

**Report to:** Cabinet

**Date:** 14 September 2023

**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 Delivery plan.

**Decision type:** Non-key decision

**Officer recommendation(s):**

- (1) To note the progress made in delivering Community Wealth Building and to agree the new Delivery Plan set out in Appendix A.
- (2) To note Lewes District Council's application to join the Co-operative Councils Innovation Network.

**Reasons for recommendations:**

- (1) The Council is committed to developing a Community Wealth Building approach as part of the Corporate Plan adopted in February 2020. This report is the annual update on this work to the Cabinet.
- (2) Joining the Co-operative Councils Innovation Network would enable sharing of best practice on issues relevant to our community wealth building delivery plan.

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## **1 Introduction**

1.1 In its 2020-2024 Corporate Plan, the Council made a strong commitment to community wealth building (CWB) alongside complementary commitments to sustainability and affordable housing. The aim of CWB is to use the combined power of institutions, businesses and communities to retain and build more

wealth in the local economy, 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:

- Plural ownership of the economy.
- 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 Strategy’ as a vehicle for embedding CWB principles across the Council and within the district. The six themes of the Strategy, which link to the CWB pillars, are:

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

1.3 An officer working group was established in 2020 to drive forward this work, reporting regularly to the Deputy Chief Executive and Director of Regeneration and Planning. This group has been 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. This report is the annual update of progress made on the CWB Delivery Group’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 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.

- 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. The Council has recently collaborated with CLES to deliver a briefing to Members on how CWB is in line with similar approaches to economic development such as 'Doughnut Economics' – a sustainable economic model put forward by the economist Kate Raworth.
- 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, the universities, colleges, Sussex Community Development Association etc) 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 successfully applied to join 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.

#### Progressive procurement of goods and services

- 2.5 Through CWB, the Council is committed to reviewing its commissioning and procurement activities to maximise the positive impact this can have on the local economy. The procurement of works and services are undertaken using the Council's adopted Social Value Charter. The Charter considers and assesses important elements over and above financial cost. This aims to ensure sustainability and additional value to the local community. The Charter encourages the use of local Small and Medium Enterprises (SME), which in turn increases local employment opportunities. The charter also encourages training support, work experience and apprenticeships delivered through projects that the Council procures.
- 2.6 The Council has insourced its public convenience cleansing service and also its office cleaning contract. This has been done in line with CWB principles in order to ensure good employment rights for staff. In addition, we have shifted to more local providers delivering some aspects of our housing repairs, so that more locally based and locally run businesses are benefitting from the delivery of this work for the Council. This ensures more wealth is retained locally.
- 2.7 A modular housing framework has been established for the Council, and other councils, to use. A local contractor, Boutique Modern has, through this framework, been able to establish a substantial program of works, using modern sustainable construction techniques. Eastbourne and Hastings Councils have also already benefitted from this framework, alongside LDC, through the same framework agreement.
- 2.8 Officers have carried out an 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.

	2019-2020	2020-2021	2021-2022	2022-2023
Total spend*	£22,085,712	£22,854,766	£25,877,108	£34,978,290
Local spend (within LDC postcodes)	£6,921,251	£5,368,632	£5,320,616	£9,723,823

\*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.

- 2.9 Between 2021-2022 and 2022-2023 there has been a large increase in total spending, but also an increase in the proportion of that spending that is spent locally from 20.6% to 27.8%. Our analysis suggests that this is largely due to an increase in spending on a range of projects within Newhaven and encouragingly, from a CWB perspective, many of the suppliers are within the district too. Given the number of projects in Newhaven, underway and in the pipeline, there is good reason to expect this trend to continue.

#### Fair employment and just labour markets

- 2.10 The Council employs around 760 FTE (full time equivalent) staff across LDC and EBC. Twenty one percent of these live in the district of Lewes, and the vast majority of staff (95%) live within East Sussex or Brighton and Hove. Less than 5% live further afield.
- 2.11 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.
- 2.12 The real Living Wage is set by the Living Wage Foundation and is currently £10.90 across the UK, outside of London (in London it is £11.95). 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.
- 2.13 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

- 2.14 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.

- 2.15 The headlease to The Marine Workshops (former UTC) was acquired by the Council in June 2022 in order to support the regeneration of Newhaven town. The building is being developed into a mixed hub supporting marine and education, commercial space and new public space. Work is continuing on developing the tenant occupation of the building and the Council is the process of relocating to this site. With the assistance of the Getting Building fund, we continue to make sustainable alterations to The Marine Workshops. The building will also, from September 2023, provide accommodation for East Sussex College Group where it will be a 'blue space/climate hub' for aquaculture and marine based industry and training.
- 2.16 The Council has maintained a presence in Lewes by repurposing a vacant shop in the town centre to provide a customer contact centre. Meanwhile, Southover House has been leased to Charleston Trust, an arts and heritage organisation who plan to use 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.
- 2.17 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.
- 2.18 Using the principles of 'meanwhile use', the Council is also allowing spaces for Lewes Community Volunteers and Lewes Climate Hub to deliver their services in Lewes. In Newhaven a longer-term 'meanwhile use' has been provided to The Sidings, a bistro style waterside café close by to the Marine Workshops.
- 2.19 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. This has helped to promote local regeneration and place making improvements. An example of this is the purchase and development of the former Police Station in Newhaven. This has involved the re-use of public sector land, through the One Public Estate (SPACES) partnership. If the Local Authority did not use its position in the community to intervene and make best use of these sites, then they would be unlikely to come forward, specifically to support local priorities.

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

- 2.20 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.
- 2.21 The Council has been allocated £12.8 million from the Levelling Up Fund for the 'capturing the value of the catch' project in Newhaven. The project aims to: Provide 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.
- 2.22 In 2020, the Council designed and implemented a new grants programme which allowed an open bidding process for a wider range of voluntary and community groups to apply for grants for the first time. Additionally, a unique fund was created to support those fleeing the war in Ukraine. In addition, in response to the Cost-of-Living Crisis, the Council, during the past year, has created a specific fund and post to support the local voluntary sector as it works to support people impacted by food and fuel poverty.
- 2.23 Lewes District Council recently also provided a loan to a local community energy group to enable them to develop an innovative project in the District. The loan has now been fully repaid to the Council, with interest.

### Plural ownership of the economy

- 2.24 As part of its commitment to Community Wealth Building, the Council has been working to promote local social entrepreneurialism and community ownership models such as cooperatives and community interest companies. The main vehicle for providing this support over the past 3 years has been the Lewes Enterprise and Apprenticeship platform (LEAP) delivered by Edeal.
- 2.25 Edeal has delivered a successful Social Enterprise programme for pre-starts and start-ups consisting of a workshop and 121 mentoring. They also have a mentor experienced in supporting social enterprise which residents and businesses have been able to access via the free general support and the annual LEAP business start-up programme.
- 2.26 Between April 2018 to March 2023, there have been:
- 155 one-to-one business mentoring sessions.
  - 104 one-to-one social media training sessions.
  - 65 one-to-one specialist consultations in the form of a 'Business Review'.
  - 14 additional one day business start-up workshops with a total of 69 attendees. Workshop numbers and attendees were expected to be

higher, but funding was redirected to one-to-one advice where demand was higher in 2020 and 2021.

- 2 start-up workshops with mentoring support for social enterprises. These programmes supported a total of 14 attendees.
- 2 leadership and management workshops with mentoring support for local businesses assisting a total of 9 attendees.

2.27 Covered elsewhere on this agenda are details of a new business development programme which it is proposed will replace LEAP and is even more specifically focused on CWB principles. It is hoped that this will enable further encouragement to, and growth of, social entrepreneurship in the district.

### **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 a Council priority in the Corporate Plan 'The Re-imagining Lewes District Corporate Plan 2020- 2024' under 'Building Community Wealth - A sustainable economy that enables a fairer place to live and work'. The Corporate Plan states: "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."

CWB is complimentary to and has crossovers with the other council priorities identified in the corporate plan – sustainability and affordable housing. 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 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.

6.2 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-KS 11 August 2023]

## **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.

## **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 Action Plan.

## **11 Background papers**

- 11.1 None