

Report to: Cabinet

Date: 10 June 2021

Title: Community Wealth Building

Report of: Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning

Cabinet member: Councillor Zoe Nicholson, Deputy Leader of the Council and Cabinet member for finance and assets

Ward(s): All

Purpose of report: To provide Cabinet an update on progress with delivery of the Reimagining Lewes District Action Plan.

Decision type: Key

Officer recommendation(s):

- a) To note the progress made in delivering the Reimagining Lewes District Action Plan and to agree the Re-imagining Lewes District Community Wealth Building Strategy set out at appendix A,
- b) To agree £80k to fund a two-year fixed term post to oversee the implementation of the Strategy, and
- c) To agree a one-off allocation of £20k to enable the development of initiatives to promote and enable social entrepreneurialism, with both additional cost items being funded from reserves.

Reasons for recommendations: The Council is committed to developing a Community Wealth Building approach as part of the Corporate Plan adopted in February 2020.

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1 Introduction

1.1 In its Corporate Plan, adopted in February 2020, the council made a strong commitment to community wealth building (CWB) alongside complementary commitments to sustainability and affordable housing. The key principles of CWB are to use the combined power of institutions, businesses and communities in order to retain as much wealth as possible in the local economy;

creating opportunity locally, creating new local jobs and new locally owned enterprises. As has been set out in previous reports, the CWB approach comprises five pillars, which are;

- Shared ownership of the economy between public, business and community sectors
- Making financial power work for local places
- Fair employment and just labour markets
- Progressive procurement of goods and services
- Socially productive use of land and property

1.2 The Cabinet on 10 December 2020 adopted the 'Reimagining Lewes District Action Plan' as a vehicle for embedding CWB principles across the council and within the district. At that time a further report was requested to update Cabinet on progress. This report provides that update. In addition, as the action plan was only intended to address early, short term, actions, this report now proposes the adoption of a longer term strategy (see appendix A) to take the work forward.

2 A Community Wealth Building strategy

2.1 The Re-imagining Lewes District Community Wealth Building Strategy set out at Appendix A sets out, under 6 themes, how the council has, and intends to, promote and enable CWB principles to be realised locally.

2.2 The six themes of the Strategy, which link to the CWB pillars, are;

1. Lewes District Council as a Community Wealth Building Council
2. Progressive procurement of goods and services
3. Fair employment and just labour markets
4. Socially productive use of land and assets
5. Making financial power work for local places
6. Plural ownership of the economy

For each theme, the strategy sets out what progress has already been made against the original action plan, and what the longer-term strategic direction will be. A range of specific projects are also detailed.

3 Delivering the Strategy

3.1 An officer working group has been established to drive forward this work, reporting to the Deputy Chief Executive and Director of Regeneration and Planning. This group is responsible for ensuring that CWB principles continue to be embedded in all relevant aspects of the council's work and that this also complements, and works in conjunction with, the council's sustainability strategy.

3.2 The actions set out in the strategy at appendix A will be embedded into the service plans of relevant teams across the council to enable implementation as part of the councils' core business. Progress against these plans will continue to be reported regularly to the Lead Cabinet Member and to the Cabinet annually. In order to provide additional momentum and to drive this work forward at pace,

it is recommended that £80k be allocated from reserves to fund a 2 year post to coordinate the work of officers, build engagement with key stakeholders and to provide overall programme management for the delivery of the strategy.

- 3.3 To further embed the CWB approach across the district, we will build on the series of Recovery Summits held over the past year. We will work to progress an Anchor Institutions Network to enable further cross agency opportunities to be explored and developed. The concepts and importance of CWB will continue to be communicated internally to staff through briefing sessions.
- 3.4 Promoting and enabling social entrepreneurialism and plural ownership of the economy are key parts of the strategy. We are currently at the early stages of developing a local programme to deliver this. Cabinet is asked to agree a one-off allocation of £20k as start-up funding for these initiatives which over the first 6 months of the strategy, and alongside the work to embed CWB into the Councils day to day business set out above, will fund legal and technical advice associated with:
- Exploring the potential to establish community or social enterprise(s) which could have the potential to deliver services on behalf of the council.
 - Increasing the capacity within the district to ‘incubate’ new community or social enterprises, including provision of training and development support.
 - Exploring whether, or how, suitable council assets could be repurposed, and potentially ownership or management transferred, in order to further social entrepreneurialism and plural ownership in the district.

4 Consultation

- 4.1 As previously reported, the diagnostic study undertaken by CLES involved wide engagement with key partners and stakeholders during the summer of 2020. Following this, there has been ongoing engagement with partners through the Lewes District Recovery Summits. The establishment of an Anchor Network, as proposed in the appended strategy, will provide a forum for on-going partner engagement and consultation around these issues.

5 Corporate plan and council policies

- 5.1 One of the four main themes in the Corporate Plan adopted in February 2020 is Community Wealth Building. It is stated that “*We need a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of people*” the plan goes on to commit that “*We will work with key local institutions, our county council, local businesses, police and NHS partners to provide more local employment. We will change the way we outsource services, supporting more local businesses to deliver council services, and we will bring services in-house or establish social enterprises where additional social value can be demonstrated.*” This work is intrinsically linked with sustainability and tackling climate change, another key component of the Corporate Plan (see para 10.1).

6 Financial appraisal

- 6.1 The £100k additional cost will be funded from reserves established as part of the 2021/22 budget to accelerate the capital programme delivery of which Community Wealth Building forms a significant element. The revenue budget will be updated accordingly to reflect the £20k allocation in 2021/22 and the £80k required for the new post for 2021/22 and 2022/23.

7 Legal implications

- 7.1 There will be a need to address the detailed legal issues that arise in taking forward individual elements of the Reimagining Lewes Action Plan as they develop further. However there are existing legislative general provisions which support the overall Community Wealth Building Approach as follows:
- a) Local Government Act 1999: As a best value authority the council must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
 - b) Public Services (Social Value) Act 2012: This provides that the council must consider how what it procures might improve the economic, social and environmental well-being of the relevant area; and how in conducting the procurement process, it might act with a view to securing that improvement.
- 7.2 The Government published a Procurement Policy Note in September 2020 launching a new model to deliver social value through its commercial contracts. The PPN requires social value should be explicitly evaluated in all central government procurement, where the requirements are related and proportionate to the subject-matter of the contract, rather than just 'considered' as currently required under the Public Services (Social Value) Act 2012. It notes that unnecessary burdens should not be placed on commercial teams or suppliers. It also published PPN6/20 in relation to social value for central government and PPN 11/20 to encourage the use of additional freedoms following Brexit for procurements below the regulatory threshold, giving the potential to reserve the procurement by supplier location and to SME/VCSE in appropriate circumstances.

[009681-LDC-CJEC 11 May 2021]

8 Risk management implications

- 8.1 As the council and the district start to recover from the impact of the Covid pandemic, the CWB approach set out in this report is intended to help address the social and economic challenges which face the area. The main risks around this approach are;
- a) That further outbreaks of Covid impact on the council's capacity to deliver.

- b) That the council is adversely impacted financially by the pandemic to the extent that it limits capacity to deliver this strategy. This risk is mitigated by the Recovery and Reset programme which is taking a careful and planned approach to addressing budget challenges corporately.
- c) That other anchor institutions do not engage or wish to participate in this approach. This risk is being managed by early and continuing engagement with local partners through Recovery Summits, and also through established partnership bodies such as GBEB and Team East Sussex.

9 Equality analysis

- 9.1 Targeting and addressing inequality in the district is central to what the CWB agenda is aiming to achieve. Potentially it will go far in supporting the council to meet its Public Sector Equality Duty, particularly around advancing equality of opportunity. Following consideration of the draft Strategy by Cabinet, an equality and fairness analysis will be undertaken to ensure all opportunities for reducing inequalities through this work are maximised, and due consideration given to the make-up of our local communities.

10 Environmental sustainability implications

- 10.1 Within the Corporate Plan the objectives around CWB, carbon reduction and sustainability are intrinsically linked. For example the council has committed to use its power as a public sector body to buy and procure locally, and create local supply chains and ecosystems of enterprises, focussing on decarbonising our housing stock, through use of circular economy principles. It is also stated in the Corporate Plan, in relation to CWB, that the council will develop local skills, supply chains and employment through partnership working with public sector organisations, social enterprises, cooperative businesses, as well as other forms of business, particularly focussing on clean, green technologies.

11 Appendices

Appendix A - Re-imagining Lewes District Community Wealth Building Strategy

12 Background papers

None

Re-imagining Lewes District Community Wealth Building Strategy

Introduction

Lewes District Council is committed to building and retaining wealth within the district for the benefit of local communities and the local economy. This strategy sets out how the council will drive forward this ambition using Community Wealth Building (CWB) principles, building on the research and analysis undertaken in conjunction with the Centre for Local Economic Strategies¹ in 2020.

A short-term action plan was adopted in 2020² which has already delivered a number of initiatives and interventions which will contribute to local wealth building. This strategy builds on that work and sets out a longer-term, five year vision for the realising of a transformational approach as the district recovers from the Covid pandemic.

1. Lewes District Council as a Community Wealth Building Council

The council, along with local other publicly funded bodies, makes a significant contribution to the local economy, both as employers and as holders of land and property assets. (We call these bodies Anchor Institutions). By changing the way we and other Anchor Institutions act, as employers, how we spend our money and use our assets, we can make a real difference to the way our economy operates, and how it benefits local people. This is central to CWB.

The council is embedding CWB approaches within the planning and delivery of its services. Along with this, as the democratically elected body covering the geography of the Lewes District, the council is well placed to take a community leadership role in relation to CWB. It plans to be proactive in delivering its commitment to CWB principles not just in how it delivers its own functions, but also in how it works with, and influences, other key partners – statutory, voluntary, community and business – across the district.

In line with the Re-imagining Lewes District action plan:

- We have hosted a series of Recovery Summits bringing together key local stakeholders and Anchor Institutions to explore CWB principles and gain multi-agency buy-in to this approach.
- Partners in Team East Sussex have been influenced to ensure the East Sussex Economy Recovery Plan - 'East Sussex Reset' - included CWB approaches. To this end, Mission 1 of this document is entitled 'Thinking Local Acting Local' and

¹ <https://cles.org.uk/>

² [https://democracy.lewes-](https://democracy.lewes-eastbourne.gov.uk/documents/s18556/Community%20Wealth%20Building.pdf)

[eastbourne.gov.uk/documents/s18556/Community%20Wealth%20Building.pdf](https://democracy.lewes-eastbourne.gov.uk/documents/s18556/Community%20Wealth%20Building.pdf)

states that *“It makes sense for businesses and public sector organisations to focus their procurement on local contractors, suppliers and providers. This helps to support local employment and training too.”*³

- We have appointed officer and Councillor champions, and established an officer working group within LDC to drive this work forward corporately.
- The critical relationship between CWB and delivering sustainability has been made explicit, through the adoption in February 2021 of the Climate Change and Sustainability Strategy.

Our future commitments are:

- Building on our actions of the past year, we will continue to take a community leadership role to engage further with key stakeholders with the aspiration to establish an Anchor Network for the district. The purpose of the Network would be to foster a shared understanding of, and shared commitment to, CWB principles. More importantly, however, the Network would identify and commit to tangible actions which can be delivered by agencies individually, or in partnership, which will contribute to local community wealth building.
- As part of Team East Sussex we will work with others in that partnership to realise the Think Local Acting Local commitment within the East Sussex Economy Recovery Plan.

2. Progressive procurement of goods and services

The council spends approximately £6m on goods and services each year. We are committed to reviewing our commissioning and procurement activities in order to maximise the positive impact this can have on our local economy.

In line with the Re-imagining Lewes District action plan:

- We have appointed a Strategic Procurement Manager to oversee our approach to commissioning and procurement going forward. This role has been seconded from Orbis, a shared services Partnership between East Sussex County Council, Surrey County Council and Brighton and Hove City Council. This has enabled us to benefit from the knowledge, skills and experience within the wider sector, in particular around the application of social value legislation.
- We have mapped our current contract arrangements including contract renewal dates.

³ <https://www.eastsussex.gov.uk/media/16223/east-sussex-reset-recovery-as-opportunity.pdf>

- All our current contracts have been reviewed and we have analysed our spend data to understand spend patterns and assess the potential for improving the proportion of spend directly benefitting local communities.
- A Social Value Charter has been developed based on the Orbis Model. This along with an Employment and Training Plan has been included in current development tenders.
- We have considered our current approach to social value monitoring, which is focused on local labour agreements, in order to determine how the approach could be extended to other social value agreements.
- Procurement Forward Plans are being developed which will enhance our ability to work more collaboratively with other Local Authorities and Anchor Institutions and give us more scope to work with local providers to enable them to bid for contracts.

Our future commitments are:

- Building on our actions of the past year, we will, over the coming year, share the procurement analysis work we have undertaken with the Anchor Network and engage partners in wider investigation of procurement opportunities and approaches which support local and small suppliers.
- We will produce a revised procurement strategy, and associated contract procedure rules, enabling the council to give weighting to local suppliers in some circumstances, in line with the recently published government Procurement Policy Note 11/20⁴.
- By the end of 2021, we will establish a clear and consistent process to enable additional social value to be leveraged through procurement. Central Government departments are required to apply a minimum of 10% weighting for Social Value when evaluating tenders and we will, where practical, align our processes to this best practice⁵ guidance being achieved in contracts above £100k.
- As part of our project to decarbonise our council housing stock, we will work to develop local supply chains which can help deliver this programme of retrofit (the scope and prioritisation of which will be determined by the Council's stock condition survey) and new build.

⁴ <https://www.gov.uk/government/publications/procurement-policy-note-1120-reserving-below-threshold-procurements>

⁵

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940827/Guide-to-using-the-Social-Value-Model-Edn-1.1-3-Dec-20.pdf

- We are currently in the process of bringing our Public Convenience Cleaning and Office Cleaning contracts in-house and this should be completed by September 2021. In future, when external contracts are ending we will actively consider insourcing as an option to further community wealth building objectives.
- We will report annually on the proportion of council budgets spent with local suppliers.

3. Fair employment and just labour markets

The council employs around 760 fte across LDC and EBC. Twenty one percent of these live in District of Lewes, and the vast majority of staff (95%) live within East Sussex or Brighton and Hove. Less than 5% live further afield. Our recent move to more flexible working has been well received by staff and a recent staff well-being survey the majority of our staff consider that they have a good work/life balance. We are committed to providing our staff with fair and just employment and are working towards becoming a Living Wage employer.

Beyond this, we want our organisation to be an exemplar to others and we want to use our community leadership role to encourage other employers, across all sectors, to be good employers and to commit to paying a Living Wage⁶.

In line with the Re-imagining Lewes District action plan;

- We have developed a deeper understanding of the council's workforce by analysing data that our staff provide us with, about how they feel about work, about their protected characteristics under the Equality Act, and also about where they live and their relationship to the local area.
- We are exploring Living Wage accreditation with the Living Wage Foundation.
- Our Training and Development guidance for staff has been refreshed to embed work force development principles that are in line with CWB.
- A Technical Advice Note on Local Employment and Training has been adopted, requiring developers to commit to creating employment and training opportunities for local residents to ensure that development directly benefits our communities.

Our future commitments are;

- We will build anchor relationships around employment and labour force matters, to share best practice and encourage joint approaches

⁶ <https://www.livingwage.org.uk/what-real-living-wage>

- We will explore the potential for a Good Employment Charter for the area, initially developing a charter for the council to commit to (by Dec 2021), but with a view to encouraging other local Anchor Institutions and employers also to sign up to this.
- We will continue to make best use of the apprenticeship levy to maximise apprenticeship opportunities within the council.
- We will introduce new approaches to recruitment by December 2021, and continue to explore opportunities thereafter, to target lower income communities and those furthest away from the job market.
- We will work to enable the Lewes district to become a Living Wage Place⁷ to spread to Lewes and will actively promote it with local businesses.

4. Socially productive use of land and assets

The council owns a significant number of assets in the district in the form of buildings and land. Over time the use of, or need for, such buildings and land can change. In light of this, we are committed to regularly reviewing our assets and being open and flexible in our consideration of how they could be used in the future. We are keen to ensure that future use maximises community benefit and community wealth building opportunities, whilst balancing this against the need to seek best value in relation to public funds and to maintain a sustainable financial position as a council.

In line with the Re-imagining Lewes District action plan;

- We have undertaken a review of all our corporate and commercial assets and given consideration to how they may support insourcing and social entrepreneurialism. As a result of this we have identified which sites already support the CWB agenda and which sites could, in future. Where expressions of interest are sought for vacant properties, these now contain a section requiring proposers to provide evidence of how they will support the Re-imagining Lewes District action plan and specifically CWB.
- A similar strategic review of the council's housing land and assets, within our existing estates and communities, is underway which will help to identify further opportunities to deliver more homes and community-led initiatives.
- We have embedded sustainability within our Employers Requirements, incorporating a dedicated checklist, which will guide the future design of new buildings within the district.
- The 'meanwhile use' of a number of council assets has been enabled including the development of the Sidings and Railway Quay, re-animating a key site that

⁷ <https://www.livingwage.org.uk/living-wage-places>

adjoins the former UTC building in Newhaven, and also 4 Fisher Street in Lewes which is being partially let to local community organisations and local businesses.

- We are exploring options for ways in which Southover House in Lewes and the old University Technical College building in Newhaven could contribute to CWB objectives.
- We have appointed a council lead for Community Land Trusts (CLTs) and Community led housing. This postholder is currently working with the various CLT's formed across the district to help enable new initiatives by identifying land, providing technical support, and acting as a conduit with central government to unlock available grant funding opportunities.

Our future commitments are:

- Building on our actions of the past year, we will continue to develop, and then subsequently deliver, plans around the future use of Southover House, Lewes which will promote wealth building in the district, whilst also ensuring we continue to maintain a council reception facility for our customers in the town.
- We will incorporate social value into our sustainability checklist in planning and build CWB approaches into future planning policies.
- We will continue to explore how the council may utilise a range of different delivery vehicles to make local land and assets work for community wealth building outcomes.
- Working with local businesses and community organisations we will deliver new facilities and opportunities for our residents, with the aim of revitalising and regenerating our area. This will include the bid to the Towns Fund for Newhaven set out in the Town Investment Plan.
- We will work to enable the re-use of key vacant and underutilised assets within Newhaven town centre following the announcement of the Future High Streets Fund grant award, with an emphasis on local and community benefits.
- A range of forms and types of community-led housing will continue to be explored, including opportunities to utilise smaller parcels of land for self/custom build, where we will seek to take advantage of all available government grants.
- Building upon the council's capital programme for housing delivery in accordance with the Corporate Plan target, we will continue to also work with the public sector through the One Public Estate (OPE) to maximise the combined asset base of the sector. This will also include the continued enabling of other private schemes to increase the overall supply of new homes, promoting CWB objectives through procurement, apprenticeships, training and skills.

5. Making financial power work for local places

The council, with an annual revenue budget of around £13m, has significant spending power. Section 2 of this strategy sets out how the council will use its procurement power to further community wealth building objectives.

Beyond this, there are a variety of ways in which the council can enable, influence and support within the local area to make financial power work for local places. This section explores what the council has done already to this end, and what more it has planned.

In line with the Re-imagining Lewes District action plan:

- We have lobbied ESCC regarding policies relating to its Pension Fund.
- We are working with partners to develop Low Carbon investment propositions for everyday investors. This may be in the form of a council backed community municipal bond or working with community energy companies to enable them to release their own bonds and investment opportunities.
- We are using our influence through Coast to Capital and South East Local Enterprise Partnerships, and the Greater Brighton Economic Board, to discuss how to lever the resources of these boards for the creation of a regional community investment bank.
- Through the LGA Net Zero innovation fund we have run a series of workshops to explore how community municipal bonds could be used to add a community wealth element to any capital project utilising council funds or borrowing.
- Work is underway on developing a Modular Housing Framework. We are currently out to tender to appoint a single contractor to deliver our housing development programme, which is primarily for affordable housing. As well as providing accessible housing for the wider community, one of the main purposes is to engage with local contractors, to target contracts that fundamentally support training and employment for local people. By providing a solid pipeline of orders for a modular manufacturer they will be able to invest in a local workforce and offer economies of scale which has been recognised nationally as a weakness in the industry. The majority of new schemes delivered via the framework will be subject to a Local Labour Agreement, which includes an Employment and Training Plan (ETP). This sets out the obligations of the contractor to provide apprenticeships, work experience, NVQ qualifications etc. for each development worked on.

Our future commitments are:

- Building on our actions of the past year, we will apply our learning from the pilot work around community energy to consider future investment opportunities.
- We will complete work on our Modular Housing Framework as a vehicle for investment in our local workforce.
- We will build on the outputs of the LGA Net Zero Innovation fund work to develop a pipeline of projects to be funded using community wealth building financing options.

6. Plural ownership of the economy

As part of its commitment to Community Wealth Building, the council is keen to promote local social entrepreneurialism and community ownership models such as cooperatives and community interest companies. We look to do this by making our assets available, where possible, to support such activities, by giving business advice that is tailored to these forms of ownership and by raising the profile of such approaches in the area.

In line with the Re-imagining Lewes District action plan;

- We have extended our LEAP business support programme to offer a dedicated focus on social enterprises, building on the success of the programme in supporting new private and social enterprise start-ups.
- Through 3VA, to whom we provide core funding, training has been delivered locally on how to set up Charitable Incorporated Organisations and Community Interest Companies.

Our future commitments are;

- Building on our actions of the past year, we will maintain and build on our links with key community infrastructure organisations, such as 3VA, Sussex Community Development Association and Action in Rural Sussex, in order to take a partnership approach to promoting community ownership models.
- We will continue to use the LEAP business support programme to support new social enterprises.
- We will develop and deliver a range of other projects and interventions which promote and enable social entrepreneurialism in the district.

Measuring success

The purpose of Community Wealth Building is to create and retain as much wealth as possible in the local economy; creating opportunity locally, creating new local jobs and new locally owned enterprises. Therefore the success of this strategy will be measured by

the experiences of local people, in terms of jobs for local people, wages sufficient for people to live happily and healthily and local businesses that thrive and can give back to the local area. More fundamentally, we hope to see more fair and equal communities as a result.

Specifically, for the council, we will measure our success through measures including;

- An increase in the proportion of council goods and services being purchased from local suppliers and contractors
- An increase in the proportion of council assets adding community value (in both 'meanwhile' and long term use)
- Number of units delivered for / via community-led housing
- Number of apprenticeships secured via directly delivered development schemes

More widely in the district we will measure the impact of our community wealth building approaches through the following metrics, recognising that these can also be influenced by a wide range of factors outside of council control;

- Reducing unemployment levels
- Increasing small and medium sized enterprises setting up and thriving
- Increasing levels of social entrepreneurship
- Increasing numbers of business committed to the Living Wage

Implementation

This strategy will drive forward the council's work in relation to Community Wealth Building over the next 5 years. The work will continue to be steered internally through the CWB delivery group, and on a multi-agency basis through the Anchor Institution Network. An annual report will be submitted to update on progress.