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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>15 September 2020</b>
<b>Report By:</b>	<b>Corporate Director, Environment, Regeneration and Resources</b>	<b>Report No:</b>	<b>PR/20/38/SJ</b>
<b>Contact Officer:</b>	<b>Stuart Jamieson</b>	<b>Contact No:</b>	<b>712402</b>
<b>Subject:</b>	<b>Inverclyde Council Community Wealth Building Strategy</b>		

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## 1.0 PURPOSE

1.1 The purpose of this report is to bring Community Wealth Building to the attention of the Committee, to review the type of activity considered under Community Wealth Building currently undertaken by the Council, and to agree a strategy to further develop Community Wealth Building within Inverclyde.

## 2.0 SUMMARY

2.1 The Scottish Government identifies community wealth building (CWB) as a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.

2.2 Developed initially by the Democracy Collaborative in the United States, and championed in the UK by the economics think tank Centre for Local Economic Strategies (CLES), CWB aims to ensure the economic system builds wealth and prosperity for everyone.

2.3 Community Wealth Building aspires to “...a people-centred approach to local economic development. It reorganises local economies to be fairer. It stops wealth flowing out of our communities, towns and cities. Instead, it places control of this wealth into the hands of local people, communities, businesses and organisations.”

2.4 There are five core principles to Community Wealth Building:

- Progressive Procurement – developing local supply chains of businesses likely to support local employment and keep wealth within communities.
- Fair Employment and Just Labour Markets – Using anchor institutions to improve prospects of local people.
- Shared Ownership of the Local Economy – supporting and growing business models that are more financially generative for the local economy.
- Socially Just Use of Land and Property – developing the function and ownership of local assets held by anchor organisations, so local communities benefit from financial and social gain.
- Making Financial Power Work for Local Places – increase flows of investment within local economies by harnessing and recirculating the wealth that exists.

2.5 The Council carries out a number of these activities and examples are shown in Appendix 1 however they are not collectively branded. Interest in community wealth building is being promoted in national, regional and within neighbouring local authority agendas and is felt appropriate to bring this report before Members for consideration.

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that the Committee:

- a) Notes the increasing interest in Community Wealth Building agenda;
- b) Notes the current activity within the Council in respect of the five core principles of Community Wealth Building; and
- c) Agrees to remit to the Corporate Director Environment, Regeneration and Resources to further develop the Community Wealth Building agenda in consultation with Partners and the Community, and thereafter present to Members the Inverclyde Council Community Wealth Building strategy and action plan in due course.

## 4.0 BACKGROUND

- 4.1 The Scottish Government identifies community wealth building (CWB) as a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.
- 4.2 There are five core principles to Community Wealth Building:
- Progressive Procurement – developing local supply chains of businesses likely to support local employment and keep wealth within communities.
  - Fair Employment and Just Labour Markets – Using anchor institutions to improve prospects of local people.
  - Shared Ownership of the Local Economy – supporting and growing business models that are more financially generative for the local economy.
  - Socially Just Use of Land and Property – developing the function and ownership of local assets held by anchor organisations, so local communities benefit from financial and social gain.
  - Making Financial Power Work for Local Places – increase flows of investment within local economies by harnessing and recirculating the wealth that exists.
- 4.3 Anchor organisations are large employers with a strong local presence in an area. They can exert sizable influence through their commissioning and purchasing of goods and services, through their workforce and employment capacity, and by creative use of their facilities and land assets. Positive use of these aspects can affect social, economic and environmental change in an area. Anchors can be Council, university, college, housing association or NHS health board.
- 4.4 The original model of Community Wealth Building is understood to have emerged from Cleveland in the United States of America. In the United Kingdom, Preston in England is understood to have been the first to introduce and use the model since 2012. The unrolling of a community wealth building approach has seen a significant improvement in local jobs, and the development of co-operatives within the economy. Community wealth building success in Preston has gained significant plaudits – it is now recognised as one of the most improved localities within the UK. The CLES website shows that, in addition to Preston, some form of Community Wealth Building has now been implemented in Brighton and Hove, Leeds, Southampton, Wigan and Wirral. The Scottish Government is committed to exploring the potential for CWB as an approach to delivering inclusive growth across Scotland, with six key projects in development across a range of contexts in Scotland starting with Ayrshire. North Ayrshire Council is developing a community wealth building approach and this has been augmented by the Ayrshire Growth Deal which has supported the councils of Ayrshire with a £3m community wealth building fund. Recent analysis and action work by North Ayrshire Council, supported by CLES, has heralded the start of a programme of work, which seeks to influence not only the anchor institutions of North Ayrshire, but also the wider Ayrshire Growth Deal. Regionally, the Glasgow City Region is exploring opportunities within the metropolitan city region.
- 4.5 Community Wealth Building seeks to harness the power of “anchor institutions”, which are large commercial, public and social sector organisations which have a significant stake in a place.
- 4.6 The Council has been delivering the type of activity covered in Community Wealth Building for number of years however until now it has not been branded as such. Examples of such activity are contained in Appendix 1.
- 4.7 Community Wealth Building, in its purest sense is not without challenge. The legal issues in respect of procurement are quite prohibitive. If a contract is over £50k for goods and services (£2m for works) we are legally obliged to tender it. There are no circumstances where the Council can get past that unless it is argued that the supplier has an exclusive right to it, that they are unique in some way or that the contract is related to a previous piece of work that is linked and therefore cannot be carried out by another party.

4.8 There is also the economic argument in that local companies should be encouraged to bid for work outside of the area and not become reliant on their local public spends.

## 5.0 PROPOSALS

5.1 The proposed Inverclyde Council Community Wealth Building Strategy is attached at Appendix 2.

5.2 It sets out a series of actions to be undertaken by the Council in relation to the five principles of Community Wealth Building. These have been derived from other Community Wealth Building Strategies in the UK and are considered to be those that are most applicable to Inverclyde. In addition, it sets out actions the Council will take to embed Community Wealth Building in its corporate culture and promote it amongst anchor institutions in Inverclyde.

5.3 These actions will be presented in a fuller Community Wealth Building Strategy document, explaining what Community Wealth Building is and containing relevant statistics, graphics and case studies, and how the strategy will link, support, and be supported by, other Council strategies and will allow full engagement with our partners and the wider community.

## 6.0 IMPLICATIONS

### 6.1 Finance

There are no financial implications associated with this report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

### 6.2 Legal

There are no legal issues associated with this report.

### 6.3 Human Resources

There are no personnel implications associated with this report.

### 6.4 Equalities

Equalities

(a) Has an Equality Impact Assessment been carried out?

<input type="checkbox"/>	YES
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X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required
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(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

6.5 Repopulation

The creation of more successful and prosperous businesses and communities within Inverclyde would make it a more attractive place to live, invest and do business.

**7.0 CONSULTATIONS**

7.1 No consultation has been undertaken in the preparation of this report.

**8.0 BACKGROUND PAPERS**

8.1 North Ayrshire Council Community Wealth Building Strategy 2020-2025  
Wirral Community Wealth Building Strategy 2020-2025

## **COMMUNITY WEALTH BUILDING**

### **ILLUSTRATION SHOWING EXAMPLES OF EXISTING INVERCLYDE ACTIVITY WITHIN THE FIVE PILLARS OF COMMUNITY WEALTH BUILDING**

#### **Introduction**

There are five pillars of Community Wealth Building:

- Procurement
- Fair employment
- Land and assets
- Financial power
- Plural ownership

<b>Inverclyde approach</b>
Pillar: Procurement
Procurement is part of the bedrock of an overall Community Wealth Building strategy via several initiatives.
Inverclyde Council spend around one third (£30M) of its procurement budget with local suppliers and partners. This means that Inverclyde ranks 12 <sup>th</sup> when compared to all Scottish Local Authorities in terms of spend with Local Suppliers. Our Strategy continues to build on this platform with initiatives to support local companies to bid for all public contracts both inside and outside Inverclyde.
The Council funds the Supplier Development Programme alongside other Scottish Local Authorities and works in partnership with them to train our local companies on bidding for public sector contracts.
Market pre engagement with local suppliers is encouraged as part of our procurement strategy for all contracts. Contracts are lotted to enable local suppliers to bid for larger contracts and 50% of the field of bidders for quotations must be local.
Regular Meet the Buyer events are held locally, nationally and as part of the City Deal programme.
Regular reports to our Committees are given to our elected members. The Procurement Strategy acknowledges the need to analyse opportunities to grow the local supply chain to allow companies to be mature enough to bid, not just for Inverclyde contracts but for wider public sector contracts too.
Community Benefits must be considered for all contracts and are embedded within every procurement exercise where there are benefits to be obtained.

<p>The environment and remedies to decrease the carbon footprint by using local supply are considerations in ensuring that our procurements are compliant with National Procurement legislation which demands that sustainable procurement is a major part of any tenders quality assessment.</p>
<p>Through Meet the Buyer events, local engagement and individual meetings and communication, Local businesses are encouraged to look at public sector work as an opportunity to grow their Turnover. Local businesses are encouraged to bid for sub contract opportunities where the initiatives for them to tender as the lead bidder are not available.</p>
<p><b>Pillar: Fair employment</b></p>
<p>Ethical Care Charter October 2016 -Inverclyde Health &amp; Social Care Partnership became one of the first in Scotland to achieve trade union recognition for its high standards in homecare and conditions for workers.</p> <p>In August 2015 the Council and six trade unions signed the Inverclyde Council and Trade Union Pledge promising to work together to safeguard and deliver quality public services. The pledge also commits the Council and the trade unions to work together to promote greater employment opportunities for local people and to develop apprenticeship opportunities to benefit the local economy.</p>
<p>Inverclyde Council implements Fair Work principles and maximise the potential of employees.</p>
<p>As part of the £1 million Anti-Poverty Funding delivering apprenticeship support for young people and those most likely to be affected by poverty will be delivered.</p>
<p>Inverclyde Council focuses on health issues as a barrier to employment through its Health Barriers to Employment activities.</p> <p>Established Workforce Wellbeing Champions across HSCP and Council to ensure that opportunities are taken through the Covid-19 response to develop an understanding of the wellbeing needs of the health and social care &amp; council workforce to inform long-term work in this area.</p> <p>The Inverclyde HSCP Staff Wellbeing Task Group has been established to oversee and implement the national and regional work that focuses on ways the HSCP is responding to the national agenda for staff health and wellbeing. (national wellbeing network).</p>
<p>Inverclyde Council funds and supports local employability service provision available in town centres localities and via community outreach, augmenting this with financial support to local businesses hiring local residents with a focus on excluded groups.</p>
<p>IC (&amp; HSCP) are an accredited Living Wage Employer and work with the Living Wage Foundation to raise the profile to local employers.</p>

We are a Disability Confident Leader and will continue to deliver events with the DWP to raise the profile of the Living Wage amongst local employers.
We use our external website and the MyJobScotland recruitment portal to raise the profile of the council being an employer of choice.
As part of the 1140 early years expansion we created apprenticeships at various levels to assist local people to move into this sector.
We are reviewing how our recruitment application process could be more accessible and how we could advertise more in local places, including social media pages.as part of our People & Organisational Development Strategy.
The recent decision to create five entry level posts as part of the anti poverty measures is an example of the Council creating entry level posts
<b>Pillar: Land and assets</b>
Inverclyde Mens shed is an example of community asset transfer.
Inverclyde Council's commercial property portfolio is managed locally by Council employees, and many properties are situated in locations that are likely to be of interest to local and independent operators. Rentals offered at commercial rates except where a property is listed as "difficult to let" in which case the property is available rent free for up to a year subject to certain criteria.
Food and drink incubator units are being developed at Baker Street to support small local businesses.
Locality planning groups are being established across Inverclyde. Inverclyde is working in partnership with its Community Planning Partnerships including the Third Sector Organisation to develop locality based Communication and Engagement Groups across all 6 localities. These groups will encourage people living in the localities to become involved in democratic decision making in the areas where they live.
We will continue to support Community Asset Transfers and increased community capacity through the locality planning process.
The new Greenock Health and Care Centre will house Council staff. Remaining HSCP assets are being reviewed with a view to producing a cohesive asset plan in the future.
The Inverclyde SHIP identifies sites throughout Inverclyde, including within and close to the town centres, with the Babylon site a specific focus of the current SHIP. The Council is also committed to undertaking strategic housing studies for Port Glasgow and Greenock town centres.

Pillar: Financial power
For individuals Scotcash operates in Inverclyde to provide support to the financially marginalised. The Council operates various loans/grants schemes to support businesses.
Strathclyde Pension Fund own Port Glasgow retail park.
The Council works with partners including credit unions to encourage progressive finance.
Shop local initiative.
The Council has now developed a mainstreaming participatory budgeting approach which ties in with the locality planning arrangements across Inverclyde.
Pillar: Plural ownership
Inverclyde Council Business Development Team currently give advice and support to Social Enterprises. We also work with our Partner Agencies (CVS, First Port and Business Gateway) to give an all-inclusive cooperative assistance to Not for Profit and Social Enterprises.
Inverclyde Council Business Development Team working with Business Gateway will utilise Scottish Enterprise products including workplace innovation for local Businesses.
At the moment Inverclyde Council Business Development Team works with Scottish Enterprise who are in collaboration with Cooperative Development Scotland. Their support would be utilised to assist these types of organisations when required.
Inverclyde Council Business Development Team provide financial support to all types of SME organisations. This can comprise of a start-up Grant, Marketing and Training to assist them to progress.
Business support and advice for management buy outs.
At the moment Inverclyde Council Business Development Team working alongside Business Gateway would pull in expert Growth Help for family owned businesses utilising Scottish Enterprise.
The Council has prepared a Local Heat and Energy Efficiency Strategy (LHEES) focused on Council buildings.
The Council currently provides management support to Riverside Inverclyde under a Service Level Agreement.

## **Inverclyde Council Community Wealth Building Strategy Actions**

### Embedding and promoting Community Wealth Building in Inverclyde

- Assess all new Council policies, strategies and projects for potential to contribute to Community Wealth Building
- Identify anchor institutions and encourage them to adopt a Community Wealth Building approach
- Establish working groups to promote, monitor and evaluate the Council's Community Wealth Building approach

### Plural ownership of the economy

- Continue to provide business development support, grants and loans to Inverclyde-based businesses.
- Provide support for the establishment of, or transition to, alternative business ownership models such as employee ownership, co-operatives, community businesses, social enterprises

### Making financial power work for local places

- Encourage staff to shop locally
- Continue to deliver and improve our participatory budgeting approach
- Promote local credit unions and Scotcash
- Work with Strathclyde Pension Fund to explore local investment opportunities
- Promote investment opportunities within Inverclyde

### Fair employment and just labour markets

- Work with anchor institutions to ensure a Fair Work approach
- Work with Inverclyde businesses and organisations to implement Fair Work principles
- Deliver employability programmes helping local residents into work
- Deliver More Choices, More Chances programme to reduce the number of 15-19 year olds not in education, employment or training
- Continue to Health Barriers to Employment activities
- Continue to be A Living Wage Employer and encourage Inverclyde employers to pay Living Wage
- Continue to be a Disability Confident Employer and encourage a Disability Confident approach across all Inverclyde employers
- Improve local knowledge of Inverclyde Council recruitment opportunities and processes.
- Use local employability providers to prepare Inverclyde residents for forthcoming Council employment opportunities
- Improve linkages between apprenticeships and workforce planning within the Council and other Inverclyde employers
- Ensure businesses that we procure goods and services from treat their employees fairly

### Progressive procurement of goods and services

- Identify and explore opportunities for more local spend by the Council.

- Support and enhance capacity of local businesses to bid for public sector contracts.
- Promote forthcoming procurement opportunities locally
- Run 'Meet the Buyer' events within Inverclyde and encourage Inverclyde companies to attend regional/national Meet the buyer events
- Undertake analysis of local suppliers to identify gaps in service provision related to public sector contracts. Encourage business development in identified areas.
- Where appropriate, seek to maximise community benefits associated with Council procurement.
- Encourage local procurement within businesses located within Inverclyde.

Socially productive use of land and property

- Market our commercial property portfolio locally to encourage start-ups by local people.
- Explore opportunities within our land and property portfolio for the development of incubator units
- Promote Community Asset Transfer and develop community capacity to increase uptake
- Explore co-location of anchor institution services to make services easier to access and promote surplus assets for Community Asset Transfer
- Undertake review of all land and assets to explore potential for Community Wealth Building