

Policy and Sustainability Committee

10am, Tuesday, 12th March 2024

Community Wealth Building – Alignment of Policy Duties

Executive/routine
Wards

1. Recommendations

- 1.1 It is recommended that Committee:
 - 1.1.1 Note the analysis provided in this report on the framework of existing and forthcoming Council duties and plans within which actions to advance Community Wealth Building in Edinburgh will be developed.
 - 1.1.2 Note that legislation and government guidance on a forthcoming duty for local public bodies to advance Community Wealth Building is expected to be published within this parliament session.
 - 1.1.3 Note the next steps included in this report for development of a Community Wealth Building Plan.

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Community Wealth Building – Alignment of policy duties

2. Executive Summary

- 2.1 This report outlines the Council's broad position on the introduction and streamlining of duties, with reference to the complex framework of existing duties and requirements to be aligned through implementation of a new anticipated duty to advance community wealth building.

3. Background

- 3.1 In 2023 the Scottish Government launched a [consultation](#) on legislative proposals needed to embed Community Wealth Building across Scotland. Within this consultation, government sought views on a proposed statutory duty for local authorities and other public duties to publish place based action plans to advance Community Wealth Building in their local area.
- 3.2 The [Council submission](#) to this consultation welcomed the aims of the proposed legislation, but noted meaningful risks associated with introducing a new duty within an already complicated policy environment. In doing so, the submission recommended that, in advance of introducing new legislation, government should undertake an analysis of the degree to which the aims of the Community Wealth Building consultation could be met through amendment, development or consolidation of existing duties, requirements, and guidelines.
- 3.3 In noting the consultation submission, [Committee agreed](#) an amendment to the report requesting that papers be brought to committee:
- 3.3.1 outlining the Council's broad position on the introduction and streamlining of duties, and
 - 3.3.2 setting out how the Council will embed and maximise a Community Wealth Building approach across its work.
- 3.4 This paper responds to the first of these requests and sets out next steps for further work to develop the Council's approach to Community Wealth Building in response to the second request.

- 3.5 A Scottish Government report on the findings of the consultation process was published in [October 2023](#). The government is committed to introduction of Community Wealth Building legislation within this parliamentary session.

4. Main report

- 4.1 A general position on the need for streamlining and improved alignment of local authority duties was agreed by Council in [December 2018](#) as part of a response to government consultation on a review of local governance in Scotland.
- 4.2 In a section titled 'decluttering the legislative landscape', the consultation response noted that:
- 4.2.1 "Legislation impacting on local government has built up over time and is often progressed from a particular operational or policy perspective. Local Government is often required to give practical effect to this legislation and experiences first hand any contradictory aspects or unintended consequences as legislation is implemented. This is most evident in the number of legal obligations placed on councils to draw up individual service specific or policy specific council plans which inevitably also require performance monitoring and reporting. This may not reflect local priorities or keep pace with the evolving picture of local government service delivery which is increasingly trying to be both joined up and strategic. At worst, this approach becomes a barrier to reshaping services into something more coherent and progressive."
- 4.3 In making this statement, Council requested that government use the Local Governance Review process as an opportunity to "bring simplicity to the legislative landscape which would, at the same time, truly empower local councils and local communities to decide and focus upon local priorities."
- 4.4 To illustrate this issue, Appendix 1 to this paper provides an overview of the complex framework of existing local government duties within which expected new Community Wealth Building duties will be enacted.

Community Wealth Building and existing policy duties

- 4.5 Community Wealth Building is an approach considering the ways in which the public sector, in partnership with the private, third and community sectors, can ensure more wealth is generated, circulated, and retained in communities and localities.
- 4.6 In doing so, the approach aims to improve economic, social, and environmental wellbeing by growing the influence communities have on the economy and ensuring communities receive more of the benefits from the wealth they help to generate.

- 4.7 Appendix 2 provides an overview of the five pillars of Community Wealth Building policy as articulated by the Scottish Government, including the policy actions the approach requires councils to consider, and the expected benefits of those actions. Overall, the approach challenges local bodies to use the full range of their economic levers to:
- 4.7.1 Maximise community and local business benefits through procurement and commissioning
 - 4.7.2 Improve access to fair work, reduce inequalities in the workplace, and support the prosperity and wellbeing of communities
 - 4.7.3 Promote diversified and community ownership of land and property, tackling vacant and derelict land and buildings, and growing the social, ecological, financial and economic value that local communities gain from land and property assets
 - 4.7.4 Promote more local and inclusive enterprises, including social enterprises, employee-owned firms and co-operatives, and
 - 4.7.5 Ensure that flows of investment and financial institutions work for local people, communities and businesses.
- 4.8 In doing so, implementation of the approach requires alignment and co-ordination of activity across at least eight existing and three expected future duties for local government (Appendix 1). These range from broad based duties to deliver best value public services, existing duties to ensure public procurement processes improve social, economic, and environmental wellbeing, as well as a range of duties focused on promotion of equalities and human rights, poverty reduction, and community empowerment.
- 4.9 Taken together these duties require councils to publish and scrutinise 10 individual strategic plans and associated annual progress reports.
- 4.10 It is within this context of overlapping and mutually reinforcing existing duties and reporting requirements that officers recommendation has been that government should consider amendment and development of existing legislation as a preference to the addition of new duties.
- 4.11 These recommendations have also been made by other local authorities and partners in response to government consultations. Analysis of the findings from the government's community wealth building consultation published in October 2023 reported that:
- 4.11.1 "The complexity of the current policy and legislative landscape was noted, and it was suggested that there may be an opportunity to consolidate the legislative framework underpinning CWB and community empowerment".

5. Next Steps

- 5.1 The government is committed to introduction of Community Wealth Building legislation within this parliamentary session. That legislation is expected to include a new duty for public bodies to publish a local plan to advance community wealth building, though no detail is yet available on whether that duty will, for instance, apply to local authorities or to community planning partnerships as a collective.
- 5.2 In advance of this expected duty, council officers are members of an Edinburgh Partnership Community Wealth Building officer group, identifying opportunities to advance joint working on the five pillars noted in appendix 1.
- 5.3 As a part of this work, using existing staff budgets the Council's Policy and Insight team are recruiting an officer to support development of policy in this area. A key priority of this role will be to provide detailed analysis of current actions the Council and partners are undertaking to implement Community Wealth Building principles, engage with partners and elected members on opportunities to further advance these actions, and deliver a Community Wealth Building action plan that meets the needs of forthcoming legislation.
- 5.4 A full report to committee on this process, including timescales and engagement plans will be provided in due course.

6. Financial impact

- 6.1 The actions outlined in this report can be delivered within existing agreed budgets. Any additional resource requirements arising from the development of a new Community Wealth Building action plan will be considered and outlined in future reports.

7. Equality and Poverty Impact

- 7.1 An integrated impact assessment will be completed as a first step part of development of a new Community Wealth Building action plan.

8. Climate and Nature Emergency Implications

- 8.1 As appendix 2 notes, the community wealth building actions interact with and are expected to support the implementation of the Council's 2030 climate strategy, and obligations under the Climate Change Scotland Act.

9. Risk, policy, compliance, governance and community impact

- 9.1 A full plan for engagement with partners and communities in development of a Community Wealth Building Action Plan will be provided in future reports. This

report notes the potential risks associated with introducing a new community wealth building duty within an already complicated policy environment. Plans for responding to this risk and ensuring council actions remain aligned and integrated with the Council Business Plan will be outlined as a part of future reports.

10. Background reading/external references

10.1 None

11. Appendices

Appendix 1 – Existing and Forthcoming Duties which interact with Community Wealth Building priorities

Appendix 2 – Pillars of Community Wealth Building

Appendix 1 – Existing and Forthcoming Duties which interact with Community Wealth Building priorities

Legislation

Child Poverty (Scotland) Act 2017

Community Empowerment (Scotland) Act 2015

Duty and/or requirement to

Publish an annual report on local actions taken for the purpose of meeting child poverty targets in the local authority area

With partners, carry out community planning functions for the local authority area

Act with a view to reducing inequalities of outcome which result from socio-economic disadvantage when carrying out community planning functions

Produce a Local Outcome Improvement Plan setting out community planning priorities

Prepare and publish a local outcomes improvement plan progress report for each reporting year

Produce locality plans targeting areas of deprivation

Prepare and publish a locality plan progress report in relation to each locality plan for each reporting year

Support community bodies to participate in all plans

Agree to participation requests from communities

Assess asset transfer requests

Publish a register of common good property

Facilitate the participation of members of the public in the decisions and activities of the authority

Have regard to national outcomes in carrying out functions as a public authority

Procurement Reform (Scotland) Act 2014

(Sustainable Procurement Duty)

Consider how procurement processes can improve local economic, social, and environmental wellbeing
Facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process

Consider whether to impose community benefit requirements as part of any regulated procurement over £4,000,000

Apply fair work first conditionality to public procurement

Prepare a procurement strategy setting out how the authority intends to carry out regulated procurements

Prepare an annual procurement report on regulated procurement activities

Climate Change Scotland Act 2009

Exercise functions in ways best calculate to contribute to national climate change targets

Exercise functions in a way that is considered most sustainable

Prepare reports on compliance with climate change duties, including information relating to how procurement contributed to compliance with climate change duties

Equality Act 2010 (Fairer Scotland Duty) The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012	Pay due regard to how to reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.
Local Government Scotland Act (2003)	<p>Publish equality outcomes and report on progress</p> <p>Assess the impact of new policies and actions against delivery of equality outcomes</p> <p>Gather and use employee information to better perform equalities duties</p> <p>Publish gender pay gap information</p> <p>Publish statements on equal pay</p> <p>Ensure best value in delivery of public services</p> <p>In doing so, maintain balance between economy, efficiency, economy, and the need to meet equal opportunities requirements</p> <p>Discharge its duties in a way which contributes to the achievement of sustainable development</p> <p>Publish a good food nation plan setting out food related issues in relation to outcomes including social and economic wellbeing, climate change, economic development, child poverty and other matters.</p>
Good Food Nation (Scotland) Act 2022	
Forthcoming but with details to be confirmed:	
Human Rights Bill	<p>Ensure that the rights in the Bill are taken into account by duty-bearers in decision making and delivery of services (procedural duty)</p> <p>Ensure that specific rights-respecting outcomes are fulfilled (duty to comply)</p> <p>Report on actions taken to ensure the rights in the Bill are being advanced (Reporting duty)</p>
Wellbeing and Sustainable Development Bill	<p>Uphold sustainable development and the interests of future generations</p> <p>Ensure that National Outcomes are built into all decision making processes</p>
Community Wealth Building Bill	Prepare a place-based strategy and action plan to advance Community Wealth Building

Appendix 2 – Pillars of Community Wealth Building

Spending Pillar:

- **Definition:** Maximising community and business benefits through procurement and commissioning, developing good enterprises, Fair Work and shorter supply chains.
- **Overview of activity:** This includes a focus on ways to achieve greater economic, social and environmental benefits such as growing investment in local businesses, supplier development and innovation, and ensuring the delivery of tangible community benefits.
- **What this will achieve:** Higher levels of spend with SMEs, micro-businesses and inclusive business models resulting in business growth and improved, resilient local and regional economies.

Workforce Pillar

- **Definition:** Increasing Fair Work and developing local labour markets that support the prosperity and wellbeing of communities.
- **Overview of activity:** Ensuring public sector anchor organisations and other employers embed Fair Work principles, promoting the payment of the real Living Wage; recruiting locally, from groups who face inequalities and are furthest from the labour market; and promoting work that is secure, provides flexible working and training opportunities and supports the workforce to have an effective voice.
- **What this will achieve:** Access to local and fair employment opportunities, fairer wages, skills development opportunities and improved wellbeing of employees.

Land and Property Pillar

- **Definition:** Growing social, ecological, financial and economic value that local communities gain from land and property assets.
- **Overview of activity:** Productive use of anchor organisation land and property, for example through diversified ownership models including community ownership, and tackling vacant and derelict land and buildings.
- **What this will achieve:** Land and property are used for the common good and benefit communities, SMEs and micro-businesses and the environment.

Inclusive Ownership Pillar

- **Definition:** Developing more local and inclusive enterprises which generate community wealth, including social enterprises, employee-owned firms and cooperatives.
- **Overview of activity:** Promoting greater diversity in the business base by encouraging formation and development of inclusive business models which support the local retention of wealth.
- **What this will achieve:** More inclusive and democratically owned enterprises and assets which means the wealth created locally and by local people stays in those communities in the form of incomes and profits rather than being extracted out.

Finance Pillar

- **Definition:** Ensuring that flows of investment and financial institutions work for local people, communities and businesses.
- **Overview of activity:** Increasing investment and re-circulating wealth within local economies including through access to affordable credit and business finance.
- **What this will achieve:** Money and investment stays in a local area and is available to support communities and businesses.