#### NORTH AYRSHIRE COUNCIL

24 April 2020

#### **Emergency Governance Decisions (Covid-19 Outbreak)**

Title:	Community Wealth Building Strategy
Purpose:	To seek Cabinet approval for the North Ayrshire Community Wealth Building Strategy 2020-2025.
Recommendation :	That the Chief Executive, following appropriate consultation, agrees on behalf of the Council to:  a) Approve the proposed Community Wealth Building Strategy, attached as Appendix 1; and b) Agrees that Annual Reports on progress towards meeting the ambitions of the strategy are reviewed by the Community Wealth Building Commission and Cabinet.

#### 1. Executive Summary

1.1 The Council Plan highlights our ambitions to develop and implement a Community Wealth Building (CWB) strategy for North Ayrshire. The strategy will be Scotland's first CWB strategy and will establish North Ayrshire as a Community Wealth Building Council. The final draft strategy, which has been endorsed by the North Ayrshire Community Wealth Building Commission, is attached as Appendix 1 for consideration. The current public health emergency has resulted in an economic crisis and requires that a new economic model is needed for North Ayrshire's communities which secures social, economic and environmental sustainability going forward. As such, the proposed strategy – the first of its kind in Scotland – will be at the heart of our local economic recovery plans currently being developed.

#### 2. Background

2.1 In light of the current Covid-19 outbreak, meetings of the Council and its committees have been suspended until 30 June 2020. During this period, the Scheme of Delegation to Officers already allows the Chief Executive to consider and deal with any urgent issues, howsoever arising, subject to reporting back to the Cabinet for information at the first available opportunity. This power is to be exercised in consultation with the relevant Chief Officer and the relevant portfolio holder. Please see Section 5 for further details of the consultation which has/is being undertaken in respect of this report.

- 2.2 In February 2020, Cabinet noted an update on activities underway to implement a Community Wealth Building approach in North Ayrshire; agreed to proposals to deliver a CWB strategy; and agreed that the strategy would be presented to Cabinet for approval.
- 2.3 The Council Plan 2019-2024 includes a commitment to develop and implement a CWB strategy for North Ayrshire under the Priority Outcome 'North Ayrshire has an inclusive, growing and enterprising economy'.
- 2.4 CWB is a radical and bold approach which will see the Council along with our local and regional anchor institutions use our economic levers to create a more resilient local economy. To ensure economic, social and environmental sustainability for our communities, the answer is no longer traditional economic growth, we need a new approach to our economy, centred on wellbeing and inclusion. North Ayrshire is at the forefront of the CWB approach in Scotland and have benefited greatly from learning from other places such as Preston and working closely with recognised CWB experts including the Centre for Local Economic Strategies (CLES) and the US-based The Democracy Collaborative.
- 2.5 As noted within previous reports to Cabinet, to support and deliver this work the Council has:
  - Established a Community Wealth Building Commission chaired by the Council Leader and comprising of Senior Elected Members, North Ayrshire Community Planning Partnership (CPP) anchor institutions and Council Officers, with membership being agile to respond to the needs of the strategy. The Terms of Reference for the Commission note that it will make recommendations to Cabinet and the CPP, including recommending the CWB strategy for approval;
  - Commissioned CLES to undertake a Community Wealth Building diagnostic for the Council, providing recommendations to support the development of an ambitious CWB strategy;
  - Established an officer CWB Working Group, chaired by the Head of Economic Development and Regeneration, to drive CWB activities across the Council; and
  - Delivered a CWB NAC Staff Leadership Conference to around 100 senior leaders, and a CWB training session and e-learning video for Elected Members.
- 2.6 The short-term economic impact of the Covid-19 health emergency is severe for North Ayrshire, Scotland and the UK as a whole, and as a Council we are committed to supporting our business base to rebuild and to supporting communities into work following this economic shock. The health emergency has called into question current economic practice and highlights the importance of creating a new economic model, focused on wellbeing and inclusion. A report by the Fraser of Allander Institute at the University of Strathclyde on the North Ayrshire economy has outlined the importance of a focus on creating a more resilient economy, making our economic priority of Community Wealth Building all the more important if we are to endure future economic shocks.

#### North Ayrshire Community Wealth Building Strategy

- 2.7 As noted above, a robust evidence-based approach to the development of the strategy has taken place including drafting, review and challenge via the CWB Commission; engagement through Locality Partnerships, Consul Your Voice, Your View, the Youth Executive, and senior leaders across the Council; an assessment of the recommendations of the CLES diagnostic based on deliverability and suitability; and building on work already underway via the CWB Working Group.
- 2.8 A summary of the feedback and ideas received from community engagement is noted in Table 1 below.

Table 1. Feedback from community engagement

Who	Opportunities
Locality Partnerships	<ul> <li>Social enterprises are a key opportunity and collaboration is important for this sector.</li> <li>Need to ensure it is easy for businesses to bid. Positive examples of local businesses already doing work for the Council.</li> <li>Locality Partnerships can play a key role in CWB and ensure CIF applications are mapped against CWB.</li> <li>Vacant and derelict land is a long-standing issue for North Ayrshire.</li> <li>Need for further investment to support CWB activity.</li> <li>Will it cost more if there is no economy of scale – need to consider evidence on this and also wider social impacts.</li> <li>Key link between CWB and climate change agenda.</li> <li>May be a unique 'island dimension' to CWB that needs further exploration.</li> </ul>
Consul – Your Voice, Your View	<ul> <li>Local produce would encourage more local spend. One respondent noted their ambition to develop a food cooperative providing local veg and community involvement.</li> <li>Some small retail businesses have uncertain incomes but provide services to the community – explore ways of supporting these SMEs to ensure there are no further town centre vacancies and support them to adapt to align with the wants and needs of future generations.</li> <li>Could the Council buy empty units and let for low rents, pop up shops and workshop space. Make land easier to access for start-ups with limited finance.</li> <li>Fair work is about living wage, good terms and conditions, less zero hours contracts, workers</li> </ul>

	<ul> <li>being supported to progress and undertake training, being valued.</li> <li>Ensure new social/cooperative/community enterprises operate in a space where there is room for additionality or a gap in the market.</li> <li>Directorates of local trades people would encourage use of local businesses.</li> <li>Vital role of business development helping companies navigate the procurement process and taking a proactive approach to engagement.</li> <li>Link between energy production and CWB, for example community windfarms where communities benefit from the investment, or opportunity to re-invest in further green energy projects.</li> </ul>
Youth Executive	<ul> <li>Can support with youth-friendly language and getting other young people involved.</li> <li>Importance of young people and work – gives a sense of purpose, provides valuable skills and can support low income.</li> <li>Explore support for young people to access local weekend jobs whilst in school and local employment post school (not just Modern Apprenticeships, university). Job fayres as a potential.</li> <li>Importance of a fair wage and also diversity – not just young people but gender, age and race.</li> </ul>

2.9 The strategy itself is structured around one central overriding mission and six objectives as outlined in Table 2 below. The strategy is action-oriented and includes case studies for each of the pillars of CWB work already underway.

Table 2. CWB strategy mission and objectives.

#### **Mission**

To support the achievement of the Council Plan's vision of a North Ayrshire that is 'Fair for All' by:

Enhancing local wealth and the creation of fair jobs and maximising the potential of all our places through working in partnership with our communities and businesses.

#### **Objectives**

#### Community Wealth Building Council:

We will work across all our services and wider local and regional partners to implement Scotland's first approach to Community Wealth Building

#### **Procurement:**

We will use our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions

#### Fair Employment:

We will encourage the creation of fair and meaningful jobs with progression opportunities to unlock the potential of our residents

#### Land and Assets:

We will support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit

#### Financial Power:

We will invest locally and encourage regional and national institutions to invest in our communities

#### Plural Ownership of the Economy:

We will support the creation and sustainability of a range of business models including SMEs, social enterprise, employee ownership, cooperatives, municipal activity and community enterprises

2.10 Our CWB approach will also support our ambitions around climate change and municipalisation. We will consider how we can maximise environmental benefits through our Community Wealth Building approach and ensure a sustainable transition for North Ayrshire, particularly during our economic recovery. We will use the Council's municipalisation workstream as a tool to advance Community Wealth Building whilst protecting vital services.

#### Reviewing progress and next steps

- 2.11 We are in the early stages of our Community Wealth Building journey and view Community Wealth Building as a long-term transformational agenda for the Council, our communities and our partners. In terms of reviewing progress, the strategy document outlines that Annual Reports are produced on progress on the actions outlined above and will ensure our strategy evolves as required, learning from what works. The delivery of the actions within the strategy will contribute to the achievement of key Council Plan performance measures, including:
  - Percentage of children living in poverty
  - Percentage of working age population in employment
  - Percentage of procurement spent on local enterprises
  - Percentage of those earning less than the Living Wage
  - Proportion of Council operational buildings that are suitable for their current use
  - Hectares of vacant and derelict land in North Ayrshire
- 2.12 It is proposed that the Annual Reports are reviewed by the CWB Commission and its Expert Advisory Panel (see section 2.13) in the first instance.
- 2.13 To support the work of the Commission, and to ensure we are developing an ambitious and leading approach, we are establishing an Expert Advisory Panel to play a 'critical friend' role to advise the Commission. The Expert Advisory Panel will be formed to guide and challenge the implementation of our strategy and ensure North Ayrshire remains at the forefront of thinking around a new economic model. We have issued invites to eight experienced individuals currently leading aspects of CWB in the UK and internationally including in the areas of developing cooperatives, social enterprise and other inclusive business ownership models, innovative finance models, wellbeing economy, and fair employment. Arrangements will continue to be made to establish the Advisory Panel as appropriate.

- 2.14 The attached strategy has been endorsed by the CWB Commission on 12 March and is recommended to Cabinet for approval. We are also grateful to CLES and The Democracy Collaborative who have reviewed and challenged a previous draft of the strategy.
- 2.15 Subject to approval of the strategy, the strategy will be presented to the CPP Board at a later date. The Commission had also agreed plans for a CWB Summit to launch our CWB approach to a wider audience. This was due to take place in May 2020 but has been postponed due to Covid-19. Alternative plans are now being developed for a webbased livestream launch event with a range of key note speakers. If approved, it is intended the livestream launch of the CWB Strategy will take place mid May 2020.
- 2.16 The Council budget in March provided investment, through staffing resource and capital funding, to drive forward our exciting CWB agenda, including an £8.8 million Investment Fund to be invested in Community Wealth Building, environmental and infrastructure projects. This resource will be crucial to ensuring an inclusive and green local economic recovery.
- 2.17 Given our leadership role in Scotland on CWB and inclusive economy, we have been invited to participate in two UK-wide networks comprising places at the forefront of new economic thinking: the "CLES CWB Community of Practice" and the "Centre for Progressive Policy Inclusive Growth Knowhow Network". These networks will provide us with support and insight into evolving and exciting new developments in economic policy. We will benefit from expert analysis and advisory support and access to tools and other insight into innovative approaches throughout the UK. We will also have an opportunity to contribute to discussions which will hopefully have an influence nationally. Officers will attend these networks and the Council Leader will also participate in the CLES Local Leader Network as part of the CLES Community of Practice which bring together Council Leaders, Elected Mayors and others from across the UK to ensure they are pioneering local economic recovery approaches and building a shared voice for CWB at a national level.
- 2.18 The Ayrshire Growth Deal (AGD) Heads of Terms included a £3m Ayrshire Community Wealth Building Fund to develop Scotland's first regional approach to CWB. This pan-Ayrshire project is led by NAC and currently under development with support from the Scottish Government and wider regional partners, including through the Ayrshire Regional Economic Partnership. A pan-Ayrshire working group was established in May 2019 to develop the project on a regional basis and submitted an Outline Business Case (OBC) to Scottish Government in January 2020. Positive feedback has been received from national policy leads and regional partners, with significant interest in our approach at a national level. The North Ayrshire CWB Strategy will help further develop this regional CWB approach. Beyond the AGD CWB project, it is an agreed principle that all AGD projects will be progressed through a CWB lens to maximise the impact of the Deal.

#### 3. Proposals

- 3.1 The Chief Executive, following appropriate consultation, is invited on behalf of the Council to:
  - a) Approve the proposed Community Wealth Building Strategy, attached as Appendix 1; and
  - b) Agree that Annual Reports on progress towards meeting the ambitions of the strategy are reviewed by the Community Wealth Building Commission and Cabinet.

#### 4. Implications/Socio-economic Duty

#### **Financial**

4.1 Additional Council resources were allocated through the March 2020 budget to support the implementation of the strategy. In addition, external funding is being secured and as appropriate some re-alignment of existing Council budgets. The 2020/21 budget also agreed new funding to take forward a community asset based approach.

#### **Human Resources**

4.2 A number of new roles have been identified to take forward the strategy supported by the March 2020 budget allocation, external funding and the re-alignment of existing budgets. These will be progressed in accordance with Council policy and process.

#### Legal

4.3 Legal advice regarding procurement flexibilities will be taken in the future if required.

#### **Equality/Socio-economic**

4.4 The strategy presents a transformational approach to achieve an inclusive economy. In particular, the actions on Fair Employment will support excluded groups in North Ayrshire and contribute to our aim to reduce child poverty in North Ayrshire.

#### **Environmental and Sustainability**

4.5 The strategy contains actions to contribute to our ambition to become net zero carbon.

#### **Key Priorities**

- 4.6 The strategy contains actions to meet the following key Council Plan priorities:
  - North Ayrshire has active and strong communities
  - North Ayrshire has an inclusive, growing and enterprising economy
  - North Ayrshire's residents and communities enjoy good life-long health and wellbeing

- North Ayrshire is well-connected with effective infrastructure
- North Ayrshire is a sustainable environment
- North Ayrshire is a vibrant, welcoming and attractive environment
- An efficient Council that maximises resources and provides value for money

#### **Community Wealth Building**

4.7 The strategy is key to delivering a cross-cutting approach to Community Wealth Building and will establish North Ayrshire as a CWB Council.

#### 5. Consultation

5.1 Engagement has taken place with the Community Wealth Building Commission, Locality Partnerships, wider communities via Consul, Youth Executive, Elected Members CWB training, senior leaders via the staff Leadership Conference, Ayrshire Regional Economic Partnership, and UK and international experts in CWB. CWB has also been the subject of CPP Board and CPP Senior Officers reports for consideration.

RUSSELL McCUTCHEON Executive Director (Place)

For further information please contact Julie McLachlan, Senior Manager (Economic Policy), on 07971332909.

#### **Background Papers**

Appendix 1: North Ayrshire Community Wealth Building Strategy – Final Draft





### Foreword

Community Wealth Building is a transformational approach to economic development to ensure fair and resilient local and regional economies.

This strategy - the first of its kind in Scotland - sets out our ambitions to become a Community Wealth Building Council.

Despite innovative local working, we still face a range of social, economic and environmental challenges, with regional inequality in Scotland a key national economic issue and the Council recently declaring a Climate Emergency.

It is necessary that we respond to challenges with radical, forwardthinking interventions to ensure a prosperous future for our communities.

The answer is no longer traditional economic growth, we need a new approach to our economy, centred on wellbeing and inclusion. A fair local economy must be central to our aims of tackling poverty and inequality.

Community Wealth Building is a key driver of our Council Plan, which has fairness and equity at its heart. It is a radical and bold approach which will see the Council – along with other local and regional Anchor Institutions - use the economic levers available to them in order to create a more resilient local economy, with more diverse businesses, to create more well-paid jobs for local people.

Our Community Wealth Building mission is to enhance local wealth and the creation of fair jobs, maximising the potential of all our places through working in partnership with our communities and businesses.

Key to delivering our Community Wealth Building ambitions is partnership working. That's why I established and chair our Community Wealth Building Commission – a partnership of Council services, Community Planning Partners and wider regional partners – committed to driving forward this approach. We can all play a role in investing and spending locally to support our businesses and communities and create successful places.

I am delighted to present Scotland's first Community Wealth Building strategy. We are at the start of the journey, but our vision is clear – a fairer and more inclusive local and regional economy that delivers economic, social and environmental justice for the citizens of North Ayrshire. Join us on our journey.

Councillor Joe Cullinane Council Leader, North Ayrshire Council

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## **Executive Summary**

We are embarking on a bold new economic model to deliver Scotland's first Community Wealth Building strategy.

Community Wealth Building uses the economic levers available to Anchor Institutions to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base, ensuring that wealth is locally owned and benefits local people.

We face a range of social, economic and environmental challenges. The answer is no longer traditional economic growth, we need a new approach to our economy, centred on wellbeing and inclusion.

This strategy sets out our ambitious plans to become a Community Wealth Building Council. We'll work in partnership with our communities and businesses to create a fair local economy, reducing poverty and inequality.



## Our Community Wealth Building Mission

To support the achievement of the Council Plan's vision of a North Ayrshire that is 'Fair for All' by:

Enhancing local wealth and the creation of fair jobs, and maximising the potential of all our places through working in partnership with our communities and businesses.







## COMMUNITY WEALTH BUILDING COUNCIL

We will work across all our services and wider local and regional partners to implement Scotland's first approach to Community Wealth Building



#### **PROCUREMENT**

We will use our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions.



#### **FAIR EMPLOYMENT**

We will encourage the creation of fair and meaningful jobs with progression opportunities to unlock the potential of our residents.



#### **LAND AND ASSETS**

We will support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit.



#### **FINANCIAL POWER**

We will invest locally and encourage regional and national institutions to invest in our communities.



## PLURAL OWNERSHIP OF THE ECONOMY

We will support the creation and sustainability of a range of business models including SMEs, social enterprise, employee ownership, cooperatives, municipal activity and community enterprises.



## What is Community Wealth Building?

North Ayrshire Council is recognised for its leading role in defining policy and practical solutions to achieving an inclusive economy. Our new programme to develop Community Wealth Building (CWB) sits at the forefront of our new Council Plan making us the first Community Wealth Building Council in Scotland.

This is about how we work as an organisation and with partners, from the goods that we buy, the people that we employ, the assets we own and the powers that we have that can bring about change to maximise local economic opportunities.

Working together across our Community Planning Partnership, local businesses and communities, and the Ayrshire Regional Economic Partnership, we all have a role to play in effecting the change that is needed to deliver on this agenda.

'Community Wealth Building is a transformative approach to local economic development' The Democracy Collaborative 2018

'Community Wealth Building is about developing wealth with local roots and ownership'
Centre for Local Economic Strategies (CLES) 2019

Community Wealth Building seeks to use the economic levers available to local authorities and other 'Anchor Institutions' such as the NHS, further and higher education institutions, and larger private sector organisations, to support their local economies.







The Centre for Local Economic Strategies (CLES) define Anchor Institutions as bringing 'wealth in the form of jobs and supply chains; they are rooted in place and as such are vital to the functioning of our local economies'. Democracy Collaborative argue that Anchor Institutions should commit to 'consciously apply the long-term, place-based economic power of the institution... to better the long-term welfare of the communities in which the institution is anchored'.

Anchor Institutions will depend on the scale of the local economy and geography of the local place, sometimes Anchor Institutions can be small and medium sized businesses (SMEs), community organisations and charities.





## Community Wealth Building Pillars

At the centre of the Community Wealth Building approach there are five pillars for harnessing existing resources. These pillars are:

#### 1. PROCUREMENT

Progressive procurement develops dense local supply chains of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community owned enterprise.

#### 2. EMPLOYMENT

Recruitment from lower income areas, commitment to paying the living wage and building progression routes for workers are all examples of the actions Anchor Institutions can take to stimulate the local economy and bring social improvements to local communities.

#### 3. LAND AND ASSETS

Anchors are often major land holders and can support equitable land development and the development of under-utilised assets for community use.

#### **4.FINANCIAL POWER**

Community Wealth Building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally.

#### **5. PLURAL OWNERSHIP**

Democratic Ownership of the Local Economy - Cooperatives, mutually owned businesses, SMEs and municipally owned companies enable the wealth generated in a community to stay in that locality. Whilst the public sector has a key role in enabling the conditions for an inclusive economy, the private, third and cooperative sector plays a key role in delivering jobs and creating economic wellbeing.

As such, we believe Community Wealth Building provides us with a lens in which to encourage business-led inclusive economic activity, by working with our business base and local communities to develop plans for meaningful work, an enterprising local economy and successful places.

We have worked with partner organisations to create this ambitious strategy to grow local wealth. This ambitious strategy will help us deliver a Community Wealth Building approach that supports local businesses, new businesses and entrepreneurship, and creates new democratic models of ownership to deliver good, well paid jobs, using our publicly owned land and assets for the common good and as an enabler for a vibrant, democratic economy.

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# So why are we focusing on Community Wealth Building and why now?

Community Wealth Building has been described as a 'game-changer' with the potential of transforming the North Ayrshire and wider Ayrshire economy.

The public sector in Ayrshire spends millions of pounds each year, employs thousands of people and owns a range of assets. Community Wealth Building will look at harnessing these resources to create a new inclusive economy.

The Community Wealth Building approach has already proved successful in Preston, Lancashire, and in areas of America such as Cleveland, Ohio.



We are going through a period of vast social, economic, environmental and technological change. The importance of creating resilient places is rising. Work is no longer a way out of poverty illustrated by the presence of high levels of in-work poverty and we have a changing labour market, with a full time job for life no longer an option for many. In addition, there has been a decline in wages as a share of GDP, increasing levels of wealth inequalities and extreme pressure on public sector budgets.

Technological trends such as automation, digitalisation and artificial intelligence are already changing the way we buy goods and services, manufacture products, when and where we work, and how we interact with each other.

At the same time, we are facing an environmental crisis. North Ayrshire Council has declared a state of Climate Emergency and we have committed to take action now to reduce carbon emissions across North Ayrshire.





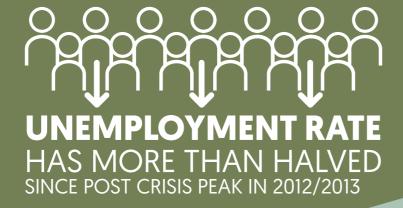


3,260 **BUSINESSES** 





**3 YEAR BUSINESS SURVIVAL RATE** above the Scottish average - 57%









**UNEMPLOYMENT RATE** HIGHER THAN SCOTTISH AVERAGE



and derelict land in North Ayrshire





job densities in Scotland



is the 5th most deprived Council area in Scotland



Population projected to decline by 2.1% It is no secret that, despite our sectoral strengths, our local economy has struggled to keep a pace of change. It took us longer to recover from the financial crash than other areas.

There are also high levels of regional inequality in Scotland - the gap between high and low performing places - and this has widened in recent years, highlighting the need for enhanced investment in North Ayrshire and Ayrshire.

Our award-winning North Ayrshire Inclusive Growth Diagnostic identified job density, health and skills as key issues that the Council and partners need to tackle if we are going to achieve an inclusive economy. Levels of deprivation and poverty are extremely high in some of our communities. A focus solely on enhancing Gross Domestic Product (GDP) as an output at a national level is not sufficient to recognise the wider levels of economic, social and environmental wellbeing across our communities.

Despite local innovation, the current economy is not working for North Ayrshire and Ayrshire. We need to do things differently.

## Where has it been successful elsewhere?

Given the challenges we face as a region, we look to other places across the globe to learn lessons and ensure North Ayrshire is at the forefront of new innovative approaches, providing the best support we can to our businesses and communities.



### The Cleveland Model

Cleveland, in common with many cities in the American Midwest, suffered substantial post-industrial decline from the 1980s onwards, leaving very challenging economic and social circumstances for residents who had not already moved out of the city.

The population of Cleveland had declined by 58% since 1950 and the poverty rate in the city was at 27%. In late 2007 a round-table was convened bringing together local government, the city's hospitals and universities, its major Anchor Institutions and a range of other stakeholders, including community representatives and local enterprises to discuss ways of addressing and tackling the city's decline.

The Cleveland model was developed as a response. The principal feature of this approach was to localise and retain the spending of the city's anchors through the development of new local cooperatively owned businesses.

The Evergreen Cooperative was launched in 2009 through \$5.8 million of funding from the local Council and a range of philanthropic sources. A series of worker owned co-operatives were developed, including:

## The Evergreen Laundry

Based in one of the city's poorest neighbourhoods, providing 'green' industrial laundry services principally to the city's hospitals.

## Evergreen Energy Solutions

Which installs solar panels and other environmentally friendly home and commercial energy services.

#### **Green City Growers**

The largest hydroponic (a method of growing plants without soil by instead using mineral nutrient solutions in a water solvent) green house in an American city.

The Evergreen Cooperative has recently launched 'The Fund for Employee Ownership'. This investment fund will be used to acquire businesses in Cleveland, preserving and improving the quality jobs they provide by converting them to employee ownership.



### The Preston Model

Preston are one of the local authorities leading a Community Wealth Building approach in the UK. Community Wealth Building is sometimes referred to as the 'Preston Model'. Preston adopted a Community Wealth Building approach in 2011, following the collapse of a major town centre regeneration initiative which had been expected to secure inward investment to transform the city centre. This loss was compounded by the onset of public sector austerity in response to the post 2008 recession.

Preston City Council worked with six other public sector Anchor Institutions to develop a Community Wealth Building approach, with a focus on procurement, looking at spending more in the local Preston and Lancashire economy. Working over several years, there has been a significant increase in the amount the anchors were spending with local enterprises.

Between 2012/13 and 2016/17 the amount spent locally in Preston increased from £38.3 million to £112.3 million. Over the same time period the spend in the Lancashire economy increased from £288.7 million to £488.7 million.



4,000 extra employees receiving the Real Living Wage.

Preston moving out of the top 20% most deprived local authority areas in the UK.

Reduction in unemployment from 6.5% in 2014, to 3.15% in 2017 (outperforming the national average).

Preston being named 'most Improved City in the United Kingdom' in 2018 Good Growth for Cities report.

Preston continues to develop its approach to Community Wealth Building. It has created the Preston Co-operative Network, building on lessons from Mondragon, Basque', to develop co-operatives to deliver goods and services where there are currently gaps in the market. It is also looking to establish an energy supply company, a community bank and investment opportunities for Lancashire's Pension Fund.

The Centre for Local Economic Strategies (CLES) - recognised experts in the UK for Community Wealth Building - recently undertook an extensive study of North Ayrshire to identify where we can do more to advance community wealth. Their report reinforced the Council's view that new ways of working are needed to help deliver social, economic, and environmental justice for local residents.

North Ayrshire Council is already a significant Anchor Institution and uses its levers to advance local economic wellbeing.

We have an annual revenue budget of £394.5m for 2019/20, total planned capital investment of £615.1m for 2019/20-2027/8, employ 6956 people and own a significant number of land and property assets. Community Wealth Building presents a major opportunity to enhance our local economic contribution to improve the lives of our communities.



### Our Ambitions

#### Mission

To support the achievement of the Council Plan's vision of a North Ayrshire that is 'Fair for All' by:

Enhancing local wealth and the creation of fair jobs, and maximising the potential of all our places through working in partnership with our communities and businesses.

## Objectives

### COMMUNITY WEALTH BUILDING COUNCIL

We will work across all our services and wider local and regional partners to implement Scotland's first approach to Community Wealth Building.

#### **PROCUREMENT**

We will use our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions.



#### **FAIR EMPLOYMENT**

We will encourage the creation of fair and meaningful jobs with progression opportunities to unlock the potential of our residents.



#### LAND AND ASSETS

We will support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit.



#### **FINANCIAL POWER**

We will invest locally and encourage regional and national institutions to invest in our communities.



## PLURAL OWNERSHIP OF THE ECONOMY

We will support the creation and sustainability of a range of business models including SMEs, social enterprise, employee ownership, cooperatives, municipal activity and community enterprises.



Working as a Council and via our Community Planning Partnership we have already taken the first steps on our Community Wealth Building journey but our strategy outlines an ambitious set of actions to achieve a fair and resilient local and regional economy which will contribute to our aims of reduced poverty and inequality.



North Ayrshire Community Planning Partnership

We will develop Scotland's first Community Wealth Building approach by working in partnership across our Community Planning Partnership, the Ayrshire Regional Economic Partnership, local businesses, the third sector and communities. We all have a role to play in effecting the change that is needed to deliver on this agenda. We are already identified as leading the way in Scotland for Community Wealth Building and have received national and international interest.

We are engaging with Community Wealth Building thought leaders including the Centre for Local Economic Strategies (CLES) and the Democracy Collaborative, and have engaged with Preston City Council and other areas across the UK and Europe to learn from their Community Wealth Building journeys.

A key vehicle to achieving our Community Wealth Building ambitions is through our Community Wealth Building Commission.



## Community Wealth Building Commission

Community Wealth Building is seen as a long term, transformative agenda for the Council, our partners and Ayrshire as a whole. Our Community Planning Partners have committed to supporting the development of a Community Wealth Building approach in North Ayrshire.

In June, North Ayrshire Council's Cabinet agreed the formation of a Community Wealth Building Commission, chaired by the Council Leader, to drive forward the progress on Community Wealth Building across the Council and with wider regional Anchor Institutions.

The Commission includes representation from senior Elected Members, Council services, Health and Social Care Integration Joint Board and Community Planning Partners (CPP) including major Anchor Institutions like NHS Ayrshire and Arran, Scottish Fire and Rescue, Police Scotland, Ayrshire College, Scottish Enterprise and The Ayrshire Community Trust (Third Sector Interface).

#### The purpose of the Commission is to:

Progress and promote the development of a strategic approach to Community Wealth Building in North Ayrshire.

Support the implementation of a Community Wealth Building strategy.

Encourage involvement of Anchor Institutions including businesses, Government agencies and local organisations in Community Wealth Building initiatives and promote best practice among stakeholders.

To review policy and practice to deliver a more inclusive economy.





### What we will do

**Community Wealth Building Council:** 

We will work across all our services and wider local and regional partners to implement Scotland's first approach to Community Wealth Building.

Our approach to Community Wealth Building will help us achieve the wider priority outcomes within our Council Plan and supports the ambitions of our Local Outcomes Improvement Plan (LOIP) developed in partnership with our Community Planning Partners. It will be a key lens to how we work as a Council, and alongside wider partners, including our local communities and businesses, moving forward.

Our Community Wealth Building approach will also support our ambitions around climate change and municipalisation. North Ayrshire Council has declared a state of Climate Emergency. This means we have committed to take action now to reduce carbon emissions across North Ayrshire. We will consider how we can maximise environmental benefits through our Community Wealth Building approach and ensure a just transition for North Ayrshire.

Municipalisation is about safeguarding and enhancing public services for residents through new, innovative approaches. The approach will have best value and financial sustainability at its heart and we will use this as a tool to grow local wealth.

As a Council, and with our Health and Social Care Partnership and Community Planning Partnership, we recognise the link between health and wealth – that the economy and health are interlinked and a preventative whole system approach is necessary to deliver an economy centred on wellbeing and inclusion. For example, NHS Health Scotland have used their Triple I model to estimate that paying more North Ayrshire residents the Living Wage could potentially result in a decrease in the number of hospital stays.

Ongoing engagement with our communities and businesses, including via our Locality Partnerships, will be a key to our Community Wealth Building journey.



#### We will:

Work with local and regional Anchor Institutions through the Community Wealth Building Commission to deliver Community Wealth Building across North Ayrshire and the wider Ayrshire economy.

Develop an Anchor Charter agreement to embed Community Wealth Building principles across Anchor Institutions in the region.

Work within our localities to support communities and businesses to develop and co-produce Community Wealth Building activities.

Develop and implement the £3 million Ayrshire Growth Deal (AGD) Community Wealth Building Fund and ensure the AGD as a whole delivers Community Wealth Building to ensure lasting benefits for our businesses and communities.

Building on our first Community Wealth Building Staff Leadership Conference in November 2019, we will ensure all North Ayrshire Council employees have an awareness of Community Wealth Building and undertake their role through a Community Wealth Building lens.

Use municipalisation as a tool to secure local public services and enhance local wealth, creating local economic opportunities.

Ensure our Community Wealth Building approach delivers our ambitions to become a carbon neutral Council and use the Anchor Institution approach to deliver a green transition for North Ayrshire.

Encourage communities to shop local, including via Community Charters, and highlight the benefit of this to support local jobs in the North Ayrshire and Ayrshire economy.

Establish an Expert Advisory Board to inform the work of the Community Wealth Building Commission and challenge our progress on delivering our Community Wealth Building strategy ambitions.

Participate in national and international Community Wealth Building and inclusive economy networks to identify best practice.

Continue our conversations with young people about what Community Wealth Building means to them

#### Our asks:

We ask for the continued commitment of local and regional Anchor Institutions to work with us on our Community Wealth Building journey for the benefit of our local communities and businesses.

Scottish Government should continue to support the £3 million Ayrshire Growth Deal Community Wealth Building Fund.

Scottish Government should explore how national body and agency spend can be used to support regional economies, particularly fragile regions, and help to achieve an inclusive economy. Our businesses are key partners in our Community Wealth Building agenda and should consider how they can promote more local supply chains and encourage fair employment, as well as social and environmental sustainability, building on best practice.

Our communities are at the heart of our Community Wealth Building journey and should continue to work alongside us as key partners to co-create places which are resilient and successful.

32 33



## Ayrshire Growth Deal Community Wealth Building Fund

The Ayrshire Growth Deal (AGD) provides a once in a generation opportunity to transform the economic prospects of Ayrshire.

The £251 million Deal was signed in March 2019 and will deliver much needed investment, which will deliver 7,000 jobs and lever in additional private sector investment of around £300m over the next 10-15 years.

The AGD Heads of Terms included a £3m Ayrshire Community Wealth Building Fund to develop Scotland's first regional approach to Community Wealth Building. This pan-Ayrshire project is currently under development with support from the Scottish Government and wider regional partners, including through the Ayrshire Regional Economic Partnership.

The project will develop a regional approach to working with Anchor Institutions to:

Work within localities to facilitate placebased Community Wealth Building activities on procurement, employment, assets and ownership.

Promote Fair Work practices and position Ayrshire as a Fair Work region. Support and fund Community Wealth Building activity including social enterprises, employee ownership, cooperative development and supplier development activities.

"Ayrshire is at the forefront of Community Wealth Building in Scotland. The £3million Growth Deal fund will accelerate our work but the Growth Deal is not just a £3million Community Wealth Building fund, it is a £250million Community Wealth Building opportunity."

**Councillor Joe Cullinane** 



## **Case Study:** Locality Partnerships and Community Investment Fund

North Ayrshire Community Planning Partners (CPP) have harnessed community empowerment to increase the range of decisions made locally in new Locality Partnership (LP) structures.



Growing confidence in co-production and partnership working is evident in increased key holding, Community Council activity, Community Investment Fund (CIF) projects and community asset transfer.

Locality Partnerships are embedded in local democratic processes and based on a culture of relational rather than system approaches. This sincere, collaborative leadership has enabled community voices to drive local policy, planning and delivery. This includes decisions about mainstream revenue budgets, local facilities, youth funding and local grants.

Within its budget for 2017-18, North Ayrshire Council created an innovative fund to enable communities to address the priorities they have identified though Locality Partnerships.

Linking naturally with Community Wealth Building, CIF addresses poverty and inequalities by strengthening local empowerment and making better use of local resources. Funding was allocated on a population basis and proposals are co-produced and co-designed to effect long-term change. Most Locality Partnerships have approved applications that cover two of their three priority areas and an application is in preparation from Arran, to reflect a model suitable for the island community.

To date £1,453,993 has been allocated from the £2.6m Fund and £932,404 of external funding has been secured by CIF projects.

Local employment opportunities have been created to build skills including: a Digital Learning Officer for Irvine; an Environmental Education Officer for the Three Towns Growers; and community support workers in Vineburgh and Fullarton communities to address addictions and food insecurity. Projects include community volunteering, employability skills and social inclusion by the Beith Community Development Trust, and Men's Shed projects and the establishment of the Ardrossan Community Development Trust. Land and Asset projects include the community regeneration project at Millport Town Hall and the Training Station community hub in Saltcoats.





## Procurement

We will use our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions.

#### We will:

Develop the corporate culture and status of procurement as a key feature of Community Wealth Building.

Build on initial work of the Community Wealth Building Commission to work with Anchor Institutions to explore opportunities for more local spend and establish an Anchor Institution Procurement Short-Life Working Group to identify and progress joint opportunities.

Support our business base – including a wide range of business models – to enhance their capacity to bid for public sector contracts.

Establish a more proactive approach to procurement wave-planning which enables deeper market and locality engagement before commissioning, building on our already successful Quick Quote approach.

Promote upcoming Council procurement opportunities more proactively including more local Meet the Buyer events.

Enhance our procurement analysis through market supply analysis and increase knowledge of local suppliers, and identify gaps in the market to create locally-driven economic opportunities.

Maximise our approach to community benefits to ensure they meet our Community Wealth Building ambitions and the needs of our communities.

Consider any negative externalities of procurement, for example the impact on the environment.

Encourage local businesses to explore their supply chain opportunities to support the local and regional economy.



### Case Study:

## Local Business Procurement Success

The challenge has been set within our Council plan to increase the current procurement spend with local businesses from 19.75% to 26% by 2024.

As part of our ambition to achieve this, for all North Ayrshire Council Quick Quotes procurement of services and works (Services £10k-50k/Works £10k-100k) we have implemented new key steps in the process to allow the identification and support of more local suppliers. This has increased the opportunities for local businesses to bid for works; supported the Council to build its knowledge of local suppliers; and identified opportunities for capacity building within North Ayrshire businesses and social enterprises to support them to bid for future contracts.

This will help local businesses bid for work in North Ayrshire but also with other public sector organisations. Business advisors have also organised recent training and awareness raising sessions, working in partnership with Supplier Development Scotland, to improve tender performance of local businesses when tendering for specific contracts.

This will help local businesses bid for work in North Ayrshire but also with other public sector organisations. Business advisors have also organised recent training and awareness raising sessions, working in partnership with Supplier Development Scotland, to improve tender performance of local businesses when tendering for specific contracts.

One success story is our collaborative working between the Council, Food for Life Scotland, and Woodside Arran, a local social enterprise, on a pilot project to bring locally grown sustainably produced vegetables to school meals on the Isle of Arran.

The Council have been a Food for Life Served Here gold award holder since 2013, North Ayrshire Council is dedicated to supporting children to make healthier food choices. Through programmes like Food for Life, the Council is using its procurement spend to retain more wealth in the local economy. Food for Life Scotland (FFLS) is a programme which supports local authorities to get more Scottish food on the table and serve fresh, healthy and sustainable meals in their schools.

Food for Life Served Here awards are independently assessed and certified at three levels; bronze, silver and gold. Woodside farm, based in Kildonan, aims to establish a diverse local food network for the Island of Arran. This involves growing and supplying produce that encompasses organic growing techniques, permaculture design principles and regenerative agricultural practices.

#### The project aims to:

Support the local economy and champion the North Ayrshire pound

Facilitate a route to market via public procurement for SMEs and social enterprises

Increase Scottish produce in Scottish school meals

Supply fresh and healthy meals to school children

The benefits of the project are multiple and contribute to a wide range of local and national outcomes (Supports community wealth building):

Provides local employment

Encourages a circular economy

Every £1 spent through the FFL programme returns a social, economic and environmental value of £4.41.

#### Supports the commitment to becoming a Good Food Nation (Contributes to a greener environment)

Reduces food miles and decreases related greenhouse gas emissions

Encourages seasonality in food choices

Future opportunities for recycling food waste into compost

#### Tackles health inequalities

Increases fruit and vegetables in school meals

Reduces processed foods

Maximises fresh, healthy foods

44

# Fair Employment

We will encourage the creation of fair and meaningful jobs with progression opportunities to unlock the potential of our residents.

#### We will:

Work with Anchor Institutions to review workforce policy and planning to ensure a Fair Work approach and that Ayrshire is recognised as a Fair Work region.

Support our businesses to implement Fair Work principles and maximise the potential of employees.

Continue to deliver employability programmes helping local residents into work to reduce child poverty.

Continue our focus on health, recognised as a barrier to an inclusive economy by the North Ayrshire Inclusive Growth Diagnostic, and deliver a new supported employment programme 'EQUAL'.

Build on our Employability Hub approach to undertake more community outreach where there are anchor recruitment opportunities and encourage wider anchors to focus on excluded groups.

Lead by example on the payment of the Real Living Wage and encourage others to follow our leadership role, building on recent workshops with the Living Wage Foundation. Take a more proactive approach to our Disability Confident status and encourage others to adopt this.

Promote the Council as an 'Employer of Choice' highlighting our good Terms and Conditions and opportunities for flexible working.

Improve the linkages between our apprenticeship programmes and workforce planning, building on the work already undertaken with Early Learning and Childcare.

Consider how our recruitment application process could be more accessible and how we could advertise more in local places, including social media pages.

Consider how we can change the recruitment process for entry level Council posts to give advance notice to employability providers in order that they could provide suitable local candidates.



## **Case Study:** Skills for Life

North Ayrshire Council Employability and Skills team have developed an innovative approach to create fair employment for parents in our communities. Recognising the barriers faced by this group, Skills for Life is a programme that offers lone parents, an intensive programme of support for long-term unemployed, built around a 6-month paid vocational work placement within North Ayrshire Council.

The programme was developed through a series of research pilots in collaboration with Council services and external partners. This involved developing more of an understanding of the social and economic challenges parents are facing as they move closer to employment, including, debt issues, childcare, wellbeing and welfare reform, in that order.

The programme has ensured our most disadvantaged residents get access to opportunities – providing all parents with a real advantage to accessing positions not currently matched to their work experience through working in partnership across a range of local services.

Skills for Life has supported 94 participants into 9 Council services, paying the Living Wage and developing a more flexible approach to working patterns for parents. Currently, we have 83% moving into employment after their 6-month placement. A further 93% sustaining employment after a year. The programme has an average weekly better off amount of £91.93 and mostly working with those 5 years unemployed or more.

The programme is a key component of our efforts to reduce child poverty, and the approach recognises the importance of work and income to tackling child poverty.



## Land and Assets

We will support the wider regeneration of our communities by maximising all of our land and assets including exploring alternative uses for community and business benefit.

#### We will:

Build on our work to use our land and assets for the common good by reviewing our land and assets transformation programme through a Community Wealth Building lens: exploring alternative community uses, commercial opportunities to grow local wealth, and to remove carbon dioxide from the atmosphere in line with our carbon neutral ambitions.

Ensure our commercial property portfolio supports the growth of local businesses and entrepreneurial activity.

Continue our business incubation approach at our new Quarry Road, Irvine facility, supporting local small businesses,

Use Council and other anchor assets to develop a 'deep town' regeneration approach within a locality, tackling under-utilised and derelict land and buildings, and use the new Regeneration Delivery Plan currently under development to explore how identified challenges such as vacant land or properties can be addressed.

Continue to support Community Asset Transfer and support community capacity building to grow community ownership.

Further develop co-location service models between the Council, Health and Social Care Partnership and wider partners.

Enhance the contribution the Strategic Housing Investment Plan (SHIP) can make to town centre regeneration.



### **Case Study:**

### Three Towns Growers

The Three Towns Growers show how the Council works closely with communities, empowering and building capacity supporting them to take ownership of land and assets. The organisation was formed to develop allotments, a site was identified, and a 20-year lease agreed with North Ayrshire Council. The Three Towns Growers developed quickly as a valued community organisation and manages 51 allotments, each rented out a low cost.

As the organisation recognised their contribution to local life, they developed new ambitions and formed a Scottish Charitable Incorporated Organisation with a volunteer board of community trustees. They work together to achieve positive outcomes through a broad range of activities, opportunities and experiences revolving around growing.

The Three Towns Growers added raised community beds and poly tunnel for growers without needing the responsibility of a full plot. They secured funding for a composting toilet. Two community growing tunnels have been added with the help of a local plastics business and North Ayrshire Council. Educational workshops have been introduced and social events, like the Three Towns Potato Day, breakfasts and bat walks, helping provide food with dignity.

Three Towns Growers have secured £0.5m funding from The Community Lottery Fund and North Ayrshire Council's Community Investment Fund to create an environmental educational community hub and employ a development worker to develop the learning opportunities and support more community groups.



## Financial Power

We will invest locally and encourage regional and national institutions to invest in our communities.

#### We will:

Explore the feasibility of a community bank.

Work with Strathclyde Pension Fund to explore how it could support genuine local investment opportunities and enhance local wealth.

Work with partners including credit unions to encourage progressive finance

Encourage our staff to spend locally.

Continue to empower our communities through our Community Investment Fund (CIF).

Promote our investment opportunities to regional and national institutions to gain investment in our communities.

Continue our leading approach to Participatory Budgeting and participate in the national Participatory Cities programme.



## **Case Study:** Participatory Budgeting and Participatory Cities

Building on its Place Partnership with the Corra Foundation in Blacklands, Kilwinning, North Ayrshire Council has been developing a Participatory Scotland project in Irvine. The feasibility study started in summer 2019 and draws together Community Wealth Building approaches of inclusive participation and systemising deliberative democracy.

Inspired by the successful Participatory City approach of Barking and Dagenham, the project team has completed its pre-feasibility work to scope out what the assets are, what's already happening and what the possibilities might be. Irvine Locality Partnership has an excellent number of well-established local organisations and strong local community leadership. Participation in Community Councils and Association is high and there is good uptake of opportunities to take part in local decision-making and participatory budgeting. There are good examples of community asset transfer and the Community Investment Fund has been used well in Vineburgh and Fullarton communities to address addictions and food insecurity.

The next steps will be to join the representatives from Corra Foundation, other Scottish local authorities, Scottish Government, COSLA, voluntary sector and Public Health Scotland to develop the full project.

Participatory Scotland projects are very much a collaborative effort and build the beginnings of a shared understanding, and good working relationships.



## Plural Ownership of the Local Economy

We will support the creation and sustainability of a range of business models including SMEs, social enterprise, employee ownership, cooperatives, municipal activity and community enterprises.

#### We will:

Enhance the award-winning Team North Ayrshire approach to business support to develop our support to wider forms of business ownership including employee ownership, cooperatives, community businesses, and social enterprises, including building on our Social Enterprise strategy.

Support our business base on progressive business models, workplace innovation and fair work to create a fair, diverse and resilient local economy.

Promote the benefits of the cooperative model to our business case, working with Cooperative Development Scotland to set out a programme of support and events, creating a cooperative culture in North Ayrshire.

Provide financial support to assist the transition of businesses to the cooperative model or to set up a new cooperative.

Encourage our business base to explore the social and environmental impact of their activities.

Encourage and support the conversion of existing businesses to employee ownership.

Continue to offer specialist support to family owned businesses through Scotland's first Family Business Advisor.

Use the Council's municipalisation workstream as a tool to advance Community Wealth Building whilst protecting vital services.

Explore the feasibility of a municipally owned bus company.

Utilise our land and property assets to help develop low carbon and renewable energy schemes and networks to support our green transition.

Consider alternative delivery models for large scale regeneration opportunities.



60

### Case Study:

## **Employee Ownership**

The Auchrannie resort on the Isle of Arran became the first of its kind in Scotland to transfer to employee ownership.

The deal sees the resort's 160 staff take ownership of a business comprising two four-star hotels, thirty luxury self-catering cottages, three restaurants, two leisure clubs and an outdoor adventure company.

Auchrannie was established by Linda Johnston and her late husband lain in 1988 and Linda Johnston has headed up the company as Managing Director and Chair since 2010. Linda said:

"Many exit options were considered over the years but none protected the ethos of the company, the existing team or the community use of Auchrannie's facilities for future generations like employee ownership did.

"They have very much embraced the concept of employee ownership and are extremely excited about it.

"They are delighted that Auchrannie's legacy will be protected and that they have the chance to play an active part in, and benefit from, Auchrannie's future success."



Our ambitious Community Wealth Building strategy is focused on helping deliver the following Priority Outcomes from our Council Plan:

North Ayrshire has active and strong communities

North Ayrshire has an inclusive, growing and enterprising economy

North Ayrshire's residents and communities enjoy good life-long health and well-being

North Ayrshire is well-connected with effective infrastructure

North Ayrshire is a sustainable environment

North Ayrshire is a vibrant, welcoming and attractive environment

An efficient Council that maximises resources and provides value for money

The delivery of our Community Wealth Building actions will contribute to the achievement of key Council Plan performance measures, including:

Percentage of children living in poverty

Percentage of working age population in employment

Percentage of procurement spent on local enterprises

Percentage of those earning less than the Living Wage

Proportion of Council operational buildings that are suitable for their current use

Hectares of vacant and derelict land in North Ayrshire

We are at the start of our Community Wealth Building journey and view Community Wealth Building as a long-term transformational agenda for the Council and our partners.

We will produce Annual Reports on our progress on the actions outlined above and will ensure our strategy evolves as required, learning from what works. Building on best practice from the work of the Democracy Collaborative in the United States, we will develop an 'Anchor Dashboard' to measure our performance against each pillar.

