

DATA LABEL: PUBLIC



## **COUNCIL EXECUTIVE**

### **PLACE BASED INVESTMENT PROGRAMME AND COMMUNITY WEALTH BUILDING**

### **REPORT BY HEAD OF PLANNING, ECONOMIC DEVELOPMENT & REGENERATION**

#### **A. PURPOSE OF REPORT**

The purpose of this report is to seek Council Executive's agreement on plans to take forward the Place Based Investment Programme on a thematic basis around Community Wealth Building.

#### **B. RECOMMENDATION**

It is recommended that Council Executive:

1. Agrees that the Place Based Investment Programme will be taken forward on a thematic basis around Community Wealth Building;
2. Notes the update on Community Wealth Building in West Lothian;
3. Agrees that officers should work with communities, officers and partners over summer, to invite and assess projects to deliver Community Wealth Building under the Place Based Investment Programme; and
4. Agrees that a report detailing the recommendations should be reported to Council Executive in early October.

#### **C. SUMMARY OF IMPLICATIONS**

<b>I Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; providing equality of opportunities; developing employees; making best use of our resources; working in partnership
<b>II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	The Place Based Investment Programme 2021/22 was announced by the Scottish Government in May 2021. The report itself does not raise any strategic environmental assessment, equality or risk issues. However, specific assessments will be considered at relevant stages.
<b>III Implications for Scheme of Delegations to Officers</b>	It is proposed that responsibility for the assessment of projects will be delegated to the Head of Planning Economic Development & Regeneration.
<b>IV Impact on performance and performance Indicators</b>	None

<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	Relevance to all outcomes
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	West Lothian's allocation of the Place Based Investment Programme 2021/22 is £1,302,000. Over £4m will be allocated to West Lothian Council in total over the 5 year period from 2021/22.
<b>VII</b>	<b>Consideration at PDSP</b>	Partnership and Resources PDSP received a report on Community Wealth Building on 4 December 2020.
<b>VIII</b>	<b>Other consultations</b>	Community organisations, council officers and partner organisations will be consulted and invited to join a Community Wealth Building working group.

## **D. TERMS OF REPORT**

### **D.1 Background**

The Scottish Government's Place Based Investment Programme is intended to link and align place-based funding initiatives. The main objectives of are:

- to link and align place-based initiatives and establish a coherent local framework to implement the Place Principle;
- to support place policy ambitions such as town centre revitalisation, community led regeneration, 20 minute neighbourhoods and Community Wealth Building;
- to ensure that all place-based investments are shaped by the needs and aspirations of local communities;
- to accelerate ambitions for net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.

Local government will receive a share of this capital funding over 5 years to support and advance place-based investment and build on the strong partnership currently existing through the Regeneration Capital Grant Fund, which will also have its funding continued through the Place Based Investment Programme. Local government will receive £38m in 2021/22; £33m in 2022/23; £23m in 2023/24; £23m in 2024/25; and £23m in 2025/26. The council's share of this overall funding is set out in Section D.2.

This report sets out a proposal to take this forward on a thematic basis around Community Wealth Building. The report also provides members with further information on the Community Wealth Building approach and an update on the current position in West Lothian.

### **D.2 Place Based Investment Programme 2021/22 – West Lothian Approach**

The West Lothian allocation for 2021/22 is £1,302,000. The total funding over the 5 year period will be over £4.5m. The grant is for capital expenditure. It is expected that expenditure will be met, or at least work or contracts signed or commenced, by 31 March 2022. The funding will be for local authorities to allocate, working collaboratively with local communities, business and the third and public sectors, to support shared local plans and aspirations.

It is proposed that this fund is taken forward in West Lothian on a thematic basis, around Community Wealth Building. The following sections provide members with an overview of Community Wealth Building.

This approach meets the requirements of the Place Based Investment Programme, will allow a strategic approach to be taken to the funding over the 5 year period and will also support the council to progress this key policy agenda.

It is proposed that this is a competitive process whereby community organisations, council services and partner organisations will be invited to bid in. Projects must be capital and contribute to the delivery of Community Wealth Building, addressing at least one of the 5 principles (see Section D.3). Projects must be of significant value and be ready to implement. Individual projects are expected to have a value of in excess of £100k. No cap will be placed on bids and larger projects will be considered for funding awards that can be drawn down over the 5 year period.

### **D.3 Community Wealth Building**

Community Wealth Building is an approach that is gaining traction across Scotland and is currently being explored in West Lothian.

It aims to tackle the challenges of rising inequality by placing a greater degree of control and wealth into the hands of local people, communities, businesses and organisations. It promotes working in partnership with communities and businesses to build a strong and resilient local economy which supports fair work, encourages local spend and uses land and property for the common good.

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, larger private sector and third sector organisations to support their local economies, ensuring that wealth is locally retained and benefits local people. These locally rooted anchor institutions can exert their influence to impact upon economic, social, and environmental priorities, generating community benefits and wealth.

There are five principles for Community Wealth Building:

- **Plural ownership of the economy:** developing different types of ownership approaches (e.g. co-operatives, locally owned or socially minded enterprises)
- **Making financial power work for local places:** increasing flows of investment within local economies, e.g. local authority pension funds are encouraged to redirect investment from global markets to local schemes and community owned banks and credit unions are supported to grow
- **Fair employment and just labour markets:** working within large anchor institutions to encourage them to pay the living wage, adopt inclusive employment practices, recruit from lower income areas, build secure progression routes for workers and ensure stable employment contracts and reliable hours
- **Progressive procurement of goods and services:** developing a dense supply chain of local enterprises, SMEs, employee-owned businesses, social enterprises, co-operatives and other forms of socially rooted business, which can provide goods and services to the large local anchor institutions and are supported to bid in for local contracts

- **Socially productive use of land and property:** ensuring that equitable forms of ownership, management and development of local assets are developed, ensuring that any financial gain is harnessed by local people and communities

The Scottish Government has been supporting six local authorities to develop Community Wealth Building action plans; North Ayrshire, Tay Cities (Fife), South of Scotland, Clackmannanshire, Glasgow City Region and Western Isles. These actions plans are at various stages, with most focusing on all five principles and Glasgow City focusing on two (sustainable procurement and land, property and assets). There are also now a number of other local authorities out-with the pilot areas that are exploring Community Wealth Building, such as Argyll and Bute, Dundee and South Lanarkshire Councils.

Examples of capital projects being delivered in these other areas to deliver Community Wealth Building include: projects to tackle under-utilised and derelict land and buildings, using land and property assets to help develop low carbon and renewable energy schemes and networks, unlocking assets to develop community enterprise hubs for small businesses and social enterprises, developing progressive and productive use of land and property (e.g. for Food Farm – providing training opportunities and food production; tree planting) and developing transport models.

#### **D.4 Community Wealth Building in West Lothian and linking the Place Based Investment Programme**

West Lothian Council began to explore the implementation of a Community Wealth Building approach in 2020. A paper was taken to Partnership and Resources Policy Development and Scrutiny Panel in December 2020 and this was the theme of the Community Planning Partnership Board meeting in May 2021. There was a verbal commitment from many community planning partners at the meeting to be involved in exploring this further.

It is important to note that there is already work underway in West Lothian that is consistent with a Community Wealth Building approach. For example, a key focus of the West Lothian Jobs Task Force and the Economic Recovery and Growth Plan 2020-2023 is to prioritise inclusive and sustainable economic growth. The council is an accredited Living Wage employer and has committed to encouraging suppliers to pay the Living Wage. A number of employability programmes help support local people into work. Through the Economic Recovery and Growth Plan, there is a commitment to enable local supply chain development, by bringing together local firms to create community and mutual benefit, and to increase the level of local procurement by West Lothian Council to 40% per annum. The council is taking forward Community Choices to ensure communities have a say in services being funded in their communities and also supports a community asset transfer process to ensure greater community ownership. The council has declared a Climate Emergency and is looking to ensure that economic recovery focuses around green investment and ensuring that local economic growth is progressed in a sustainable way.

West Lothian Council has also received funding from the Edinburgh and South East Scotland City Region Deal's Regional Recovery and Renewal Fund for a dedicated post to progress Community Wealth Building in West Lothian. The post will also link in with activity to accelerate Community Wealth Building across the wider City Region area. Interviews will shortly take place and it is anticipated that the new officer will be in post by the summer.

Officers will also make contact with the Centre for Local Economic Strategies (CLES) to discuss support available over the summer to identify anchor institutions and develop West Lothian's approach and action plan. CLES is an economic think tank that has been championing the approach in the UK for years, have established the Community Wealth Building Centre for Excellence and have supported the Scottish Government in the roll out of the Scottish pilots. A Community Wealth Building Working Group involving key anchor institutions will also be established.

There is an opportunity to build on this positive work and explore a more strategic approach to Community Wealth Building by utilising the Place Based Investment Programme on this thematic basis. There is also an opportunity to ensure all other relevant policies are clearly aligned, such as asset transfer, community choices, 20 minute neighbourhoods and other place based approaches.

Applications for the Place Based Investment Programme will be expected to deliver capital projects that support the delivery of the work detailed above and that will be identified strategically to support delivery.

#### **D.5 Next Stages**

Council Executive is asked to agree that the Head of Planning, Economic Development and Regeneration will be given delegated authority to work with communities, officers and partners over summer to identify and assess projects to be funded under the Place Based Investment Programme. It is intended that the new Community Wealth Building officer will also be in post by summer and the council will have support from CLES to help progress this activity.

An application process will be developed to ensure that projects are of significant value and will deliver on at least one of the five principles of Community Wealth Building. The deadline for applications will be end of August and a report detailing the recommendations will be brought to the Council Executive in early October.

#### **E. CONCLUSION**

£1,302,000 has been allocated to West Lothian under the Place Based Investment Programme for 2021/22. It is proposed this will be taken forward on a thematic basis, around Community Wealth Building. This will be an opportunity to build on activity already underway and will support implementation of a more strategic Community Wealth Building approach in West Lothian. Council Executive are asked to agree this approach and delegate the Head of Planning Economic Development and Regeneration to work with communities and officers over summer to identify and assess projects.

#### **F. BACKGROUND REFERENCES**

Appendices/Attachments: None

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