



Building Community Wealth in Scotland

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- Individual
 Organisation

Full name or organisation's name

Scottish Borders Council

Phone number

Address

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- Yes
 No

Questionnaire

Question 1a

We are proposing a duty to advance Community Wealth Building, which form do you think this duty should take:

- Option A
- Option B
- Option C
- Other
- No Duty

Please provide a reason for your answer. In your answer please include views on:

- which bodies should be covered by the proposals
- how to best ensure accountability for implementation to the Scottish Parliament
- how to best ensure the involvement of local communities, business and the third sector in the implementation of the duty

As highlighted by the consultation, Community Wealth Building (CWB) entails a paradigm change in the delivery of economic development across Scotland. Scottish Borders Council (SBC) is fully committed to the CWB as a strategic outcome, and as a way to develop a wellbeing economy amongst the Region. It recently committed, in its Council Plan to “Support opportunities to support local supply chains and ‘Community Wealth Building’”. Similarly, the South of Scotland Regional Economic Strategy promotes a commitment to “Supporting Community Wealth Building and Growing Regional Supply Chains”. A range of activities has been undertaken by the Council, and other anchor institutions within the Borders across all five pillars of CWB.

However, in line with COSLA Environment and Economy Board, SBC would argue against the creation of an additional statutory duty bearing upon Local Authorities without the provision of additional resources to deliver against said duties. The reasons the Council takes this view are as follows:

- Local authorities and other public bodies generally are already committed to progressing CWB objectives. Indeed, the consultation document is replete with examples of these activities, many of them supported by Scottish Government. As noted, SBC is seeking to progress commitments to CWB organisationally and in collaboration with partners in the Scottish Borders, the wider South of Scotland, and through the Edinburgh and South-East Scotland City Region Regional Prosperity Framework Delivery Plan.
- Local authorities and other public bodies are already subject to a range of related duties pursuant, for example, to the Community Empowerment (Scotland) Act 2015, the sustainable procurement duty and the Good Food Nation (Scotland) Act. Accepting that we anticipate a broadly-framed general duty, it might be added that there is something faintly paradoxical about national government seeking to instruct CWB approaches, which, by their nature, are locally-engendered.
- Accordingly, we take the view that the objective of Scottish Government should be to support and guide the development of CWB across the country, but do not consider that the imposition of a duty is critical to the development or delivery of CWB approaches. Indeed, we have some concern that the institution of a duty deflects from the task in hand, which is surely to secure CWB outcomes rather than ‘duty compliance’. Scottish Government would be better involved in formulating guidance, promoting good practice and assessing and improving the relationship between the mesh of related duties in this space, which already apply to councils and other public bodies.

This multiplicity of duties, tied together with the a currently rapidly changing policy landscape and limited capacity and funding for local government is key in understanding SBC’s position regarding the creation of a CWB duty. The aggregate result of these duties, changes, and their implementations has a considerable impact on local authorities, especially smaller LAs such as Scottish Borders Council. As noted below, consolidating these changes and building upon existing work streams would be key in ensuring that the outcomes sought by Scottish Government while providing best value across the public sector. It could also more easily build upon regional approach, in line with the recommendations issued following the Regional Policy Review.

Instead of adding an additional statutory duty bearing on local authorities, a potential legislative avenue for Community Wealth Building could be an extension of the statutory power ‘Advance Well-Being’ enshrined in s. 20 of the Local Government in Scotland Act (2003). As was noted in consultations on the Local Governance Review, this power is currently under-utilised, by local authorities due to a particularly restrictive interpretation in case-law. However, were it to be reviewed, its general nature may provide a basis to enable further action on CWB by local authorities.

At the same time, we acknowledge that the Programme for Government 2021-22 and NSET commit the Scottish Government to CWB legislation. The latter states that Scottish Government is committed to introducing *'Community Wealth Building legislation that builds on the successes and learnings of all of the Scottish Government community wealth building local and regional pilot areas in urban and rural Scotland.'*

The development of a CWB strategy and action plan, and their subsequent implementation, as entailed by option B, would constitute a sizeable commitment for local authorities and their community planning partners. This commitment would have to be delivered in a particularly challenging financial context, owed in part to inflation and to a limited budgetary envelope for local authorities.

As such, if appropriate resources are not provided to deliver against the new statutory duties there is a risk that LAs would be unable to effectively deliver on commitments arising from the new statutory obligations. Moreover, the development of new strategic frameworks for community wealth building in collaboration with partners has an opportunity cost in that resources committed cannot, by definition, be directed towards the work already taking place in order to implement CWB.

If Scottish Government decides to implement a statutory duty to support CWB objectives, option A would be SBC's favoured approach. Embedding CWB within prescribed bodies corporate plans and strategies would build upon already existing work streams and provide more flexibility to public sector bodies, in line with the place-based nature of CWB. It would also enable local authorities to build upon their existing engagement strategies and place-making programmes, thus ensuring that communities are brought in council's CWB approaches. Placing the duty on all prescribed public sector bodies also guarantees that CWB will be considered by a broader range of anchor organisations, thus better supporting the creation of a wellbeing economy. However, further assessment of the direct resource requirement for delivery would need to be undertaken. This should be a matter of further dialogue with COSLA and councils.

Question 1b

One way Scottish Government could support the implementation of the proposed Community Wealth Building duty is to provide statutory or non-statutory guidance. Would this be helpful to partners in meeting the proposed duty?

- Yes
 No
 Don't Know

Please provide a reason for your answer. In your answer please include views on:

- areas in which it would be helpful for this guidance to focus on, e.g. areas to consider when implementing the five pillars, links to further support materials

- whether the guidance should be statutory or non-statutory

Further guidance outlining good practice on community wealth building would be welcome. At the moment, the landscape is fairly cluttered, as recognised by the consultation. National guidance and a way to share knowledge at the national level between anchor organisations may enable public sector partners to have a greater impact. In order to guarantee the place-based nature of CWB, this guidance should, however, remain non-statutory.

Question 2a

Are there other non-legislative measures that you believe are required to accelerate the implementation of the Community Wealth Building approach in Scotland?

- Yes
 No
 Don't Know

There are two main challenges to furthering the CWB agenda:

1. Limited capacity: more inclusive procurement practices which benefit local communities and reduce supply chains can often create additional costs for public sector bodies. Delivering outcomes on this front within limited budgetary envelopes will be challenging for local authorities and public sector bodies if additional funding streams supporting these policy aims are not provided. It should be noted that economic development is not a statutory duty for councils, and as such, with other non-statutory services, has had to shoulder a broader percentage of the cuts required by the lack of local government funding. The same applies to the workforce pillar of CWB, with salaries representing the largest proportion of local authority budgets. As such, provision of additional capacity would be one of the key enablers for advancing CWB at a local level.
2. Simplifying the policy landscape: Scottish Government is currently reviewing several legislative and policy areas related to community wealth building, chiefly via the Regional Policy Review and via the review of the Community Empowerment act, but also through SG's Land Reform bill. These developments provide a key opportunity to consolidate the legislative framework underpinning community wealth build and community empowerment, which would greatly simplify LA's role in this context.

Please provide a reason for your answer.

Question 2b

Are there specific actions required to advance delivery of the items contained within the Shared Policy Programme outlined on page 11 of the consultation paper?

- 'working within and developing procurement practices to support local economies, including Small and Medium sized Enterprises (SMEs) and micro-businesses, and improved access to training and labour markets for disadvantaged communities and individuals.
- encouraging public kitchens, including school canteens, to source more food produced by local businesses and organic producers.
- where possible, to base public sector capital and revenue funding decisions on targeted social, economic and environmental outcomes'

- Yes
 No

Don't Know

Please provide a reason for your answer.

Building capacity within SMEs and micro-businesses is essential in order to strengthen local supply chains enabling anchor institutions to tap into local businesses as part of their procurement programmes. At the moment, increased resilience within local supply chains, especially in rural LAs, is a key enabler to deliver the programme outlined above. In particular, further support and guidance to SMEs and micros is key in ensuring access to public sector contracts. A potential way of doing this would be supplier development programme run sessions for suppliers to support and encourage them onto national frameworks such as Scotland Excel. In general, more needs to be done, whether from a regulatory standpoint or not, so that the process of accessing public sector contracts does not act as a deterrent for smaller businesses.

In order to deliver on the second point, a key action would be to provide further education, information, and training in school canteens and other public kitchens on local supply and the importance of product traceability in that context.

Regarding the third point, focus could be put on the reduction of road miles amongst public sector supply chains. This would be key in delivering against Scotland net-zero ambitions while supporting local suppliers.

Question 3

Are there ways in which the law could be changed to advance the spending pillar of Community Wealth Building?

Yes

No

Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement.

Currently, section 25 of the Procurement Reform (Scotland) act 2014, mandates the use of community benefit requirements for contracts over a value of £4m. Lowering this threshold would likely increase the use of community benefit clauses, leading to positive outcomes from a CWB standpoint. This would, however, have to be considered in more details as such a reform may have a disproportionate impact on procurement services within public sector bodies. However, it appears that at the moment, common practice amongst councils is to consider community benefits for contracts over £50,000, meaning that the legislation is out of step with current developments. Further non-statutory guidance would also be welcome on what community benefits should entail. It appears at the moment that practice varies amongst the public sector. While this variance can be positive in that it allows for a more place-based and flexible approach, it can also be a source of frustration and confusion for suppliers as different organisations will have different expectations.

Moreover, beyond legislative changes, building up capacity within private sector SMEs is key in unlocking the potential of the spending pillar. Currently, despite willingness to extend contracts to local enterprises, SBC has found challenges in a lack of resilience and capacity amongst local supply chains.

Question 4

Employment law is reserved to the UK Parliament. Are there other devolved areas where the law could be changed to advance the workforce pillar of Community Wealth Building?

- Yes
- No
- Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament. We will cross-reference to responses received as part of the Fair Work Nation consultation which was held in 2021.

As the consultation paper notes, employment law is currently a reserved matter. As such, there is limited scope for legislative changes in advancing the employment pillar of CWB.

From a non-statutory standpoint, further encouraging the adoption of a real living wage across anchor organisations and the private sector would provide a clear avenue to realise the benefits of the employment pillar. SBC has been a living wage employer since 2011 and has sought to encourage its adoption across the region. It should, however, be noted that this may have budgetary implications on other public sector bodies.

Question 5

Are there ways in which the law could be changed which are not already covered in the proposals for the Land Reform Bill to advance the land and property pillar of Community Wealth Building?

- Yes
- No
- Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement.

There appears to be a mismatch between the general approach which is outlined in NPF4, and the realities of delivery'. In particular, the 'Infrastructure First' principle which is promoted in NPF4 is a good aspiration and can be articulated at the plan-stage, however, there can be a fairly lengthy time frame from the plan-led approach until delivery, and many of the parameters change, not least finance and the economy within that time frame.

Furthermore, the developer contribution process is complex in relation to infrastructure and other matters such as biodiversity offsetting and archaeology contributions, eventually leading to delays in terms of delivery. As such, there might be value in simplifying the process overall, in order to unlock CWB benefits by encouraging developments which benefit local communities.

Question 6

Are there ways in which the law could be changed to advance the inclusive ownership pillar of Community Wealth Building?

- Yes
 No
 Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament.

As noted in the paper, one of the key challenges when it comes to the inclusive ownership pillar of CWB is capacity within local communities. The Community Empowerment Act and other legislation which enables communities to acquire assets, already provides communities with a fairly broad right to request asset transfer directly this right against an extensive list of relevant authorities. It is unclear to SBC whether any legislative changes would increase communities' capacity to manage and own assets, or would facilitate the process of asset transfers.

In general, however, the current process for community asset transfers, within and outwith the CEA is fairly cumbersome both for local authorities and communities, and streamlining it may be beneficial to incentivise acquisition of assets by community groups.

Question 7

Are there ways in which the law could be changed to advance the finance pillar of Community Wealth Building?

- Yes
 No
 Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament.

Access to finance by community groups, social enterprises and other CWB related projects is currently challenging. There is a multiplicity of actors providing finance across the public sector, from the enterprise agencies to the Scottish National Investment Bank with the addition of multiple other funding streams across Scotland and the UK.

Simplifying this landscape, and providing additional to finance for smaller community projects would be key in progressing the finance pillar. In particular, reducing the amount and complexity of applications for funding which need to be completed by community groups in order to access funding would be key in enabling them to access financing. Currently, the administrative burden engendered by funding applications can be problematic for smaller groups which therefore fail or struggle to access public funding.

