

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources Committee
DATE	7 December 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Community Wealth Building
REPORT NUMBER	COM/22/279
DIRECTOR	Gale Beattie
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Jim Johnstone
TERMS OF REFERENCE	2.1.2; 3.2; 3.4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on Community Wealth Building as a local place based economic development approach and to seek approval of the proposed actions to develop a community wealth building approach.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the proposed short, medium and long-term actions for Community Wealth Building in Aberdeen (provided in Appendix 1 of this report); and
- 2.2 Instructs the Chief Officer - City Growth to work with other relevant Chief Officers to implement the proposed actions.

3. CURRENT SITUATION

- 3.1 At the City Growth & Resources Committee on 10 November 2021, the Chief Officer – City Growth was instructed to present details in respect of an Aberdeen Community Wealth Building (CWB) approach to maximise local economic impact, and an integrated approach by the Council to supporting businesses and the delivery of investment opportunities.
- 3.2 In response, this report provides information on CWB as a place based economic development approach and proposes short, medium and long-term actions for implementation which would embed a CWB approach across council services.

Community Wealth Building

- 3.3 CWB is an internationally recognised approach to local economic development. By harnessing the levers of local ‘anchor’ organisations, it aims to tackle inequalities within communities to create resilient, inclusive and sustainable economies. The principles are that local communities own, have a stake in, access and benefit from the wealth generated by local economies.
- 3.4 Anchor organisations are those rooted to an area with real purchasing and spend powers such as local councils, health, universities, colleges housing associations or large local private sector employers.
- 3.5 The Council has a key role to play as an anchor and as a strategic partner of other anchor organisations (who may already be a part of local community planning structures). In this role the Council would seek to influence and encourage other anchors to adopt CWB pillars, thereby maximising the local economic impact and outcomes.
- 3.6 CWB provides a framework around five interlinked pillars:
- *Spending* – maximising community benefits through procurement and commissioning by anchor institutions, developing good enterprises, fair work and shorter supply chains;
 - *Workforce* – ensuring the employment practices by anchor institutions and their suppliers are fair; providing opportunities for disadvantaged workers and communities; committing to paying the real living wage and building progression routes for workers;
 - *Land and Property* – supporting equitable land development and the development of under-utilised anchor institution assets for community use and positive community outcomes.
 - *Financial Power* – seeks to increase flows of investment within local economies by harnessing the wealth that exists locally.
 - *Inclusive Ownership* – encouraging plural and democratic models of business ownership to build wealth that stays in local communities e.g., co-operatives, mutually owned businesses, municipally owned companies.

CWB in Scotland

- 3.7 The Scottish Government has adopted a CWB approach to economic development as a key means to achieve its wellbeing economy objectives outlined in the National Strategy for Economic Transformation (NSET).
- 3.8 To build on this, the Programme for Government 2021-22 sets out a commitment to *“take forward a Community Wealth Building Bill in this Parliament, to enable more local communities and people to own, have a stake in, access and benefit from the wealth our economy generates.”*
- 3.9 To date, the Scottish Government has supported five CWB pilot areas (Clackmannanshire, Fife, Glasgow City Region, South of Scotland and the

Western Isles) and its Covid Recovery Strategy commits to supporting all Councils to develop their own CWB action plans.

3.10 In developing the actions in Appendix 1, officers conducted desktop research and gathered case studies through attendance at Scotland's First CWB Conference and CWB webinars. Officers have also consulted with Scottish Government officials, and officers from relevant Council service areas.

3.11 From this research and engagement, several key lessons have emerged:

- It is a long-term commitment;
- Setting a vision with buy-in from across the local authority is key;
- Multi-disciplinary approach - working across local authority services is important to success;
- Collaboration with other anchor institutions and embedding the approach is needed to maximise impact;
- Plans should be ambitious, but must be practical

CWB in Aberdeen

3.12 An internal, cross-service working group of Council officers has been established. The purpose of the group is to ensure service-wide understanding of CWB, raise awareness of current and potential activities, and to achieve buy-in and bottom-up engagement to embed the pillars and approach across relevant Council services. The group includes representation from City Growth, Early Intervention and Community Empowerment and Community Planning with representatives from other services to be brought in as actions develop.

3.13 An approach to Community Wealth Building will help us to achieve the priorities of this committee in relation to city growth as well as the newly established Anti-Poverty and Inequality Committee. As noted below several Partnership Priorities within a prosperous city, supporting people with the cost of living and empowering Aberdeen's communities, include many outcomes which a CWB approach would directly address.

3.14 It will also support improvement in wider priority outcomes within the Council Delivery Plan and the Aberdeen City Local Outcome Improvement Plan (LOIP) which was developed with Community Planning Partners, many of which are City anchor organisations. Community Wealth Building is a key lens to understand how we work as a Council and with wider partners, communities and businesses to deliver improved outcomes for people across the City.

3.15 Key activities that currently align to the CWB pillars at paragraph 3.6 include:

- *Spending* - the Sustainable Procurement and Community Benefits Policy sets out how securing positive local outcomes can maximise social, economic and environmental benefits in public procurement, adding value that is good for the local area;
- *Workforce* - Business Gateway has a dedicated member of staff working in the city's locality areas to support new and existing businesses;

- *Workforce* - provision of seed finance for people of employability programmes seeking to set up in business.
- [Aberdeen Responsible Business](#) – through Community Planning Aberdeen we are engaging anchor businesses across the City to support better outcomes for communities through shared delivery of the LOIP. From becoming a Real Living Wage employer, to providing employability opportunities for priority groups to becoming net zero to mitigate against climate change, businesses are taking forward a range of projects which add value to the City.
- *Community Empowerment* – through Community Planning Aberdeen we are working with anchor organisations and communities to improve outcomes by working together to maximise community assets to deliver shared priorities within the Community Empowerment Strategy, LOIP and Locality Plans
- *Land and Property* – Promotion and support for Asset Transfer Request Processes with communities, including the current community asset transfer of Tillydrone Family Centre and Library to the Lighthouse Support Centre.

3.16 Where impacts of the proposed actions in Appendix 1 can be subsumed with established performance reporting this will be identified and incorporated accordingly, in line with the given timescales.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct implications on the Council's budget. The anticipated cost of proposed actions and the potential source/s of funding identified for these are included in Appendix 1, and the intention is that officers would seek to deliver the actions by leveraging in external funding. Staff costs indicated can be met through reallocation of existing budgets or by successful applications for external funding.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report at this time although CWB legislation from the Scottish Government is anticipated in this Parliamentary session.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve	*Target Risk Level (L, M or H)	*Does Target Risk Level
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		Target Risk Level	*taking into account controls/control actions	Match Appetite Set?
Strategic Risk	Expected Scottish Government legislation around CWB is passed and the Council cannot demonstrate adherence.	Implement actions proactively; awareness raising to capture all actions which demonstrate a CWB approach.	L	Yes
Compliance	None	N/A	L	Yes
Operational	None	N/A	L	Yes
Financial	None	N/A	L	Yes
Reputational	Failure to be seen to deliver policies and activities that serve the local community and economy	High-profile, cohesively 'branded' CWB action plan	L	Yes
Environment / Climate	None	N/A	L	Yes

***Note – if there are inconsistencies between the target risk level and the risk appetite level set, please provide rationale for your proposals.**

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	<p>The proposals within this report support the delivery of the following from the policy statement: Supporting People with the Cost of Living</p> <ul style="list-style-type: none"> Investigate how Aberdeen City Council could support the provision of fair and affordable banking, insurance and financial services, and the expansion of credit unions and advice services. <p>A Prosperous City</p>

	<ul style="list-style-type: none"> • Develop our economy in a genuine partnership with the private sector, third sector and residents • Work with partners, including Scottish Enterprise, to explain the support available for new start-ups, including investigating access to microfinance and affordable leases on workspaces for start-ups and replicating the success of the Torry Rocks scheme • Seek to buy good, services and food locally whenever possible, subject to complying with the law and public tendering requirements <p>Empowering Aberdeen's Communities</p> <ul style="list-style-type: none"> • Work with communities to establish trusts, community enterprises, charities or other entities that support community empowerment and community wealth building • Support people to engage with Community Asset Transfers throughout the process
<p><u>Aberdeen City Local Outcome Improvement Plan</u></p>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The proposals within this report support the delivery of</p> <p>SO1. No one will suffer due to poverty by 2026.</p> <p>SO2. 400 unemployed Aberdeen City residents supported into Fair Work by 2026</p> <p>SO3. 500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026</p>
<p>Prosperous People Stretch Outcomes</p>	<p>SO6. As corporate parents we will ensure 95% of care experienced children and young people will have the same levels of attainment in education, health and emotional wellbeing, and positive destinations as their peers by 2026.</p> <p>SO7. 95% of children living in our priority neighbourhoods will sustain a positive destination upon leaving school by 2026.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>SO13. Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate</p> <p>15. Addressing the nature crisis by protecting/ managing 26% of Aberdeen's area for nature by 2026.</p>
<p>Regional and City Strategies</p>	<p>The proposals within this report support the Regional Economic Strategy with inclusive economic growth</p>

	They also support the Community Planning Aberdeen Community Empowerment Strategy and Locality Plans.
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9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	No

10. BACKGROUND PAPERS

- 10.1 City Growth and Resources Committee – Socio-Economic Rescue Plan Update – COM/21/279, 10 November 2021
- 10.2 City Growth and Resources Committee – Director of Commissioning Update, 21 June 2022

11. APPENDICES

- 11.1 Appendix 1 – Actions to Support an Aberdeen Community Wealth Building Approach

12. REPORT AUTHOR CONTACT DETAILS

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