

Report to: Cabinet

Date: 26 September 2024

Title: Community Wealth Building update

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

Cabinet member: Councillor Zoe Nicholson, Leader of the Council and Cabinet member for finance, assets and community wealth building

Ward(s): All

Purpose of report: To provide an update on the progress of the Community Wealth Building programme

Decision type: Key decision

Officer recommendation(s):

- (1) To note the progress made in delivering Community Wealth Building
- (2) To note and adopt the Community Wealth Building Strategy set out in appendix 1
- (3) To agree to an approach being made to East Sussex Pension Fund seeking agreement to invest more in local projects to retain wealth and create jobs locally.

Reasons for recommendations:

- (1) The Council is committed to developing a Community Wealth Building approach as part of the Corporate Plan 2024-28. This report is the annual update on this work to cabinet.
- (2) The strategy document would provide a public facing overview of the Council's activities and future plans in relation to community wealth building.
- (3) East Sussex Pension Fund could provide a significant contribution to the local economy if it invested more in local projects, which could benefit residents, but also many members of the scheme who may live in the area.

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1 Introduction

1.1 In its 2024-28 Corporate Plan, Lewes District Council committed to Community Wealth and Wellbeing (CWB) as one of its five key areas to focus on over the next 4 years. The aim of CWB is to use the combined power of institutions, businesses and communities to retain and create more wealth in the local economy, creating new local jobs and new locally owned enterprises. There are 6 main pillars of our community wealth building strategy:

- Lewes District as a community wealth building council
- Progressive procurement of goods and services
- Fair employment and just labour markets
- Socially productive use of land and property
- Making financial power work for local places
- Plural ownership of the economy

1.2 An officer working group meets regularly and 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 Climate and Nature strategy. This report is the annual update of progress made on the council's action plan.

2 CWB update

Lewes District Council as a Community Wealth Building Council

2.1 The council, along with local other publicly funded bodies, makes a significant contribution to the local economy, both as an employer and as a holder of land and property assets. By changing the way that we and other local organisations 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 continues 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.

- 2.2 To help develop our approaches locally, council officers have met regularly with representatives from the Centre for Local Economic Strategy (CLES), the national think tank for CWB, to learn about best practice around the country.
- 2.3 Since the inception of the CWB approach, the council has also engaged with key local and regional partners (such as East Sussex County Council, local universities, colleges, Sussex Community Development Association and others) to discuss opportunities to collaborate on CWB. We will continue to work with partners to share best practice and embed CWB principles wherever possible.
- 2.4 The council has joined the Co-operative Councils Innovation Network. This network is a group of councils committed to applying and sharing best practices around cooperative principles in local government. The work of this Network closely aligned with the principles of CWB. The council has submitted a case study on our community wealth building programme to highlight our activities so far and will continue to actively engage with the network.
- 2.5 One of the main suggestions that cabinet provided at last year’s annual update was to encourage officers to think not only about narrow measures on income/expenditure and economic growth, but to explore ways to model the local economy based on a broader set of values and especially how the economy connects to wellbeing. In response, the council has adopted the Thriving Places Index to track outcomes across a range of measures such as equalities, community participation and the health of local nature. It is a measure that Kate Raworth, the economist and author of Doughnut Economics has recommended. She said:

“The Thriving Places Index is a brilliant tool for debating what we think matters most in our lives, exploring just how different parts of the UK are doing, and asking why there are such vast differences between them. This is just the kind of metric needed to steer us wisely through the 21st century.”

The Thriving Places Index is compiled by the Centre for Thriving Places, a non-profit consultancy and the Centre for Urban Wellbeing, a research centre at the University of Birmingham. The scorecards below are for Lewes District and they show a significant improvement over the last three years of available data, especially for the equality score which has improved largely due to narrowing of the income gap between genders. A full list of indicators is available on their website.



Progressive procurement of goods and services

2.6 The council has produced a Sustainable Procurement Policy. Committing to a sustainable approach to procurement is part of meeting the council's climate objectives and wider environmental ambitions, but it is also about generating local wealth for the economy and providing opportunities for community groups in a way that is interconnected. A key part of delivering this sustainable and interconnected way of procurement is to engage with communities and contractors, from the outset, but also during the course of the procurement, to identify practical opportunities for council contracts to add environmental, economic or social value to the area, or to mitigate potential adverse impacts where they might arise. This Sustainable Procurement Policy will form an integral part in how the council evaluates tenders and potential providers during its procurement process.

2.7 Officers carry out an annual analysis of the council's spending on goods and services to measure what proportion of our spending is within the district. The following table shows the breakdown over the last 4 financial years.

	2020-21	2021-22	2022-23	2023-24
Total spend*	£22,854,766	£25,877,108	£34,978,290	£40,866,998
Local spend (within LDC postcodes)	£5,368,632	£5,320,616	£9,723,823	£10,051,775

*N.B. These figures exclude spend on councils, transfers to bank accounts, police & fire precepts, transfers to government departments etc. The aim is to focus on what we are spending on suppliers. We have also removed Covid grants and energy bill support grants as these distorted the data from the last few years.

2.8 The council has almost doubled its spending with local suppliers from £5.4 million in 2020-21 to 10.1 million in 2023-24. Since the last financial year, the proportion of total spend that is local has dropped slightly from 28% to 25%. Our analysis suggests that this has been partly due to significant investments in new electric vehicles for food waste collection and electric vehicle charging points which were sourced from outside the district. If the geography is broadened to regional spend as a percentage of total spend (defined as any postcode within, or partly within the boundaries of Sussex) the figure is 59%, suggesting that the council is sourcing most of its goods and services from within Sussex and its vicinity.

Fair employment and just labour markets

2.9 The council employs around 760 fte (full time equivalent) staff 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.

- 2.10 The council is committed to providing staff with fair and just employment and is exploring the possibility of becoming a Living Wage employer. Beyond this, the intention is to enable the council to be an exemplar to others and to use our community leadership role to encourage other employers, across all sectors, to be good employers and to commit to paying a Living Wage where possible.
- 2.11 The real Living Wage is set by the Living Wage Foundation and is currently £12 across the UK, outside of London (in London it is £13.15). The real Living Wage is the wage rate necessary to ensure that households earn enough to reach a minimum acceptable living standard as defined by the public. The real Living Wage rate is determined each year in the Autumn.
- 2.12 Officers have met with the Living Wage Foundation to discuss the process of applying for accreditation. Careful consideration will need to be given to the potential budgetary impacts of committing to the living wage. Although currently all staff undertaking work for LDC do meet the Living Wage this will need to be reassessed once the living wage rate is updated in the Autumn. A further report relating to this will follow in due course.

Socially productive use of land and assets

- 2.13 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. The council is committed to regularly reviewing these assets and being open and flexible in consideration of how they could be used in the future. Through the CWB approach we have worked to ensure that the use of assets continues to maximise 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.
- 2.14 A significant example of socially productive use of assets is that the council has moved its offices from Lewes to the vacant Marine Workshops in Newhaven, a former technical college, which was acquired by the council in order to support the regeneration of Newhaven town. The building is being developed into a mixed space supporting marine ecology and education, commercial space and new public space. East Sussex College Group has moved into the building and is providing courses in environmental science, biology and marine biology and ocean ecology. A Blue/Green Hub has been opened, providing space for community groups and partners in the environmental sectors to work more closely and collaboratively with each other and with the council in Newhaven. BN9 studio exhibition space has opened on the top floor displaying local artwork and Mamoosh, a local bakery, has opened a riverside Deli on the ground floor.

The council has maintained a presence in Lewes by repurposing a vacant shop in the town centre to provide a customer contact centre. Meanwhile, the former council office building in Lewes has been leased to Charleston Trust, an arts and heritage organisation who are using the building as a gallery and exhibition

space which will contribute to community wealth by further developing the strong visitor and cultural economy of the town. Since opening its exhibition space in September 2023 Charleston in Lewes has welcomed more than 30,000 visitors and said early research indicates that three quarters of them have gone on to visit shops and other attractions in the town. A more comprehensive economic impact assessment is being commissioned and is expected to be completed in Autumn 2024.

2.15 In Newhaven, several under-utilised buildings in the Town Centre are currently being developed to create a new health and wellbeing hub for the town. The project will see a new Health & Wellbeing Hub created that will include a new home for Chapel Street Surgery and Quayside Medical Practice and the further development of the Primary Care Network, a new pharmacy and the expansion of Wave Active at Seahaven Swim & Fitness and its integration with healthcare to support the health, wellbeing and rehabilitation of patients.

2.16 The council's housing delivery programme has been prioritising building on brownfield sites, which are typically ignored by the private sector due to the additional challenges and costs of such locations. An example of this is the purchase of the former police station in Newhaven to develop into Stowe Place, providing affordable and sustainable housing. Stowe Place opened in May 2024 with each of the 21 properties using electricity instead of gas all. Hot water is generated by air source heat pumps for the two houses and air-water heat pumps for the 19 flats. The roof is covered by solar panels, mechanical ventilation with heat recovery is installed and all the lighting is low energy. Bee bricks and a swift box have also been installed to support biodiversity.

The Council continues to work closely with local education partners, including the East Sussex College Group (ESCG), to ensure opportunities for apprenticeships and work placements are integrated and embedded within the capital development projects delivered including those for new homes.

Making financial power work for local places

2.17 Making financial power work for local places means using financial resources in a way that encourages wealth to circulate within the district, creating jobs and opportunities for local people. It could include pensions, credit unions, grants and loans.

2.18 Lewes District Council is participating in a national pathfinder pilot scheme that allows the council a more flexible approach to how it uses £37 million in government funding allocations. Lewes District Council is one of only 10 local authorities nationally that has been invited onto the pilot. It consolidates the Future High Streets Fund, Town Deal and Levelling Up Fund capital funding programmes being delivered in Newhaven.

Part of the funding will be used for the 'capturing the value of the catch project' aiming to stimulate Newhaven's fishing industry by providing two new fish landing stages to accommodate 16 small vessels from the Newhaven fishing fleet, build a New Centre of Excellence for Seafood Processing in the town

including an auction room and marketplace, and create a new restaurant and community destination on the promenade area by West Beach. The purpose of this project is to retain spending in Newhaven for longer and stimulate a local market for fish, creating jobs and wealth locally.

In July 2024, the planning committee at Lewes District Council approved the redevelopment of the promenade above West Beach in Newhaven including a new restaurant, outdoor gym, children's play area and improved pedestrian links. The aim is to enhance the appeal of the area for residents and visitors.

2.19 In June 2024 the council approved a loan of £100,000 to Wave Community Bank, which is a not-for-profit co-operative that is owned and controlled by its members. It exists for the benefit of its members, who may be customers, workers, suppliers, or the wider community. It operates for the benefit of people living or working in East Sussex, Brighton and Hove, Kent and Medway. The loan provides a low-risk opportunity to strategically invest in a local, ethical, not-for profit organisation that provides safe, affordable, accessible financial products to some of the district's most financially excluded and at-risk residents.

2.20 East Sussex Pension Fund holds assets worth over £2.5 billion (according to their website as of 2021). It has over 85,000 members. The County Council administers the Fund and provides benefits for:

- East Sussex County Council employees
- Brighton & Hove City Council employees
- Five borough and district councils (including Lewes District Council)
- Academies, universities and colleges
- Public authorities and staff transferred to admitted bodies.

In its 2020 diagnostic report, produced on behalf of the council, the Centre for Local Economic Strategies recommended that the council lobby the East Sussex Pension Fund to invest more funds in local infrastructure projects. It said:

“As a significant contributor to the fund, LDC can develop investment propositions which meet the funds equity benchmarks and also support Corporate Plan objectives, reviewing the ability of the council to influence where its pension investment is directed. Specifically, capital intensive projects such as housing/property construction/purchase/retrofit or renewable energy projects would deliver Council objectives while providing returns on investment.”

One of the recommendations in this report invited members to consider the option of lobbying East Sussex Pension Fund to explore ways it could invest in more local infrastructure projects to benefit the local economy. On its website, the Centre for Local Economic Strategy highlight the case study of Lancashire County Pension Fund. It said:

“As part of the Preston and Lancashire City Deal, Lancashire County Pension Fund will invest in local schemes on a commercial basis, concentrating more future investment into the Preston and Lancashire area. The fund has already invested in student flats, and hotel and office space in Preston.

Using the local pension funds to support local investment priorities, Preston City Council has already taken steps to ensure that its large public pension investments are utilised for social good, using this money to fund housing development in the city centre.”

In line with this, Cabinet is recommended to agree such an approach to the East Sussex Pension Fund.

Plural ownership of the economy

- 2.21 The council funds Lewes District Business Start-up programme delivered by ‘always possible’ in order to support entrepreneurs and social enterprises. The three-part programme started in July 2024 and consists of three modules to help entrepreneurs at different points in their start-up journey.

Part one, designed to help pre-starts transform their ideas into actionable plans, started in July with an in-person workshop. 14 people are currently enrolled who need to submit their Business Model Canvas plans by the end of September in order to progress onto Part two.

Part two’s online and in-person workshops focus on foundational business skills such as financial management, marketing and customer management. The module will also help entrepreneurs develop their own 12-month business plans.

Part three consists of peer-to-peer sessions and one-to-one mentoring focusing on business growth, recruitment, funding models and impact measurement.

Lewes Community Wealth Building Strategy

- 2.22 Appendix 1 is the draft Lewes Community Wealth Building Strategy. This summarises the progress so far and includes actions to be delivered over the next 4 years. It is intended as a short public facing document which would be uploaded to the website. Members are invited to approve the strategy.

3 Consultation

- 3.1 Consultation on CWB occurs through on-going dialogue with officers within the CWB Delivery Group as well as with external partners such as the national think tank for CWB, the Centre for Local Economic Strategy, and with partners in the region.

4 Corporate plan and council policies

- 4.1 CWB is identified as one of 5 key areas in the Corporate Plan 2024-28

CWB is complimentary to and has crossovers with the other council priorities identified in the corporate plan – especially ‘climate, nature and food systems’ and ‘delivering homes’. To reflect these crossovers, officers with sustainability and housing remits are part of the CWB delivery group.

5 Financial appraisal

- 5.1 No new financial implications. Report is an update and not requesting any new funds to be allocated.

6 Legal implications

- 6.1 There will be a need to address the detailed legal issues that arise in taking forward individual elements of the Lewes Community Wealth Building Strategy 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.

- 6.2 [013267-LDC-KS 27 August 2024]

7 Risk management implications

- 7.1 There are a range of risks associated with delivering the CWB programme: policy risks, coordination risks and financial risks.
- a) Policy risks arise from attempting to deliver a political programme that is different from national government priorities making it more difficult to attract support and finance for delivering CWB objectives at a local level.
 - b) Coordination risks refer to the challenges we face implementing CWB at a small geographic and administrative level as a district council rather than a city council or combined authority. Many other authorities focusing on delivering community wealth are able to operate at a larger scale. This is a risk because many of our key partners are responsible across larger parts of Sussex, which means our priorities in CWB might not neatly align with their strategic priorities. We are attempting to mitigate this risk by building networks and partnerships with these organisations to identify opportunities to work together on CWB.
 - c) Financial risks due to constrained local government finances mean that there are limited resources to deliver the programme. This could mean that the range of financially viable interventions is narrow and could hinder progress in delivering community wealth.

8 Equality analysis

- 8.1 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. Last year's Equalities Steering Group identified two areas to address in the CWB program: provision of English as a Foreign Language locally, and skills training for people changing roles. Both of these suggestions have been explored and existing provision of these is already in place. Officers will continue to monitor equalities impacts and especially the Thriving Places Index measures for equalities data, which have shown an encouraging improvement in the score between 2020-2022 which is the latest data. The improvement has largely been due to narrowing of gap in income levels between genders.

9 Environmental sustainability implications

- 9.1 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.

10 Appendices

- 10.1 Appendix 1 – Community Wealth Building Strategy

11 Background papers

- 11.1 None