

REPORT ON THE RESPONSE TO THE SCOTTISH GOVERNMENT'S CONSULTATION ON COMMUNITY WEALTH BUILDING

Report by the Director - Resilient Communities

SCOTTISH BORDERS COUNCIL

27 April 2023

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to seek approval for a response to the Scottish Government's Consultation on Community Wealth Building.**
- 1.2 The Scottish Government's consultation on Community Wealth Building (CWB) opened on 31 January 2023 and closes on 9 May 2023. The consultation provides the opportunity to express views on the creation of a statutory duty related to Community Wealth Building, as well as on potential legislative and non-legislative developments which could facilitate the creation of community wealth in Scotland.
- 1.3 The Council's response highlights support for CWB as a strategic objective. It notes however that the Council would not support the creation of statutory duty pertaining to CWB due to a lack of commensurate funding supporting said duty and a multiplicity of other such statutory obligations. The Council also makes a number of suggestions which could improve the creation of CWB, notably calling for a simplified policy landscape, the publication of further non-statutory guidance on CWB, and assistance to enable suppliers to access public sector contracts.

2 RECOMMENDATIONS

- 2.1 I recommend that the Council approves the response as set out in Appendix 1 to the Scottish Government's consultation on Community Wealth Building.**

3 BACKGROUND

3.1 The Scottish Government, in its 2021 Programme for Government, committed to introducing a bill related to Community Wealth Building within the current parliamentary term¹. Community Wealth Building (CWB) is “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. As such, from a strategic standpoint, it aims at the creation of a wellbeing economy at the local level, via anchor institutions such as local authorities, and other public sector partners.

CWB relies on five core principles:

- **Spending:** Maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains.
- **Inclusive Ownership:** Developing more local and social enterprises which generate community wealth, including social enterprises, employee owned firms and cooperatives.
- **Workforce:** Increasing fair work and developing local labour markets that support the wellbeing of communities.
- **Finance:** Ensuring that flows of investment and financial institutions work for local people, communities and businesses.
- **Land and Property:** Growing social, ecological, financial and economic value that local communities gain from land and property assets.

4 COMMUNITY WEALTH BUILDING WITHIN SBC AND REGIONAL PARTNERS

4.1 Community Wealth Building is a key part of SBC’s economic strategy. Notably the Council plan from April 23 outlines the Council’s commitment to ‘Strengthen opportunities to support local supply chains and ‘Community Wealth Building’.

4.2 Activity is already taking place within SBC and partner organisations to that effect, across most pillars of CWB:

- **Spending:** SBC has committed, to support our local market and economy in its 2018-2023, in its sustainable procurement strategy. As part of the Strategy, SBC aimed at growing the Council’s local supply base to increase the proportion of Council Spend within the area. For example, the Council ran a local butcher meat pilot project, which resulted in sourcing all fresh meat for 2 secondary schools and one primary school for 10 weeks from 2 local butchers. Following initial success, the pilot was extended for 9 months and all secondary schools. This progressive procurement project has supported local employment, while progressing sustainability and helping to keep wealth within the Scottish borders community.

¹ Scottish Parliament Official Report – Session 6, Meeting of the Parliament (Hybrid), Wednesday 25 May 2022, p. 24. T. Arthur (MSP), available at: [Official Report \(parliament.scot\)](https://www.parliament.scot).

² [Community wealth building - Cities and regions - gov.scot \(www.gov.scot\)](https://www.gov.scot)

- **Workforce:** The Council is committed to encouraging the adoption of Fair Work Practices. For example, when relevant, suppliers bidding for public contracts should adopt fair working practices, specifically: appropriate channels for effective voice, investment in workforce development, no inappropriate use of zero hours contracts, action to tackle the gender pay gap and create a more diverse and inclusive workplace, providing fair pay for worker, offer flexible and family friendly working practices for all workers, oppose the use of fire and rehire practices. Moreover, as an accredited real living wage employer the Council is committed to encouraging the wider adoption of the real living wage.
- **Inclusive ownership:** The Council has explored avenues to develop more local and social enterprises. For example, it has worked in partnership with the Ettrick and Yarrow Community Development Company, leading to a community led buy-out of a farm standing near the Kirkhope steadings in the Ettrick and Yarrow valleys. This project aims at creating affordable housing and also bringing in business which will help to maintain the economy in the valleys.
- **Land and Property:** Scottish Borders Council supports communities to take on land and buildings in their area. This responds to the local needs and aspirations through leases and purchases putting control of such assets in the hands of the community. Scottish Borders Council currently has 26 leases to village hall committees and a further 16 leases to other community groups.

4.3 At the Regional Level, SBC, with other City Region Partners, has commissioned the Centre for Local Economic Strategies (CLES) to develop a framework to embed community wealth building within City Deal projects. This framework would form an integral part of future City Region projects and aim to drive stronger social value standards across all ESES projects and to develop potential indicators to assess success under the framework and assess impact.

4.4 Similarly, at the South of Scotland Level, the Regional Economic Strategy commits to using community wealth building '*as a tool for delivering an inclusive economy that centres on wellbeing.*' As a result, CLES has provided a 'Roadmap to Decarbonisation' to retrofit social housing stock in the South of Scotland. CLES' report, as presented at the REP in December, outlines the economic and job creation potential which could be achieved by retrofitting social housing stock and the potential community benefits which could flow from such a programme.

5 SBC'S RESPONSE TO THE CONSULTATION

5.1 SBC's draft response to the consultation is attached at appendix 1. The consultation focuses on legislative changes which would introduce a new statutory duty bearing on public sector bodies to embed CWB within their practice. It gives a number of options outlining how this would be done, and asks respondent to indicate their preference and suggest potential legislative changes which would support CWB as a strategic outcome.

- 5.2 Whilst SBC is committed to CWB, as outlined above, the current draft response advocates against the creation of a new statutory duty to that end, in line with COSLA's Environment and Economy Board. This is justified by three main reasons:
1. By its very nature CWB, as an approach, ought to be place-based and provide flexibility to anchor organisations in the way it is implemented. This runs counter to the centralised statutory approach arising from the proposals within the consultation.
 2. A multiplicity of new duties have recently been created by Scottish Government or are being contemplated, applying public bodies in general, and local authorities in particular, leading to the obligation to draft several strategic documents, for example: the Good Food Nation Act, the Sustainable procurement duty, Review of the Community, the review of the community Empowerment Act or the Land Reform Bill.
 3. The combination of this multiplicity of duties, combined with a limited funding envelope leads to a significant demand on Councils. These demands have an opportunity in that the time and resources dedicated to compliance cannot be directed to the pursuit of other work streams.
- 5.3 For these reasons, SBC's draft response also argues that a consolidation or simplification of the policy landscape is essential in order to deliver value for money when it comes to community wealth building.
- 5.4 Beyond these points, SBC also suggests minor legislative and non-legislative changes which would further enable local authorities and anchor institutions to reap the benefits represented by CWB. Notably, the Council calls for the adoption of non-statutory guidance, the simplification of the funding landscape for communities, and facilitating access to Scotland Excel Framework for suppliers delivering to the public sector.

6 IMPLICATIONS

6.1 Financial

There are no costs attached to any of the recommendations contained in this report.

6.2 Risk and Mitigations

While the creation of a new statutory duty related to CWB could lead to risks for the Council, this report limits itself to recommending the adoption of a response the consultation issued by Scottish Government. As such, no such risk can be identified at present date.

6.3 Integrated Impact Assessment

An integrated impact assessment has been conducted. The findings indicate that while Community Wealth Building is of relevance to the Equality Act and the Fairer Scotland Duty, a full assessment does not need to be undertaken. This is because this report limits itself to examining the Council's draft response to the consultation. If legislative changes impose further obligations on the Council, IIAs will have to be conducted as SBC discharges said obligations.

6.4 Sustainable Development Goals

As with the IIA, CWB is relevant to the sustainable development goals, in particular Goal 1 (No Poverty), 8 (Decent Work and Economic Growth), 9 (industry innovation and infrastructure), 10 (reduced inequalities), 11 (sustainable cities and communities), 13 (climate action), 15 (life on land) and 17 (partnerships for the goals). However, this report limits itself to SBC's consultation response, and thus has no impact on the UNSDGs.

6.5 Climate Change

The recommendations contained within this report do not impact climate change, as they are limited to SBC's response to the CWB consultation. As noted above, CWB is of relevance to climate change and can be a key tool in delivering a just transition to net-zero. However, the draft response does not have such an effect.

6.6 Rural Proofing

This section should only be completed if this is a new or amended policy or strategy.

6.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

6.8 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Administration or Scheme of Delegation.

7 CONSULTATION

- 7.1 The Acting Chief Financial Officer, the Monitoring Officer/Chief Legal Officer, the Chief Officer (Audit and Risk), the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

Approved by

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Director – Resilient Communities

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Background Papers: None

Previous Minute Reference: None

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Sam Smith/Alexandre Belle can also give information on other language translations as well as providing additional copies.

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