need two or three years to actually make a difference. I mean what’s interesting is we had a year of funding for the walled garden ending in 2015, March. And that seemed to be a very successful project by then but of course they don’t fund continuation funding, and whatever we put in wasn’t successful. But it’s one of these things that you really feel. And at the start of this year, in a way we’re actually reaping benefits from that year because we’re getting far faster off the ground than we did at the beginning of that first year, and an awful lot more people coming to us, and a better understanding. So, I think we’re going to have an even more successful year this year because of the work that we’ve done then.”(CBI leader 3)

Shorter term funding did not sit well with the longer-term perspective of CBIs, and the types of problems that they were directing activities towards. As one interviewee told us: “of course it’s very difficult to do climate projects on a one-year” (funding panel member) because it went against the ethos of climate change or environmental work which by its nature requires a long-term perspective, and therefore, a corresponding funding strategy.

4.2.2. Shaping direction and orientation

State funding is tied to government spending priorities, which can influence when public funding is released, how much is available, what type of CBI activities will be funded and the length of time grants will be available for – these can affect the orientation of community-based activities. The strong carbon focus of the CCF, for example, had very material outcomes for the types of CBIs and projects that emerged, showing how funding priorities can shape the actions of groups towards certain kinds of activities which are funded, and away from other actions which are not:

“English groups would tend to go more for resilience-building projects and Scottish groups more for carbon-cutting projects because that’s what was funded. It was much more difficult to get money to change people’s attitudes or to do anything really which didn’t have an immediate measurable carbon impact because of the political background to the grant they *had* to tie it to measurable carbon emissions cuts, and for a lot of projects that are resilience building those are hard to measure, particularly in the early stages. So it pushed groups in Scotland into more carbon-cutting projects.” (CBI leader 3)

Another CBI member acknowledged that while the reporting requirements of the CCF were not very intrusive, they did frame what they could and could not do with the project. Thus, applying for public funding sometimes meant a trade-off between the vision of the CBI and the vision of the funder. While public funding was essential to much CBI activity it could introduce a friction when these visions did not correspond:

“But it’s something about the process of, if you don’t have money you need to be more imaginative about how you’re going to do what you want to do. And also, although you’re constrained materially in what you can do, you’re not constrained in terms of staying true to your particular vision.” (CBI leader 3)

The need to make and report impact to funders also orientated and shaped CBI activity. Showing the ‘impact’ of CBI activity was the most accepted way to prove that CBIs were ‘making a difference’ and that public money was well spent. But ‘impact’ seemed to be a nebulous concept for CBIs – how should they show the impact of their activities, especially the ‘softer’ educational and awareness raising changes that is the focus of many community environmental groups? Particular sustainability activities which focus on “the hearts and minds” and on behaviour change has fewer measures which could be used to demonstrate success and measure impact (Hobson et al., 2014). For many CBIs behaviour change projects were closest to their goals and aspirations, but were either considered too risky to fund, or were too difficult to demonstrate impact of (and therefore difficult to attract funding for). Measurement criteria, considered essential by funders to demonstrate the good use of public money, could introduce tensions in CBIs, who were forced to make decisions about their goals in light of reporting requirements rather than the ethos of the organisation.

4.2.3. Rationality and accountability

The focus on impact and demonstrating value for public money introduces a managerial and technical accountability into the governance of CBIs and their activity, and which links them with processes of control, verification and rationality (Rose, 2000; Schofield, 2002; Taylor Aiken, 2015b). This often did not sit well with the tendency of CBIs to aim at or to provide non-measurable, intangible, radically diverse outcomes. Focusing on impact could remove the ‘essence’ of community-based work, making it “sterile” (CBI manager 1). Reporting ‘narratives’ for funders describing CBIs and their activities seemed at odds with what the CBI was really about and the types of changes that people wanted to see. Some funds for example EU level funding schemes, tended to have too strong a focus on economic development, and in some cases job creation. For many CBIs, economic development based activities did not correspond to the type of work they did, so economic based indicators of impact became irrelevant and not useful for their work.

Reporting mechanisms and impact narratives created for funders could have the effect of constructing group identity and narratives of ‘success’ which some members (as opposed to employees) felt did not necessarily reflect the identity or the aims of the CBI. This could then lead to divisions within groups, especially between those who were reliant on funding for their position and those who were not and wanted to have more independence. One CBI manager (CBI manager 1) told us that reporting mechanisms created a distance between him and other members of the team, in particular those who felt that these activities contradicted the very grassroots nature of the CBI. The focus on indicators and measuring impact sometimes contradicted the ethos of community-based work, and the message that CBIs aimed to convey:

“I think it has increasingly gone towards the measuring of carbon and I know a lot of people find that absolutely mindboggling and really. I remember one person saying we were the carbon-counting slaves of the Government! And, it’s a dramatic thing to say but I think it reflected that feeling of ‘this isn’t what we want to do; we want to go out there and change hearts and minds in our communities, and inspire people that living a sustainable life can actually be enjoyable and can add to your quality of life.’” (CBI leader 3)

Reporting requirements also had important consequences for CBIs’ individual members. The act of impact assessment could be personally burdening and distressing for some, especially when the measures of success was seen to have little relevance for the CBI, and their activities:

“I think another difficulty for those who get involved is that they care such a lot about it. And so when they’re not doing it right or when they’re doing it in a tokenistic way in order to tick somebody’s box, they also find that really frustrating. It’s generally a very highly-motivated and very deeply-caring and quite distressed group of people who are tending to go for this grant because they’re really frightened about climate change and they *really* want to do something. And, the box-ticking is more frustrating when you really care about something than it would be if you’re just getting the money and you don’t really mind how it comes.” (CBI leader 3)

The discussion around impact and reporting highlights a conundrum for grassroots activity – on one hand they wanted to show the importance of what they did, but using indicators had implications for their work, and were not able to capture the benefit of activities. This is not to suggest that better indicators should be developed, but rather that the process of measuring impact was not always seen as suitable for their activities and negatively impacted CBIs at times. The difficulty in showing impact (or rather, the kind of impact that was seen as important to particular funders) meant that community-level activity was largely ‘invisible’ which led to a disconnect between CBIs and policy makers:

“From the local, regional right up to national EU level as well; and there’s just a lack of engagement with policy makers across the movement. [We need to be able to show] the impact of these initiatives as well, and there is a gap there in terms of data and evidence to support that these kinds of initiatives can have an impact, and the evidence of what their contribution can be. So I think that’s part of the problem, that we need to make policy makers more aware of the potential, and I think if they’re aware of the potential they’re probably more likely to build this into their programmes” (Network coordinator 1).

The same interviewee made the point that building alliances between groups was a way to demonstrate collective impact of many small, local actions, and to demonstrate a community ‘movement’.

4.2.4. Increased emphasis on entrepreneurialism and social enterprises

There was a clear sense that public funding was reducing, and that some CBIs risked becoming dependent on diminishing “crumbs off the public sector table” (Local authority employee 1). In response, there was a tendency amongst CBIs to consider ways to adapt to provide products or services which would furnish an income. Being self-funded could give greater independence from the constraints

associated with grants and future projected economic instability. Becoming a social enterprise and asset ownership were commonly accepted means to avoid what was known as ‘grant dependency’, and was actively encouraged through some Scottish Government funding streams and other community bodies such as DTAS (Development Trust Association Scotland) who had the motto (according to one participant) – “you buy the asset, and we’ll help you do something innovative with it” (Local authority employee 1). Some considered alternative social enterprise ideas, such as worm cast tea, cooking classes and renewable energy projects, as key to move away from a reliance on public sector funding:

“If you look at what other communities are doing, they’ve got themselves into the renewable energy field, particularly Orkney and the Western Isles communities have been successful in developing community-owned wind turbines. And what they’d been doing, effectively, was their asset was...that stream of income that was generated by the turbine that would come into the community for twenty years, twenty-five years whatever it is, and support community regeneration. So we switched our focus on that, and at the same time there was quite a lot of renewable energy development going on in the area, lots of external companies coming in and putting up wind turbines”. (CBI manager 2)

Some organisations we spoke to started as voluntary based organisations, but overtime had tried to become financially independent. This process had significant implications. CBIs who took this route often became more professionalised. Some were thought to become more like business enterprises in their procedures in part because of the potential liability issues that come with borrowing money and managing and acquiring assets. There was also a move away from the more voluntary-based approach to having employed staff, at least in some of the larger CBIs, which contributed to a more hierarchical, less democratically-based structure (Fischer et al., 2017).

This new, social enterprise approach was sometimes at odds with more organic, radical and non-hierarchical forms of CBI governance that some interviewees envisioned for their groups. Sometimes this meant a tension, between meeting the needs of the community and a desire to attract income to finance activities (Fischer et al., 2017):

“We’ve been more chasing the money rather than being more focussed on delivering on what we want for the community, or what the community wants for the community.” (CBI manager 2)

In one case while the CBI was set up to teach people about healthy eating, but the need to become financially independent from grant funding meant that they were considering becoming a social enterprise and selling the vegetables produced from their community garden, rather than using it for community cooking demonstrations which they thought may be more useful for the local area.

Overall therefore in becoming social enterprises to move away from reliance on public funding, many CBIs become more professionalised organisations. Focusing on securing funding can lead to CBIs to become finance driven and shaped by the types of funds that are available – for example in a shift from community development work to projects that render income. This can limit the CBI and creates a hierarchy of outputs – some types of projects become more valuable than others, which may not align with community needs.

5. Discussion and conclusions

A range of funding streams are available to support community activities in Scotland with different grants targeted to suit different community aspirations and capabilities. Some funders focus on community benefits, such as delivering local services or enhancing facilities (Big Lottery Fund), others on enabling asset transfer (Land Fund) while others target behaviour change in relation to mitigating climate change (Climate Challenge Fund). In addition to these main public funds, a variety of smaller grants are available from local authorities, charitable trusts and foundations. This paper has shown that engagement with public funding can affect almost every aspect of community-led activity, shaping community groups organisationally as well as changing their goals and aspirations. The findings focussed on how CBIs negotiate the practical and technical aspects of public funding, and how public funding affects the identity and aspirations of local groups. We locate this discussion in the context of governing and the debate that ‘governing through community’ has sparked in recent years (Rose, 1996).

Although public funding is important for CBIs, and many would not function without it, this paper has outlined the performative affects that are afforded by public funding of CBIs. While others have pointed out the positive benefits of public funding for CBIs (Creamer, 2015), we have shown that a number of other effects follow. First, public funding links state actors and agencies with active citizens and engaged communities through technical and procedural mechanisms embedded in the application, management and reporting of grant funding. These mechanisms make CBIs and their activities visible and accountable to funding bodies through, for example, ‘number capture’ (Taylor Aiken, 2015b). Two effects follow from this visibility. First, it enables the monitoring and shaping of CBI activities and operations by state actors and agencies through being accountable. Second, being subject to such procedural mechanisms influences the ways of working and the forms and types of CBIs that are brought into being.

Accountability for public funding is based on a discourse of evidence, impact and (to some extent) standardisation. Like other aspects of government these are central pillars of management, however they are often at odds with the ethos of many community based organisations which tend to be democratic, social, deliberative, process-orientated. Moreover, the accountability mechanisms that accompany public funding were often considered by CBIs to miss, the more subtle and intangible changes in knowledge and behaviours that CBIs believed to be at the centre of their activities. While evidence-based policy making, and the impact agenda is expected to lead to better policy outcomes, it removes political processes from decision-making, through the substitution of ‘objective’ indicators, such as carbon reduction, to demonstrate ‘success’ and value for money. These measurements often did not sit well with the founding aims of CBIs, which tend to be provision of non-measurable, intangible, radically diverse outcomes (Hobson et al.,

2014; Taylor Aiken, 2015b).

Accountability procedures that focus on measuring and reporting activities rather than on harder to measure changes in knowledge, behaviour and understanding, have the effect of rewarding and creating CBIs that are capable of managing such processes. For some CBIs this is not a problem. For others however it can mean a re-consideration of their aims and identity, and an assessment of the skills and capabilities of their members. Adherence to such principles has a homogenising effect, helping to create the ‘usual suspects’ – those CBIs whose objectives are most closely aligned with policy objectives, and whose members have the time, skills and capacities to repeatedly secure public funding. This leaves a question mark about how communities with objectives that do not align well with current policy goals, or whose members do not have the skills and confidence to manage large grants, are to be supported. Funding bodies do recognise this problem and offer training and support to build capacity, and general grants to cover multiple policy aims. However, in a competitive funding environment there is only so much money to go around, with the possibility that ‘alternative’ CBIs pose too great a risk for funders to support.

Our findings on how public funding enrolls CBIs in accountability mechanisms and produce a particular kind of CBI, allow a deeper understanding of the governance of community-based activity. It shows that the state continues to play a role in deciding which CBIs get funded, and what for, thereby setting agendas and evaluating ‘success’ (Woods et al., 2007; Catney et al., 2013). Public funding for CBIs illustrates how ‘community’ has taken on new significance in governing, especially in encouraging behaviour change to a lower carbon lifestyle (Taylor Aiken, 2016; Delanty, 2010). Reporting and accountability procedures associated with public funding show how rationalities of governing are being extended to CBIs, connecting individuals and communities to state-actors and agencies through accountability mechanisms and bureaucracy (Dean, 2010; Rose, 1999). While we agree that CBIs represent sites of innovation and experimentation, open up opportunities for communication between citizens and the state (Castells, 2012; Delanty, 2010), and opportunities for local development (Haggett et al., 2014), our findings suggest that through engaging with state funding CBIs can become entangled with state rationalities through carbon governance (Taylor Aiken, 2015a; Eadson, 2016; Markantoni, 2016).

We suggest that while communities are obviously of strategic importance for government and for the realisation of government policies in Scotland, it should also be noted that CBIs are not confined to top down encouragement to fill the gaps of state service provision (Moore and Mckee, 2014). CBIs can also be seen as places of innovation as well as resistance to economic, political and social structures in place (Heiskanen et al., 2015; Seyfang and Smith, 2007; Geels, 2014). CBIs have their aims and aspirations too, which may not be homogenous even within the organisation (Fischer et al., 2017). While we do not wish to diminish the important role of public funding in enabling community-led activity, we also wish to point out that this is accompanied by a range of managerial and technical procedures that make CBIs visible and accountable to state actors and within state processes. These procedures often seem to bypass the more intangible social aspects that accompany local activism, including the desire to bring about change, creativity and innovation that many local actors consider to be at the core of their community projects.

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