

# **Community Wealth Building FAQs**

## **What is Community Wealth Building?**

It's about working in partnership with communities and businesses to build a strong local economy which supports fair work, encourages local spend and uses the land and property we own for the common good.

Community Wealth Building (CWB) 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, ensuring that wealth is locally owned and benefits local people.

CWB 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.

## **How will Community Wealth Building help businesses during the economic crisis caused by the COVID pandemic?**

Covid-19 has laid bare the stark inequalities within our economy and society. Our immediate priority is to respond to this health emergency and ensure the health and safety of our communities and employees. But with an economic recession underway we want to respond to this challenge with radical and forward-thinking interventions to ensure a prosperous future for our communities.

We want to build back our economy to be better and fairer. Community Wealth Building is at the heart of our local economic recovery plans to support our businesses, support those made unemployed or in unsecure work, and build resilience for the future, including the climate emergency.

## **What is an Anchor Institution?**

These are organisations that are rooted to the area. They employ a lot of people and have real buying and spending power for example, the Council, NHS, College and large private companies.

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.

We've brought North Ayrshire's leading Anchor Institutions together and created a Community Wealth Building Commission which will drive forward this new approach.

## **How will Community Wealth Building be embedded in North Ayrshire's Anchor Institutions?**

We are working closely with North Ayrshire's anchor institutions via our Community Wealth Building Commission. Success will require collaboration and one example of this is looking at the collective spend across all the anchor institutions and how this can be shifted to the local economy.

## **So how does Community Wealth Building work?**

There are five key elements to Community Wealth Building, these are called the five pillars. The five pillars focus on making sure that wealth is locally owned and benefits local communities.

### **1. Procurement**

Where we can, we will buy and spend locally and support North Ayrshire businesses to do the same.

### **2. Employment**

We encourage employers to create fair and meaningful jobs by paying the living wage and developing home-grown talent.

### **3. Land and Assets**

Working with our communities and businesses, we will use our land and property assets for the common good to support the regeneration of our communities.

### **4. Financial Power**

We will invest locally and encourage others to do the same.

### **5. Plural Ownership**

We want the wealth generated in our area to stay in our area so we will support new and existing businesses, including social and community enterprises, cooperatives and employee ownership.

Our new strategy includes a range of case studies showing where CWB is already happening in North Ayrshire. Visit [www.north-ayrshire.gov.uk/CWB](http://www.north-ayrshire.gov.uk/CWB)

## **Why do we need Community Wealth Building?**

The current COVID-19 pandemic has resulted in an economic crisis and a new economic model is needed to ensure social, economic and environmental justice for North Ayrshire's communities.

We face a range of social, economic and environmental challenges. The answer is no longer traditional economic growth – this has failed to address poverty and inequality and has left some places and groups behind.

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

We need a new approach to our economy, centred on wellbeing and inclusion and focused on our local communities. A fairer local economy is central to our aims to reduce poverty and inequality.

Our new programme to develop Community Wealth Building sits at the forefront of our new Council Plan making us the first Community Wealth Building Council in Scotland.

### **How is Community Wealth Building different to other economic agendas?**

Community Wealth Building means real change and is the means to deliver wellbeing. It is about working alongside communities and our local businesses to enable them to create and own wealth in their area. It's about using the money we already spend but spending it in a way that better supports our local economy.

### **Has it worked elsewhere?**

It's not a new concept, the Community Wealth Building (CWB) approach has already proved successful in Preston, Lancashire, and in areas of America such as Cleveland, Ohio.

Community Wealth Building is sometimes referred to as the 'Preston Model'. Preston adopted a CWB 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.

Preston City Council worked with six other public sector Anchor Institutions to develop their approach, with a focus on procurement and an aim to spend more in the local (Preston) and Lancashire economy. Working over several years, there has been a significant increase in the amount the Anchor Institutions 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.

### **Why would we need community banks and credit unions as part of Community Wealth Building?**

Community banks and credit unions can work together, they provide different entry points to access finance and keep the wealth within the local area. We will explore

the feasibility of a community bank, as well as continuing to promote progressive finance.

### **How will you use procurement processes to increase local spend?**

We need to understand local supply chains and where there is opportunity to encourage more local spend. We will provide enhanced business support to ensure that local businesses and social enterprises are ready and able to bid for contracts, not just from the Council but also the wider public sector. We will also encourage our business base to buy local.

### **What is the role of Community Wealth Building role in the climate change agenda?**

Community Wealth Building aims to create a fairer and more sustainable local economy. The Council declared a Climate Emergency in 2019 and Community Wealth Building presents an opportunity to redesign our local economy and adapt to environmental challenges and opportunities. It also helps us to be more aware of where goods and services come from. Community Wealth Building makes everyone think more about keeping it local and it has the potential to shorten supply chains. We will also use our land and assets in different ways to support the Council to meet its net zero carbon targets and ensure a sustainable local environment. We'll encourage our business base to think about their environmental impact too.

### **What investment is the Council putting into this approach?**

The Council budget in March provided investment, through staffing resource and funding, to drive forward our exciting CWB agenda. This includes an £8.8 million Investment Fund for environmental and infrastructure projects as well as supporting Community Wealth Building. This resource will be crucial to ensuring an inclusive and green local economic recovery.

We are creating several new roles to embed our CWB approach, this resource will:

- Work with our wider Anchor Institutions to implement an Anchor Charter, ensuring the public pound in North Ayrshire, and the wider Ayrshire, benefits local businesses and communities
- Work within our localities to support business and community-led activities around supply chain development, business start-up and sustainability. This includes social enterprises, cooperatives and community enterprises, to understand where we can make best use of locality buildings and assets, and promote fair employment
- Enhance our support to businesses to access public sector contracts
- Support communities to develop their community regeneration ambitions, including within our town centres
- Explore commercial opportunities for the Council's land and buildings to meet our economic, social and environmental priorities
- Maximise our approach to community benefits

## **How will Community Wealth Building be embedded throughout the Council?**

Council Officers and Elected Members are part of our Community Wealth Building Commission. We have also done significant work with our leadership team on this new approach and will continue to advance work to ensure staff understand Community Wealth Building and what their role is within it. Community Wealth Building is at the heart of our Council Plan and will particularly feature in our recovery and renewal phase post COVID-19.

We have also invited a group of experts who bring a range of perspectives on Community Wealth Building, wellbeing economy and climate change to help guide the next steps of our Community Wealth Building journey. This is our Expert Panel.

## **What will success look like?**

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

Ultimately, what matters are the outcomes we achieve and that have a real impact on our communities. We'll know we've been successful when:

- There is reduced poverty and inequality in North Ayrshire
- There are more well paid and fair jobs for local people
- There are more local businesses, including those owned by communities and workers
- There are sustainable communities with increased levels of wellbeing and that are proud of the places they live

Community Wealth Building is a key driver of our Council Plan, which has fairness and equity at its heart. 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