

**CABINET****24<sup>TH</sup> FEBRUARY 2020****COMMUNITY WEALTH BUILDING STRATEGY**

**Councillor Janette Williamson** (Cabinet Member Finance and Resources & Deputy Leader of the Labour Group) said:

“I am delighted to launch our Community Wealth Building Strategy. This is a key document for us that sets out our ambitions to support communities to become more independent, financially self-sufficient and take ownership of public assets to run them in ways that are beneficial to them.

The strategy is the result of several months of research and engagement with communities and partners and is supported by the Centre for Local Economic Strategies (CLES) who we commissioned as the UK leading body to work with us on developing the Strategy and subsequent action plan.

Wirral is clearly becoming a leader in Community Wealth Building evidenced by the number of number of invitations to speak at events and requests for support and guidance about how Wirral as approached the Strategy.

Community Wealth Building is intrinsic to everything the Council does and will be embedded into all our activity going forward. Following an initial discussion with our partners, I am pleased to see that we are now working closely with our partners and anchors to support them to embed the principles into their own organisations. This will enable a borough wide approach, supported by the Council rather than a Council run initiative. In time, we intend to also work with our private sector anchors to ensure that the strategy can be implemented across all sectors of the borough. This will become more prevalent once the North West Mutual Community Bank is live.

This Strategy is vital to demonstrate our mission to support communities in Wirral to support themselves by providing opportunities for: growing the number of small businesses, residents to be able to access employment and communities to come together to promote positive mental wellbeing. Therefore I am proud to launch this Strategy today to support this mission.”

**REPORT SUMMARY**

This report outlines the Community Wealth Building Strategy for Wirral Council. Community Wealth Building reorganises local economies to be fairer and stops wealth flowing out of our

communities, towns and cities. It places control of this wealth into the hands of local people, communities, businesses and organisations.

Through work with the Centre for Local Economic Strategies (CLES), five areas have been identified to build community wealth in the Wirral:

- Plural Ownership
- Procurement
- Land and Assets
- Making Financial Power Work for local Places
- Workforce

The report details what steps have already been taken to build community wealth, and what else we will need to do to achieve our outcomes.

This matter affects all Wards within the Borough, with particular focus on our most deprived areas.

#### **RECOMMENDATION/S:**

1. Cabinet agrees to adopt the Community Wealth Building Strategy.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 There are also a number of activities linked to Community Wealth already present in the council, and a strategy is necessary to pull these activities together to ensure a coordinated plan.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Not to adopt the strategy. This could result in activities linked to Community Wealth continuing to work in isolation. The principles of community wealth building are all interconnected, and different elements continuing to work separately, with no overall strategy could lead to outcomes that are less than what could be achieved with a more joined up approach.

### **3.0 BACKGROUND INFORMATION**

#### **The Rationale for a Community Wealth Building Strategy**

- 3.1 Community Wealth Building is a people centred approach to local economic development and seeks to restructure the composition of the economy itself so that wealth is widely held, shared and democratised. It reorganises local economies to be fairer and stops wealth flowing out of our communities, towns and cities. It places control of this wealth into the hands of local people, communities, businesses and organisations.
- 3.2 Community Wealth Building has been taken up by a number of councils across the UK, most notably Preston. Since engaging with CLES (Centre for Local Economic Strategies) in 2013 Preston has seen:

- £74million directed back into the Preston economy by pursuing a Community Wealth Building approach to procurement,
- 4000 extra employees receiving the real living wage,
- Reduction in unemployment from 6.5% in 2014 to 3.1% in 2017,
- A move out of the top 20% most Local Authority area in the UK.

Community Wealth building fits strategically with our new Wirral Plan 2025. It will directly support an inclusive economy as well a wide range of our strategic goals, improving outcomes in relation to health and social care; families; environment and housing.

#### **Community Wealth Building Vision for Wirral**

- 3.3 The strategy Includes three strategic objectives:
  1. Democratic Economy: A shift in decision making power from corporate organisations to a larger group of public stakeholders including, workers, customers and the community to enable greater independence.
  2. Generative Economy: An economy with a built-in tendency to be to be socially fair and ecologically stable. A generative economy is built on a foundation of

stakeholder ownership designed to generate and preserve real wealth that is shared by communities.

3. Financial Resilience: Families and communities that hold assets (such as social networks, a home, some savings, an ownership stake in a business, a secure job) are more able to withstand setbacks such as job losses, illness, or recession.

3.4 Outcomes of the strategy are as follows:

- Plural Ownership: Residents of the Wirral have a say in what happens to the wealth generated by their communities.
- Workforce: Residents of Wirral are employed in secure, well paid jobs with progression opportunities and good terms and conditions.
- Land and Assets: Council land and assets are used as a base to build community wealth.
- Making Financial Power work for Local Places: Wealth that exists in Wirral is harnessed to increase investment in local communities.
- Procurement: Procurement practices of Wirral anchor institutions are used to build the wealth of our local communities.

3.5 **Plural Ownership** can have two meanings:

1. Lots of small businesses, less big businesses;
2. Democratic models of ownership such as community owned businesses, worker owned cooperatives, public-commons partnerships, insourcing and forms of municipal ownership.

The activities that Wirral Council are currently doing to deliver this are:

- Partnership with Capacity Lab to support the Voluntary Charity Faith (VCF) market.
- Community Action Wirral are producing a 'State of the (VCF) Sector' report that will help the council assess if there are VCF organisations that may be able to take on public sector contracts.
- The Chamber of Commerce have established a Community Business Forum that puts the VCF sector on an equal footing with the rest of the industry sectors (e.g. construction).
- The Wirral Growth company (Public Private partnership with the council owning 50% and taking 50% of profits) will have social value policies tailored to the individual development e.g. use of local labour and local spend

To support this outcome the strategy proposes that Wirral:

1. Encourage the development of the social business sector.
2. Explore public – commons partnerships as an alternative to public-private partnerships.

- 3.6 A community wealth building vision for the **workforce** means job security (i.e. no zero hours contracts), progression, opportunities and the real living wage.

The activities that Wirral Council are currently doing to deliver this are:

- Wirral Ways to Work Programme
- Households into work
- ConnectUs
- Health Related Worklessness programme
- Wirral apprenticeship scheme
- Strategic workforce planning process for Wirral is in Development.
- Capacity Lab is working with the LCR to research Health Related Worklessness and health's impact on productivity.

To support this outcome the strategy proposes that Wirral:

1. Links workforce priorities across anchor institutions.
2. Investigates methods to advance social inclusion through apprenticeship funding and in work progression.
3. Ensures that workers in the businesses we procure goods and service from treat their employees fairly.

- 3.7 A community wealth building approach to anchor institutions **land and assets** means they are used as a base to build community wealth. Function and ownership of these assets is deepened to ensure any gain is harnessed by citizens. Community use of assets are developed and extended.

The activities that Wirral Council are currently doing to deliver this are:

- 20 community asset transfers in the last ten years.
- Supporting Make CIC to set up Make Hamilton Square in the treasury building.
- Supporting the New Ferry Community Land Trust.
- Asset management strategy that lead to the One Wirral Public Estate Group, which brings together all public sector bodies in a locality to work together on land and property management.

To support this outcome the strategy proposes that Wirral:

1. Ensures council assets are used for the benefit of the local community.
2. Builds on existing discussions with the Wirral partnership to explore the use of public sector assets.
3. Encourages the set-up of community land trusts.

- 3.8 **Progressive procurement** of goods and services means using the power of procurement to build community wealth by procuring locally and from smaller businesses, or those with diverse ownership models. This requires dense local supply chains comprising SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community businesses.

The activities that Wirral Council are currently doing to deliver this are:

- Working with Capacity Lab to support the VCF sector to enable them to apply for public sector contracts.
- Social Value Policy has been integrated into the procurement process (15%) and will continue to be monitored to assess its impact on the VCF sector.

To support this outcome the strategy proposes that Wirral:

1. Increases the amount of goods and services procured from social businesses.
2. Continues to extend and develop support for social businesses to enable them to access contract opportunities.
3. Continues to increase the amount of goods and services procured from local businesses.
4. Monitors the effectiveness of the social value policy.
5. Links procurement across anchor institutions, so that the European Single Procurement Document (or equivalent post Brexit) also covers Council Procurement.

- 3.9 Making **financial power** work for local places looks to increase investment in local economies by harnessing the wealth that exists locally, instead of attracting national or international capital. This outcome moves towards a more generative economic model of finance, one where investors want communities to prosper, not to extract their wealth, but because they have a real stake in the local community.

The activities that Wirral Council are currently doing to deliver this are:

- Supporting the formation of the Northwest Community Bank along with Preston and Liverpool.
- Working with Power to change to grow the community business sector (PTC have £150million in lottery funding and are very keen to develop the sector in Wirral).
- Exploring the use of crowding to leverage match funding from the private sector with public donations.

To support this outcome the strategy proposes that Wirral:

1. Invests in the Northwest Community Bank.
2. Continues exploring the use of crowdfunding to build community wealth.
3. Works with Power to Change to grow the community business sector.
4. Explores opportunities around increasing investment into the Wirral from the Merseyside Pension Fund.
5. Builds on existing discussions with the Wirral Partnership to maximise the impact of the 'Wirral Pound'.

## 4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications at this time however actions from the strategy, such as the set-up of a social business development network may have financial implications.

## **5.0 LEGAL IMPLICATIONS**

5.1 There are no legal implications at this time, however actions from the strategy, such as the set up of a social business development network may have financial implications.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 No adverse implications for Staffing, ICT and Assets

## **7.0 RELEVANT RISKS**

7.1 There are no relevant risks to this report.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 Full engagement has taken place with all lead officers via the Community Wealth Board (e.g procurement, intelligence, finance, public health, economic housing growth, policy, organisational design, programme management and assets).

## **9.0 EQUALITY IMPLICATIONS**

9.1 There are no equality implications to adopting the strategy however, there may be actions related to the strategy that may require an equality impact assessment at a later date.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 There are elements within the strategy that are expected to support the council's response to the environment and climate emergency, such as increasing procurement from local businesses, thus shortening supply chains and lowering emissions. The content contained within this report is expected to lower emissions of CO<sub>2</sub>

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## **APPENDICES**

Appendix A – Community Wealth Building Strategy.

## **BACKGROUND PAPERS**

None.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>