

Policy and Sustainability Committee

10.00am, Tuesday, 23 May 2023

Response to Scottish Government Community Wealth Building Consultation

Executive/routine Executive
Wards
Council Commitments

1. Recommendations

1.1 It is recommended that Committee:

- 1.1.1 Note the Council's response to the Scottish Government's consultation on proposed Community Wealth Building Legislation
- 1.1.2 Note that, in order to meet Scottish Government consultation deadlines, submission of this response was approved by the Chief Executive in consultation with the Council Leader under urgency provisions set out in A4.1 of the Committee Terms of Reference and Delegated Functions.

Dr Deborah Smart

Executive Director of Corporate Services

E-mail: Deborah.Smart@edinburgh.gov.uk

Contact: Chris Adams, Strategy Manager

E-mail: chris.adams@edinburgh.gov.uk

Policy and Sustainability Committee

Response to Scottish Government Community Wealth Building Consultation

2. Executive Summary

- 2.1 During February to May 2023, the Scottish Government held a public consultation on proposed legislation for Community Wealth Building (CWB). The consultation closed for submissions on 09 May 2023 and this report contains the Council's response to the consultation.

3. Background

- 3.1 The City of Edinburgh Council approved a motion from Councillor Day on Community Wealth Building on 28 October 2021, which included acknowledging the benefits of Community Wealth building approach, and understanding that the Council leads in many areas of this, in particular our in-built Community Benefits schemes and employment opportunities.
- 3.2 The Scottish Government has adopted a CWB approach to economic development as a key practical means by which progress can be made towards realising their wellbeing economy vision outlined in the National Strategy for Economic Transformation (NSET).
- 3.3 CWB builds on the five key principles of:
- 3.3.1 Plural ownership of the economy
 - 3.3.2 Making financial power work for local places
 - 3.3.3 Fair employment and just labour markets
 - 3.3.4 Progressive procurement of goods and services, and
 - 3.3.5 Socially productive use of land and property
- 3.4 The Scottish Government's Programme for Government 2021-22 confirmed plans to introduce legislation on CWB during the current Parliamentary session. The Programme for Government 2022-23 outlined a consultation on CWB legislation would be held seeking wide ranging views on changes required around existing legislation that would aid implementation of CWB.
- 3.5 As part of this consultation process, during March 2023 Council officers attended a number of stakeholder engagement events organised by the Scottish Government

in partnership with organisations such as COSLA, Scottish Local Authorities' Economic Development (SLAED), Centre for Local Economic Strategies (CLES) and Economic Development Association Scotland (EDAS).

- 3.6 The consultation closed on 9th May 2023. Due to the timing of consultation events and committee deadlines, it was not possible to prepare a draft Council response for the last meeting of this committee. As such, this response has been prepared by officers and submitted to Government with the approval the Chief Executive in consultation with the Council Leader under urgency provisions set out in A4.1 of the Committee Terms of Reference and Delegated Functions.

4. Main report

- 4.1 Through this consultation the Scottish Government is seeking to explore whether new powers, abilities and duties are needed enable local authorities and other partners to implement Community Wealth Building actions in their local area.
- 4.2 In particular, the consultation asks for views on
- 4.2.1 Whether proposed legislation should place on local authorities and/or other bodies a formal 'duty to advance' CWB in their local areas
 - 4.2.2 What statutory or non-statutory guidance would be useful to local partners in implementing CWB actions
 - 4.2.3 What non-legislative measures that you believe are required to accelerate the implementation of the Community Wealth Building approach in Scotland, and
 - 4.2.4 Specific questions relating to changes needed to support delivery of actions on individual CWB 'pillars' – Spending, Workforce, Land and Property, Inclusive Ownership, and Finance.
- 4.3 In summary, the Council submission:
- 4.3.1 Confirms the Council's support for the principles and implementation of Community Wealth Building as an inclusive approach to economic development. A commitment to developing Community Wealth Building approaches is incorporated as an action within the Edinburgh Economy Strategy, agreed in 2021, as well as the Council's new Business Plan for the period 2023-27.
 - 4.3.2 Highlights the Council's participation in work led by the Edinburgh Partnership in recent months, demonstrating the potential benefits of developing community wealth building approaches in close collaboration between anchor institutions across the city, and developing partnership actions.
 - 4.3.3 Proposes the view in light of this experience that a formal duty on local bodies is not clearly necessary at this time to advance the ambitions of CWB and that many of the objectives of a proposed CWB duty are already embedded in existing duties held by local authorities – including through the Community Empowerment Act, the sustainable procurement duty, the Fairer Scotland duty, the child poverty duty and others.

- 4.3.4 Proposes that further simplification and clarification of these duties and the manner in which they could be adapted to meet CWB objectives is needed before a new duty should be considered.
- 4.3.5 Notes that, in preference to an additional duty, continuing support from Scottish Government for local partners is needed in the form of continuing investment in pilot projects and approaches, further development of evidence base and best practice guidance, continuing leadership of engagement with national partners and agencies, and
- 4.3.6 Notes that a critical element of the success of pilot Community Wealth Building approaches, both in Scotland and elsewhere in the UK, has been the availability of external funding committed to the development and delivery of actions, and that if a duty is to be applied on local bodies, the resource implications of its implementation should be duly recognised.

5. Next Steps

- 5.1 The consultation response has been submitted. Officers will continue to engage with Scottish Government colleagues and will report back to Committee in due course on the progress of the Bill.

6. Financial impact

- 6.1 There is no financial impact from submitting this response. There may be financial impact on any subsequent duty imposed as a result of the CWB consultation, and any subsequent legislation changes.

7. Stakeholder/Community Impact

- 7.1 The Council is an active participant in Edinburgh Partnership led work on Community Wealth Building in the city. As part of this work, officers have taken part in a programme of workshops and discussions, including sharing of views on this consultation process and planned submissions from partner bodies..

8. Background reading/external references

- 8.1 Link to CWB consultation and supporting documents:
<https://consult.gov.scot/economic-development/community-wealth-building-consultation/>

9. Appendices

- 9.1 The City of Edinburgh Council consultation submission.



Building Community Wealth in Scotland

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:
<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

The City of Edinburgh Council

Phone number

Address

Waverley Court, 4 East Market Street, Edinburgh

Postcode

EH8 8BG

Email Address

bgi@edinburgh.gov.uk

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- 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 - *duty requiring Scottish Ministers and prescribed public sector bodies to embed the CWB model of economic development into their corporate plans and wider strategies*
- Option B - *duty requiring those public sector bodies statutorily obliged to be involved in community planning to produce a collective CWB place-based strategy and action plan*
- Option C - *a combined option – featuring a union of both options set out above*
- 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

City of Edinburgh Council Response

The City of Edinburgh Council strongly supports the principle and implementation of Community Wealth Building as an inclusive approach to economic development. A commitment to developing Community Wealth Building approaches is incorporated as an action within the Edinburgh Economy Strategy, agreed in 2021, as well as the Council's new Business Plan for the period 2023-27.

Beyond the Council, work led by the Edinburgh Partnership in recent months has demonstrated the potential benefits of developing community wealth building approaches in close collaboration between anchor institutions across the city. The partnership has led a series of workshops with CLES and other stakeholders, developing an understanding of CWB in an Edinburgh context, examples and case studies of good work already underway, and first steps towards collaborative work to develop new action plans under each of the CWB pillars.

This work demonstrates the benefit of broad community involvement in CWB actions, as well as demonstrating the progress that local bodies can make without the need of a formal 'duty'. It further shows that CWB processes can be fully embedded as an evolution of existing work programmes and partnerships, as a means to the meeting of agreed local partnership objectives, not merely as an additional ask or statutory requirement.

As our answer to question 1b further illustrates, it is the view of the Council that an additional duty on local bodies is not clearly or necessarily required at this time to meet the objectives set out in the consultation paper.

As such, our recommendation would be that measures taken by the Scottish Government to advance CWB should aim to:

- Encourage an inclusive approach to development of CWB strategies, drawing in collaboration across community planning partners as a minimum, but encouraging participation from private and community sector anchor institutions and networks

- In line with the 'Place Principle', encourage and support partnerships to adopt a flexible approach to the spatial planning of CWB initiatives, working to local authority boundaries where that is appropriate, but also seeking to drive impact by empowering smaller, local scale community initiatives, as well as broader cross-region collaborations (through, for instance, City Region Deal structures or other collaboratives).
- Continue to promote and build on the lessons learned from pilot projects across Scotland – identifying where the successes have been, but also recognising where there have been challenges, where there are costs, and how these can be overcome or avoided to help ensure that CWB can be successfully facilitated across Scotland
- Continue actions to lead engagement across Scotland with a broad base of stakeholders, local and national bodies, public, private and third sector. A key reflection from engagement sessions so far is that the ambitious aims of CWB approaches cannot be met by one sector alone, or by one bespoke model. Local areas need the flexibility, empowerment, encouragement, and resources to build effective local collaborations. At the same time, local collaborations need the support of national initiatives to address more broad based structural challenges.
- Commit to continued engagement with local bodies as community led CWB approaches develop and mature, including continuing engagement on legislative or other governance changes need to ensure local bodies are able to effectively meet the objectives set out in the consultation paper.

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

City of Edinburgh Council Response

The Council is in broad agreement with the principles and rationale outlined in the consultation paper. What is less clear, however, is whether the establishment of a new 'duty' imposed on public bodies is the most appropriate or effective route to meet these aims.

Legislation impacting on local government has built up over time and is often progressed from a particular operational or policy perspective. Councils, and other community planning partners, are often required to give practical effect to this legislation and experience 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.

At present, local partners already have duties to act on aspects relating to CWB. under a number of different legislative frameworks.

- The Community Empowerment Act requires local partners to help to empower community bodies through the ownership or control of land and buildings, and by strengthening their voices in decisions about public services
- The Fairer Scotland Act requires public bodies to actively seek to reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions, including taking actions to empower and involve local communities in decision making processes
- The Sustainable Procurement Duty requires a contracting authority assess how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality, and to consider how its procurement processes can facilitate the involvement of SMEs, third sector bodies and supported businesses.
- All public sector contracting authorities are also already required to consider including community benefit requirements for all regulated procurements above a threshold value, as well as being 'expected' to implement and promote Fair Work First in all relevant procurement processes

Alongside these, local councils are also partners within a number of Scottish Government led policy programmes relating to child poverty, the wellbeing economy, social security policy, just transition to net zero amongst other areas, all of which make direct reference to different aspects of the CWB model. While this overlapping and mutual reinforcement of policy objectives can be a strength of the policy framework within which Councils operate, fully embedding key themes through every policy area, there are also clear risks associated with this approach.

It is not necessarily clear, for instance, that the introduction of a specific CWB duty for local partners would help to clarify and add value to existing duties. Rather, there is a meaningful risk that a new duty would complicate an already busy policy environment and confuse the governance and reporting of an important agenda.

With this risk in mind, it is the Council's view that an effective means to meeting the strong objectives outlined in the consultation paper should include:

- A full mapping and review of existing duties and reporting requirements as they relate to the aims of the CWB consultation, including analysis of the degree to which CWB aims could be met by mainstreaming within existing duties, requirements, and guidelines
- A simplification of reporting mechanisms, making it easier to incorporate and combine local responses to multiple duties through a simpler framework of reporting requirements
- Improved guidance to local bodies on appropriate measures and best practice on compliance with overlapping duties such as those outlined above.

In line with these comments, it is the Council's view that these steps should be undertaken before further consideration is made on the introduction of a new formal CWB duty for local bodies.

In advance of these steps, the Council considers that the aims set out in the consultation paper could be most effectively met by Scottish Government supporting and incentivising local partners to collaborate on CWB programmes by:

- Providing clear guidance on good practice, good governance, and good processes for development and implementation of CWB in a local area
- Clearly articulating how CWB actions should be incorporated within existing duties held by local bodies including, where necessary, an adaptation of those existing duties to accommodate CWB objectives
- Continuing to facilitate innovative collaborations, building on the success of pilot initiatives already undertaken, and establishing a future pipeline of pilot pathfinder projects in different local settings across Scotland
- Providing resources needed to build capacity and incentivise local areas to develop and implement CWB approaches that meet the ambitions of the consultation paper
- Commissioning and sharing research on good practice on CWB approaches in Scotland, their costs and benefits
- Facilitating and supporting local areas to access expert analysis where it is needed to develop, implement, monitor and evaluate CWB programmes.

Finally, the Council's view is that any community wealth building policy should be properly funded by the Scottish Government.

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

Please provide a reason for your answer.

City of Edinburgh Council Response

It is clear from the experience of pilot projects undertaken so far that the implication of CWB in a local area is a complex process which needs strong and broad based local leadership, a dedicated team with the capacity needed for partnership building, engagement, and delivery, and a wide network of local partners ready to support and participate in change.

In order for local areas to accelerate the implementation of CWB approaches, appropriate levels of resource support will be needed. It should also be understood that external funding, such as that from Scottish Government or EU project funding, has helped facilitate work within pilot projects across the UK. The role and extent of this in supporting CWB and building capacity to deliver CWB should be analysed to gain an understanding of the level of additional resources and support required to help deliver CWB. Building on the measures and actions highlighted in our response to Question 1b this support could take the form of:

- A Scotland wide team dedicated to the support of CWB approaches, actively providing the advice, access to evidence and collaborations needed by local projects,
- Financial resources to help local areas build the team capacity needed to deliver CWB
- A commitment to a long term programme of pathfinder pilots needed to drive innovation and continual improvement
- Further support for key local sectors needed to progress CWB objectives, including social enterprise, cooperative and other business models

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

City of Edinburgh Council Response

The Council would agree with the need for support for local delivery of the actions outlined above, including:

- As noted in our answer to Question 2a – further support for local social enterprise, and cooperative and other business models critical to the meeting of CWB objectives,
- Further support to help local food networks supply public and community kitchens and food provision across the city
- Further guidance on best practice approaches for how local funding decisions can be made in ways that support social, economic and environmental objectives, while meeting existing best value requirements.

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

City of Edinburgh Council Response

More guidance is required as to how CWB best fits within the regulated procurement framework under the Procurement Reform (S) Act 2014. More flexibility would be sought around making lower value contract opportunities above £50,000 available to and ringfenced for SMEs.

Consideration should also be given to what the Scottish Government can do to aid understanding of geographical flows of spend. For instance, though a contract holder may not be 'local' by postcode, how that contract is delivered may mean that subcontractors or workers whose skills are required are from postcodes 'local' to the contract delivery, or by a 'local' office or branch of the contract holder. More analysis

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

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

City of Edinburgh Council Response

Individuals in community groups interested in or proposing to take on buildings and land are often volunteers. Navigating the processes involved, and ensuring plans and implementation are sustainable can be challenging and stressful to those involved. Resourced support should be available to guide communities and groups, and those involved, throughout the process. They should be given the time and space to organise.

This should include helping for communities wishing to find out who owns particular properties or land, and the mechanisms available to them for inclusive ownership. There should be an exploration of what is required in legislation around vacant and derelict properties and land to require owners to engage with communities and groups who wish to use such land. To complement this, the Compulsory Purchase Orders process should be streamlined.

Additionally, links into the Community Empowerment Act should be developed such as around the alternative use of public assets, enabling communities to take over ownership, or a shared space approach.

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

City of Edinburgh Council Response

As with the land and property pillar, community or inclusive ownership requires a supported resource to provide the capacity building and skills development for people and their communities where it is required. The people involved need to be supported in undertaking community ownership.

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