

Fife Partnership Board

Please note this meeting will be held remotely

Tuesday, 2nd May, 2023 - 10.00 a.m.

AGENDA

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Head of Legal and Democratic Services
Finance and Corporate Services

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25 April, 2023

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THE FIFE COUNCIL - FIFE PARTNERSHIP BOARD – REMOTE MEETING

28th February, 2023

2.00 p.m. – 3.15 p.m.

PRESENT: Councillors David Ross (Convener), David Alexander; Steve Grimmond, Chief Executive, Fife Council; Joy Tomlinson, Director of Public Health, Tricia Marwick, Chair of NHS Fife Board, NHS Fife; Nicky Connor, Director of Health and Social Care Partnership; Mark Bryce, Area Commander, Iain Brocklebank, Area Commander, Scottish Fire and Rescue Service; Kenny Murphy, Chief Executive, Fife Voluntary Action; Lynne Cooper, Regional Engagement Partner, Scottish Enterprise; David Watt, Chair, Fife College; Anna Herriman, Senior Partnership Manager, SESTran; Evonne Boyd, Regional Partner, Skills Development Scotland and Alison Taylor, Place Director, Scottish Government.

ATTENDING: Michael Enston, Executive Director - Communities, Sharon Murphy, Policy Co-ordinator (Community Planning), Communities; Ken Gourlay, Executive Director, Enterprise and Environment; John Mitchell, Head of Roads & Transportation Services, Roads & Transportation Service, Matthew Roberts, Lead Consultant - Local Transport Strategy, Transport Networks, Susan Keenlyside, Service Manager, Sustainable Transport & Parking Joan Lamie, Service Manager (Housing Estates and Safer Communities), Housing Services; Patricia Spacey, Safer Communities Team Manager, Leisure & Cultural Services; Gordon Mole, Head of Business & Employability, Economy Planning and Employability Services and Michelle Hyslop, Committee Officer, Legal and Democratic Services.

ALSO ATTENDING: Stuart Allan, Police Inspector, Police Scotland.

APOLOGIES FOR ABSENCE: Councillor Linda Erskine; Carol Potter, Chief Executive, NHS Fife; Prof Brad MacKay, St Andrews University; Chief Superintendent Derek McEwan and Adam Smith, Inspector, Police Scotland,

17. MINUTE

The Board considered the minute of the Fife Partnership Board Meeting of 30th November, 2022.

Decision

The Board agreed to approve the minute.

18. FIFE COMMUNITY SAFETY PARTNERSHIP UPDATE

The Board considered a report by the Chief Superintendent, Police Scotland which highlighted the work of the Community Safety Partnership.

Decision/

Decision

The Board: -

- (1) reviewed the work undertaken by the Fife Community Safety Partnership; and
- (2) considered how community safety could be further embedded into the wider Recovery and Renewal agenda.

19. CONSULTATION ON THE LOCAL TRANSPORT STRATEGY FOR FIFE

The Board considered a report by the Head of Roads and Transportation Services which highlighted the proposed new Local Transport Strategy for Fife. The report requested partners to feedback and consult on the strategy during the consultation period which was currently underway, noting that this would close on Sunday, 2nd April, 2023.

Decision

The Board: -

- (1) welcomed and noted the presentation;
- (2) provided feedback on the proposed vision and priorities of the Local Transport Strategy;
- (3) acknowledged partner involvement in supporting the delivery of the strategy;
- (4) agreed to promote the consultation through appropriate channels within their partnership agencies; and
- (5) agreed to provide formal feedback on the online survey during the consultation period.

20. FIFE PARTNERSHIP LEADERSHIP SUMMITS

The Committee considered a report by the Executive Director – Communities presenting the outputs from the Fife Partnership Leadership Summits, which was held between August, 2022 and January, 2023. The Leadership Summits brought together senior officers from across the Partnership and explored the development and delivery of the strategic change ambitions, set out in the Plan for Fife, Recovery and Renewal, 2021-2024.

Decision

The Board: -

- (1) welcomed and noted the presentation;
- (2) considered the outputs identified from the leadership summit workshops and stock take event, summarised in Appendices 1 and 2 of the report; and
- (3) agreed to take the outputs from the summit to respective leadership teams for further consideration and discussion.

21. DATE OF NEXT MEETING

The next Board meeting would take place on Tuesday, 2nd May, 2023 at 10 a.m.

The Convener noted that Tricia Marwick would be stepping down as NHS Chair on 31st March, 2023 and acknowledged and extended his thanks for her valued contribution during her time on the Fife Partnership Board.

2nd May 2023.
Agenda Item No. 3

Community Wealth Building – Scottish Government Bill Consultation Response

Report by: Gordon Mole, Head of Business & Employability

Wards Affected: All

Purpose

This report sets out Fife Partnership's response to the Scottish Government's consultation on the introduction of Community Wealth Building legislation, as set out in the Programme for Government 2021.

Recommendation(s)

Fife Partnership is asked to:-

- (1) Endorse the response to Scottish Government set out in Appendix One to this report;
- (2) Note the asks of Scottish Government arising from the Community Wealth Building Bill consultation;
- (3) Note progress in Fife against delivery aims for Community Wealth Building

Resource Implications

Existing systems and processes will require to be redesigned to support both the implementation of an organisation wide CWB approach and to influence practice and cultural shifts. For anchor institutions there may be a consequential impact on existing staffing and resource priorities if they are to consider how to realign them to embed CWB practice as mainstream activity.

Legal & Risk Implications

There are no immediate legal implications arising from this report. There is increased risk that Plan for Fife ambitions will not be realised unless a different approach to economic recovery, community aspiration and climate emergency / green recovery response is delivered. The adoption of the Community Wealth Building Fife Anchor Charter will support such efforts.

There is a risk that legislative change may not assist in realising these ambitions to develop a Community Wealth Building approach in Fife.

Impact Assessment

An EqlA is not required as this report does not propose any changes to existing policies and practices. However, EqlAs may be needed around future policy changes in order to realign with CWB aims.

The Fairer Scotland Duty requires consideration of reducing inequalities of outcome caused by socioeconomic disadvantage when making strategic decisions. The strategic approach to Community Wealth Building is strongly focused on delivering fair outcomes and reducing inequality.

Consultation

The Community Wealth Building Support Group which has Community Planning Partner representation has been involved in the development of the consultation response. The Community Wealth Building Support Group reports to the Recovery & Reform Leadership Board as part of Fife Partnership governance arrangements. Fife Partnership partners were consulted in the development of the response to Scottish Government.

1.0 Background

- 1.1 Community Wealth Building (CWB) is an internationally recognised approach to economic design, to tackle long-standing economic challenges and transform local economies by considering the ways in which the public sector, in partnership with the private, third and community sectors, can ensure more wealth is generated, circulated and retained in communities and localities.
- 1.2 It seeks to use the economic levers available to ‘anchor organisations’ such as local authorities, health and social care bodies, the third sector, further and higher education institutions and enterprise agencies, to better support their local and regional economies. Anchor organisations are typically large employers with a strong local presence in an area. They can exert sizable influence through their commissioning and purchasing of goods and services, through their workforce and employment capacity and by creative use of their facilities and land assets. Positive use of these aspects can affect social, economic and environmental change in a locality or region.
- 1.3 The Scottish Government has included Community Wealth Building as a key aim within the National Strategy for Economic Transformation (NSET) published in 2021. Within NSET, the Government notes that it intends to ‘*Introduce Community Wealth Building legislation that builds on the successes and learnings of all of the Scottish Government community wealth building local and regional pilot areas in urban and rural Scotland*’.
- 1.4 Fife was identified as one of five CWB pilot areas in Scotland. As part of the Tay Cities region, Scottish Government supported the development of a Fife CWB Action Plan, delivered by the Centre for Local Economic Strategies, which has been used as the basis for a shorter-term delivery plan approved by the Fife Partnership. Anchor organisations have also committed to a Fife Anchor Charter for Community Wealth Building.
- 1.5 The Tay Cities Region Economic Strategy Action Plan, agreed by the Tay Cities Joint Committee in December 2021, provides for Community Wealth Building as a key underpinning action for employability projects and approaches across the Tay Cities area. The action plan will be updated to reflect work undertaken by individual local authorities, particularly Fife and Dundee, in advancing CWB activity.
- 1.6 The Edinburgh and South East Scotland (ESES) City Region has adopted a Regional Prosperity Framework which affirms a need to maximise the role of anchor institutions in the region, particularly through:
 - a) Procurement and buying policies, to ensure local economic impact is maximised;
 - b) Employment policy, to ensure these institutions support those further from the labour market;
 - c) Reputational impact – to ensure these bodies are beacons for the city region, nationally and internationally

- 1.7 The Regional Prosperity Framework delivery plan, adopted by the ESES Joint Committee in March 2023 focuses on three goals which will utilise a Community Wealth Building approach to activation: reduced economic exclusion; increased regional competitiveness; and accelerated transition to net zero.
- 1.8 In the Bute House Agreement, Scottish Government further committed to the introduction of Community Wealth Building legislation, noting that it '*will develop a Community Wealth Building Bill, which will focus on encouraging diverse and inclusive local economies, finance, land, and ownership models. It will include:*
- *working within and developing procurement practices to support local economies, including Small and Medium sized Enterprises (SMEs) and micro- businesses, and improved access to training and labour markets for disadvantaged communities and individuals.*
 - *encouraging public kitchens, including school canteens, to source more food produced by local businesses and organic producers.*
 - *where possible, to base public sector capital and revenue funding decisions on targeted social, economic and environmental outcomes.'*
- 1.9 On 31st January 2023, the Scottish Government launched a consultation on the draft CWB legislation, in Culross. The consultation document is set out in Appendix Two to this report. Fife Partnership has been represented through the bill drafting process by Fife Council.

2.0 Community Wealth Building Bill Consultation Responses

- 2.1 The Scottish Government Bill Consultation document has been circulated to the Fife Partnership Board and Community Wealth Building Support Group. Consultation responses have been received from partner anchor organisations for relevant sections relating to the five CWB pillars. NHS Fife has produced a response covering all five CWB pillars, which has been included in the relevant sections of the consultation response.
- 2.2 The consultation response includes areas where specific changes to existing legislation are highlighted, such as Procurement regulation which could be amended to permit greater opportunity for local supply. The response also sets out areas where Scottish Government could work with UK Government on reserved matters, such as financial regulation, to influence better outcomes for local provision.
- 2.3 The consultation response further seeks to ensure alignment with existing legislation, such as the Planning Act and requirements under the National Planning Framework to consider Community Wealth Building.
- 2.4 Partners have highlighted to Scottish Government that any consideration of legislation should take into account the levers of control held at each tier of government, i.e. that Scottish Government can influence and direct national agency activity to a great extent without the need for additional legislation. Any Duty arising from legislation should also be matched by appropriate resource for implementation.
- 2.5 Legislation change may work best when supporting direction and incentivisation of all sectors to implement CWB approach, including the private sector.
- 2.6 Any change in legislation should also take into account the influence and direction of UK Government funding and policy as set out in the Levelling Up White Paper to align aims for delivery wherever possible. In Fife, activities such as employability provision have been aligned across Scottish Government outcomes and UK Government interventions to streamline delivery of services to communities.

3.0 Conclusions

- 3.1 A commitment to Community Wealth Building was confirmed by key public and third sector anchor organisations through the implementation of a Fife Anchor Charter in 2021. The introduction of a delivery plan has provided a direction to organisations to further implement CWB approaches within the design and delivery of provision.
- 3.2 The introduction of legislation by Scottish Government provides a further opportunity for anchor organisations in Fife to redesign services to align to a vision of retaining wealth for communities.
- 3.3 Fife Council will continue to engage with Scottish Government in relation to proposed legislation on behalf of Fife Partnership, and will report progress on Scottish Government's review of consultation responses at a further meeting of the Fife Partnership Board.

List of Appendices

Appendix One: Fife Partnership Response to Scottish Government Community Wealth Building Bill Consultation, May 2022

Appendix Two: Scottish Government CWB Bill Consultation Document, January 2023

Background Papers

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973: -

- Plan for Fife 2021-2024
- CLES Action Report 2021

Report Contacts

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Building Community Wealth in Scotland

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:
<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

Organisation

Full name or organisation's name

Fife Council & Fife Partnership

Phone number

Address

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Postcode

KY7 5LT

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
 No

Questionnaire

Question 1a

We are proposing a duty to advance Community Wealth Building, which form do you think this duty should take:

- Option A
- Option B
- Option C
- Other
- No Duty

Please provide a reason for your answer. In your answer please include views on:

- which bodies should be covered by the proposals
- how to best ensure accountability for implementation to the Scottish Parliament
- how to best ensure the involvement of local communities, business and the third sector in the implementation of the duty

Option C is the preferred option of those proposed as it will mandate public sector bodies to collaborate to produce a collective action plan which will bring scale and impact. This will help to embed the message that CWB economic activity is a statutory requirement and the responsibility of all.

Community wealth building principles can be closely aligned to Community Planning outcomes and the duty should therefore be held jointly by all community planning partners.

Beyond option C – there may be merit in considering if CWB legislative requirements can be built into existing local government in Scotland legislation and apply the duty to community planning partnership public bodies via existing and established mechanisms for delivery and accountability e.g. LOIP and local delivery plans.

The Community Empowerment Scotland Act 2015 could provide the basis for ensuring involvement of all stakeholders in advancing CWB.

Question 1b

One way Scottish Government could support the implementation of the proposed Community Wealth Building duty is to provide statutory or non-statutory guidance. Would this be helpful to partners in meeting the proposed duty?

- Yes
- No
- Don't Know

Please provide a reason for your answer. In your answer please include views on:

- areas in which it would be helpful for this guidance to focus on, e.g. areas to consider when implementing the five pillars, links to further support materials
- whether the guidance should be statutory or non-statutory

Guidance would be helpful across the 5 pillars to support public bodies to think more intentionally about how they deploy their resources to support CWB aims.

Specific guidance regarding the Workforce Pillar and progressive HR approaches in the public sector would be helpful. Particularly in relation to existing equality legislation, protected characteristics, targeting of socio-economic disadvantage via the Fairer Scotland Duty and scope under the Power To Advance Well-Being.

Statutory guidance would provide significant weight beyond 'encouraging good practice' which can then often be dismissed if in non-statutory guidance. However – perhaps a mix of both is necessary.

For example, statutory achievement of living wage accreditation and ambitions around procurement and use of assets For health boards and to improve health and wellbeing it would be useful to have guidance around how organisations can interpret e.g. local flex to allow local contracts rather than via national contracts where there will be a local community benefit and local companies where there will be a community benefit and e.g. use of NHS land where improved community health and wellbeing can be demonstrated over the requirement to realise capital from land.

Question 2a

Are there other non-legislative measures that you believe are required to accelerate the implementation of the Community Wealth Building approach in Scotland?

Yes

There is need to support policy, practice and culture change in large organisations for senior leaders to feel confident in taking new or what feels like new, bolder action and is not current convention. This could be achieved by; targeting 'how to' leadership training and development packages by pillar at senior teams across public bodies responsible / via HOS professional groups.

Capacity and resource to undertake significant change and new system-wide design requires skill sets and confidence to challenge peers / senior leaders. Can Scottish Government resource provide access to this type of external resource as part of a programme perhaps focussed on pillars across anchors / regions?

Other measures that would be useful might include: making it easier for public sector bodies to procure more locally and flexibly, strengthening licensing and planning locally to meaningfully reinforce the principles of NPF4 and place-based health outcomes and strengthening requirement under NPF to include community planning partners

- No
- Don't Know

Please provide a reason for your answer.

Question 2b

Are there specific actions required to advance delivery of the items contained within the Shared Policy Programme outlined on page 11 of the consultation paper?

- 'working within and developing procurement practices to support local economies, including Small and Medium sized Enterprises (SMEs) and micro-businesses, and improved access to training and labour markets for disadvantaged communities and individuals.
- encouraging public kitchens, including school canteens, to source more food produced by local businesses and organic producers.
- where possible, to base public sector capital and revenue funding decisions on targeted social, economic and environmental outcomes'

- Yes
- No
- Don't Know

Please provide a reason for your answer.

Action to support integrating community benefit opportunities to support targeted training and recruitment opportunities for those facing barriers with the ability to recognise and reward private businesses that promote CWB / Fair Work / RLW e.g. with track record for delivery – a weighting / scoring in procurement processes.

Action to support procurement frameworks whether national or local to achieve stated policy aims versus e.g. higher priority given for minimum cost. Whilst recognising that smaller local suppliers often cannot fulfil size of contracts can more be done to support local supplier consortia approaches to undertake joint tendering and be able to be recognised / weighted highly for that as meeting a CWB policy aim.

Consideration should be given to supporting definitions of local to recognise the cross-boundary nature of business delivery.

Question 3

Are there ways in which the law could be changed to advance the spending pillar of Community Wealth Building?

- Yes
- No
- Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement.

Legislation referred to as follows:

- [The Procurement \(Scotland\) Regulations 2016 \(legislation.gov.uk\)](#) (Regulations implementing the Procurement Reform Act 2014), i.e. above regulated value but below (old OJEU) full regulations (£50k goods/services, £2m works) (when regulations referenced, using abbreviation of PSR2016)
- [Procurement Reform \(Scotland\) Act 2014 \(legislation.gov.uk\)](#) (PRSA2014)
- [The Public Contracts \(Scotland\) Regulations 2015 \(legislation.gov.uk\)](#) (full regulations) (PCSR 2015)
- PRSA2014, Reg. 3 - Increase regulated value for goods/services from £50k. Consideration of increase of threshold for Light Touch Regime too.
- Even for above regulated procurements, allow an option to Quick Quote (rather than full-tender) where there is local provision. Acceptance that 'local' should not necessarily be within own local authority boundary area.
- PCSR2015, Regulation 19(2), (3) would be the biggest risk in the legislation where we are exceeding thresholds. The current procurement legal framework was designed for generating cross border interest and be inclusive in a large (single) market. Narrower focus could go against the spirit and principles of the current procurement legislation.
- PCSR 2015 - Sections 19 and 20 could be reworded to permit 'positive discrimination' [The Public Contracts \(Scotland\) Regulations 2015 \(legislation.gov.uk\)](#) and [The Public Contracts \(Scotland\) Regulations 2015 \(legislation.gov.uk\)](#) Later sections on Exclusion and Selection criteria could also be looked at to help too. Could/should we extend use of Regulation 21 (Reserved contracts) to include suppliers within local boundary/Scotland?
- PRSA, Section 9 - Stronger wording than 'consideration' of Sustainable Procurement Duties. Change to include a requirement to report on that consideration, i.e. if not deemed applicable, why not.
- Direct awards. PCSR 2015 Reg. 33/PSR2016 Reg. 6 – scope is extremely tight. Is there opportunity to relax to allow a more pragmatic approach where best value can be evidenced and principles of procurement (PCSR2015 Reg. 18, PRSA2014 Section 8) are not compromised. Could there be the option of tying the principles of Best Value from the [Local Government in Scotland Act 2003 \(legislation.gov.uk\)](#) more strictly or clearly into the Procurement Regs so that we are less obsessed with tendering everything and, instead, have clear parameters for making Best Value decisions and/or Direct Awards?

- Reg. 72 - Increase in scope for modification of contracts
- Reg. 34 - Review of rules within Dynamic Purchasing System allowing more flexibility for call-offs, rather than having to run a mini-competition each time. Also time limits are not practical in many cases so should be relaxed. Still a need to evidence best value rather than utilising process to circumvent principles of Procurement.
- Clarity on the mandating of payment of RLW in contracts, whilst taking cognisance of potential local impacts.
- PCSR2015 Regulation 67 – award criteria, specifically 67(1)(b). This is controversial as totally understand that contracts should not be awarded solely on price, but where quality is ensured through contract specifications/regulatory requirements etc., sometimes price really is the determining factor. Example being transportation services. The transport industry is heavily regulated with operators licences being required. Many of the operators (e.g. taxi drivers) are not adequately equipped to undertake an extensive procurement exercise. Local provision is usually the desired and actual outcome, but sometimes qualitative criteria can have a detrimental/disproportionate impact on the overall result.
- General note – where one specific piece of legislation referred to, there is likelihood that in many cases, equivalent sections of the other legislation would require revision too.
- Not legislative, but added in case opportunity to share with Scottish Government in terms of tools/opportunities to support:
 - Public Contracts Scotland – as part of the supplier registration process, clarity on where the organisation is based. Current process allows supplier to select regions they would like to deliver services to, which is fine as well, but the former suggestion would provide a more targeted list to approach.
 - Spend Analysis/Supplier Base – any opportunity to differentiate between Head Office/invoice processing address, and supplement with service provision base? This would enhance the quality of data and present a truer reflection of local impacts.
 - Better understanding of baseline of suppliers that would like to do business with the public sector, and validation that they supply goods/services/works that the buying organisation requires. I understand from a presentation that only 7% of Scottish businesses are registered on PCS. This sounds really low, but how many of the Scottish businesses are relevant?
 - Support further research in quantifying the additional cost of not buying local – even if just to help present impacts and motivate that design element of how to package the contract.
 - National mandated portal for all Scottish Public Sector to facilitate community benefit requests/fulfilment.

Existing NHS procurement arrangements with emphasis on national contracts, make it difficult to progress community wealth building and improve health and wellbeing. Freeing up the ability of local NHS Boards to be more imaginative in supporting local companies to tender either individually or in local consortiums could allow NHS Boards to make a significant contribution to local community wealth building.

Question 4

Employment law is reserved to the UK Parliament. Are there other devolved areas where the law could be changed to advance the workforce pillar of Community Wealth Building?

- Yes
- No
- Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament. We will cross-reference to responses received as part of the Fair Work Nation consultation which was held in 2021.

Currently this is not fully devolved. Further devolving of legislation relating to benefits such as Universal Credit would allow further exploration of and ease piloting of Universal Basic Income.

There are numerous practical barriers to some people working. Perhaps considering policy or indeed legislative changes in these areas could better support people to get into and remain within employment and take up opportunities around training and career progression.

These barriers include the cost and availability of reliable childcare, reliance therefore on family members who in turn might become limited with their work options; cost of travel to work; threshold for repayment of student loans that mean some younger people can remain under-employed; the inter play with other benefits (real or perceived); midlife and older employees who reduce their work commitments to balance caring for family members.

Can CWB be used to clarify the legislative inter-play or status / permissions between existing employment law in relation to recruitment re protected characteristics and the status of the fairer Scotland duty / power to advance well-being which both strive to enable public bodies to undertake action to reduce socio-economic disadvantage.

Question 5

Are there ways in which the law could be changed which are not already covered in the proposals for the Land Reform Bill to advance the land and property pillar of Community Wealth Building?

- Yes
- No
- Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement.

While local authorities and Scottish Enterprise have compulsory purchase powers, these are notoriously expensive and time consuming to apply. There is also anecdotal evidence that the limited application of these powers has led to a loss of experience and knowledge in the public sector which will take time to rebuild. The proposed reform and modernising of legislation in this area is welcomed and should be progressed as soon as possible in order to support, where necessary, implementing the infrastructure first policy in National Planning Framework 4 (NPF4) where land ownership can constrain or block delivery of planned development.

The consultation paper makes reference to this and states: *“This approach is intended to provide greater certainty for all parties – including communities – about the impacts that new development will have on infrastructure and the contributions developers are expected to make.”* However, the certainty is undermined or vanishes if funding is not available to deliver the infrastructure when required – often in advance of development accruing revenue to fund develop obligations. Public sector investment and capital borrowing must be available to enable local authorities to invest in infrastructure – and recoup through legal agreements - where there is a sound business and financial case and in the absence of private sector capital being available at the outset of a project. It is very often the case, in our experience, that projects on derelict land can take between 3-5 years to complete and in some cases it can be well in excess of this. This is often due to challenges and complexities in site ownership and ground conditions. On former industrial sites there is often a legacy of ground contamination but, particularly across the central belt of Scotland and in areas like Fife, there is the issue of ground instability due to former mining activity. This extends in some instances into the heart of large town centres and the timescales, costs and complexities of such projects just in terms of readying the ground for redevelopment are considerable.

While the current CPO system requires to be sharpened and streamlined it is the most effective tool available. It is difficult to envisage circumstances under which the proposal for Compulsory Sales Orders would be legally admissible or pragmatically deliverable. It is also entirely unclear what a CSO would deliver that a CPO cannot.

CPO's bring a greater degree of certainty on the potential re-use of a site. CSO's (based on the proposals previously put forward by the Scottish Land Commission) place a fairly substantive resource burden on councils in terms of the expectation that they would fully manage and administer the public auction of the sites and analyse plans of every bidder in advance. In essence it would be very difficult to give anything approaching a guarantee to community groups/anchor bodies that they would be successful in such an auction as the rules of the market would prevail (i.e. highest bidder) and it is entirely possible that sites would continue to be 'flipped' between owners looking to profit. The ultimate outcome if a CSO did not result in re-use of a site, some years down the line could, ironically, be that a CPO would be required to bring it under the ownership of either a council or (with a back-to-back agreement) a community body.

Question 6

Are there ways in which the law could be changed to advance the inclusive ownership pillar of Community Wealth Building?

Yes

Fife has seen the development of a range of models of business ownership, including social enterprises, Community Interest Companies, charitable trading arms, employee-owned businesses and to a lesser extent wider community ownership. Whilst it is recognised that support for differing models of business ownership start with a common approach to business support through local economic development and particularly Business Gateway services, specialist support is not widely resourced to promote and develop differing ownership models. This should be considered as part of national and allocated funding to local authorities. A legal duty for national agencies, including Scottish Enterprise, to have due consideration and resource allocation for the promotion of alternative models of ownership could be enacted by Scottish Government.

Alternate business ownership models could also be brought into scope for exemptions and reliefs through the NDR system and in the reclamation or retention of taxation, in a similar way to the third sector.

No

Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament.

Question 7

Are there ways in which the law could be changed to advance the finance pillar of Community Wealth Building?

Yes

No

Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined in the consultation paper which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament./

The credit union movement has a 20-year history in Fife with three Fifebased community credit unions currently in operation; Kingdom Community Bank (KCB), Benarty & Lochgelly Credit Union and North East Fife Credit Union. Fife Council staff have a payroll arrangement with Kingdom Community Bank (the only Fife-wide credit union), but also with a local authority regional credit union – Tay Valley Credit Union, based in Dundee. Credit union membership in Fife is approximately 12,000 members - with KCB accounting for 90%. Loan value across Fife is just under £2m and savings on deposit around £7.5m. There is scope to further increase credit union membership and maximise the use of capital.

Often Credit Unions are the last remaining counter services in communities. In Fife, as elsewhere, physical bank and Post Office premises and counters have closed. Where this has taken place, there has been a mixed approach to local community consultation, both in scope and timescale, and alternate branches not easily accessible without access to a vehicle are cited. In Fife, this has been compounded by banks signposting to PO counters which have themselves then closed. Whilst it is understood that there are clear commercial considerations for closures, it is suggested that Scottish Government works with the key regulators, the Prudential Regulation Authority (under its specific remit to facilitate effective competition in the market for services provided by financial institutions) and the Financial Conduct Authority to require institutions to actively work on alternate provision in communities where closures are scheduled to take place.

Building Community Wealth in Scotland

Consultation Paper

January 2023

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Ministerial Foreword



In the midst of tackling a Cost Crisis and ongoing Climate Emergency we must ensure that our long term economic planning puts people and the environment at its core. The National Strategy for Economic Transformation outlines our vision to create a wellbeing economy: a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all of Scotland's people and places.

The principles of a wellbeing economy cannot be achieved through simply redistributing a portion of the wealth created. They need to be hard-wired into everything we do to develop our economy. Community Wealth Building can help us achieve that.

The strategic Community Wealth Building approach is grounded in solid economic concepts and approaches. Crucially, Community Wealth Building is also a very practical model and we are already deploying and moving forward with the model in Scotland. By considering new legislation on Community Wealth Building to bind and consolidate existing practice, we seek to give that work a strengthened platform from which we can deepen and accelerate delivery.

Many countries and places across the globe are questioning their economic priorities. For years we have implemented policies which have sought to grow and redistribute wealth, and we achieved some great things. However, with the growing incidence of global crises, it is clear that if we are to truly realise a sustainable wellbeing economy, we need to consider bold, alternative economic approaches for the long term. This recognition is what is promoting Community Wealth Building across the globe – from its origins in Cleveland, USA to places such as Preston in England, Chicago, Sydney and Amsterdam. Other places are also examining the potential of the approach as a way of building stronger and more resilient local and regional economies.

The Community Wealth Building journey in Scotland started with the pioneering work in Ayrshire, followed by a series of pilot locations supported by the Scottish Government. And whilst we should celebrate the progress we have already made in implementing Community Wealth Building in such a short space of time, the job is far from done. In this we must go further and faster. This is not a luxury reform agenda, or more of the same. It is a central cog in our reform agenda which seeks to re-wire our economy for this generation and for future generations.

That is why the introduction of legislation on Community Wealth Building in this Parliamentary session is significant. This commitment is part of a strategic approach to creating a wellbeing economy, empowering communities and supporting local and regional economic development. This activity includes the upcoming Land Reform Bill, the commitment to a series of Just Transition Plans, the National Planning

Framework 4, the Refreshed Fair Work Action Plan and the review of the Community Empowerment Act, amongst other progressive programmes to support economic reform.

Legislation is not the only thing that will assist in the growth of Community Wealth Building. In fact, a range of powers that can help to accelerate the realisation of a thriving wellbeing economy remain reserved to Westminster. However, changing the law can be key to securing gains already made in practice and advancing implementation. In this consultation we seek a broad range of views on what is required to accelerate and deepen Community Wealth Building in Scotland, learning from the good practice already underway including through the leading role of local authorities. Whilst the Scottish Government is committed to doing all it can to progress Community Wealth Building within devolved powers, I would also welcome feedback on reserved areas respondents would like us to work with the UK Government on where there is potential to accelerate the implementation of Community Wealth Building.

I am grateful to the members of the Community Wealth Building Bill Steering Group who have helped to guide the development of this consultation. I am also grateful to the many public sector anchor organisations, businesses, third sector organisations and community groups who have taken the time to showcase their examples of Community Wealth Building to me and share thoughts on how we move this crucial approach forward.

It has been highlighted that Scotland is fast becoming a global leader in Community Wealth Building. I encourage you to be bold, ambitious and creative in responding to this consultation. That is what is required if we are to realise this opportunity to fully unleash the power of Community Wealth Building in Scotland, to ensure that communities across Scotland have a greater stake in the wealth that is generated and that wellbeing for all is assured.

A handwritten signature in black ink, appearing to read 'Tom Arthur', written in a cursive style.

Tom Arthur MSP Minister for Public Finance, Planning and Community Wealth

Part 1. Introduction: The Contribution of Community Wealth Building (CWB) to a Wellbeing Economy

1.1 Overview

The Scottish Government has adopted the internationally recognised Community Wealth Building (CWB) approach to economic development as a key practical means by which progress can be made towards realising our wellbeing economy vision outlined in the National Strategy for Economic Transformation (NSET)¹.

CWB is an approach designed to tackle long-standing economic challenges and transform Scotland's local and regional economies by considering the ways in which the public sector, in partnership with the private, third and community sectors, can ensure more wealth is generated, circulated and retained in communities and localities.

In short, CWB is focused on growing the influence communities have on the economy and ensuring communities receive more of the benefits from the wealth they help to generate.

CWB can produce a range of economic, social and environmental benefits. CWB can be a key tool in supporting a just transition to net zero and ensuring environmental sustainability, helping Scotland's places and communities thrive within the planet's sustainable limits. The approach is also recognised as a key action in our ambitions to tackle child poverty through the creation of Fair Work opportunities.

Any new legislation on CWB is intended to provide a statutory underpinning to deepen and further embed CWB activity across Scotland, creating a fairer and more resilient economy. Learning from the range of CWB action already underway, we want to gather the broadest range of views on how new legal measures or changes to existing laws can accelerate the delivery of CWB in Scotland and deliver real benefits for local communities.

Part 1 of this consultation paper describes what CWB is, provides an overview of CWB activity in Scotland and outlines the background to and ambitions for CWB legislation. **Part 2** provides an opportunity to offer views on a legislative proposal and share perspectives on what is required to advance CWB in Scotland. **Part 3** provides details on how to respond to this consultation and next steps.

In line with the approach itself, legislation on CWB should be bold and ambitious. We look forward to engaging with as many organisations and communities as possible as we develop legislation and other measures to give the people of Scotland a greater stake in their economy and wealth to realise our ambition for a wellbeing economy.

¹ [Scotland's National Strategy for Economic Transformation](#)

1.2 What is Community Wealth Building?

CWB is a practical approach to economic development focused on five pillars of activity. These pillars are the key areas of focus due to the economic levers they represent. All of the pillars play a complementary role in the retention of wealth in local places and regions for the benefit of communities. Increased spend with local businesses and higher levels of inclusive or community forms of ownership means that more money stays in the communities that create the wealth through higher incomes, fairer employment opportunities and a greater say over the use of local and regional assets.

A visual image of the five pillars of CWB appear below, followed by a detailed explanation of what each pillar represents.



The five pillars of CWB are:

Spending

Pillar definition: Maximising community and business benefits through procurement and commissioning, developing good enterprises, Fair Work and shorter supply chains.

Overview of activity: This includes a focus on ways to achieve greater economic, social and environmental benefits such as growing investment in local businesses, supplier development and innovation, and ensuring the delivery of tangible community benefits.

What this will achieve: Higher levels of spend with SMEs, micro-businesses and inclusive business models resulting in business growth and improved, resilient local and regional economies.

Workforce

Pillar definition: Increasing Fair Work and developing local labour markets that support the prosperity and wellbeing of communities.

Overview of activity: Ensuring public sector anchor organisations and other employers embed Fair Work principles, promoting the payment of the real Living Wage; recruiting locally, from groups who face inequalities and are furthest from the labour market; and promoting work that is secure, provides flexible working and training opportunities and supports the workforce to have an effective voice.

What this will achieve: Access to local and fair employment opportunities, fairer wages, skills development opportunities and improved wellbeing of employees.

Land and Property

Pillar definition: Growing social, ecological, financial and economic value that local communities gain from land and property assets.

Overview of activity: Productive use of anchor organisation land and property, for example through diversified ownership models including community ownership, and tackling vacant and derelict land and buildings.

What this will achieve: Land and property are used for the common good and benefit communities, SMEs and micro-businesses and the environment.

Inclusive Ownership

Pillar definition: Developing more local and inclusive enterprises which generate community wealth, including social enterprises, employee-owned firms and cooperatives.

Overview of activity: Promoting greater diversity in the business base by encouraging formation and development of inclusive business models² which support the local retention of wealth.

What this will achieve: More inclusive and democratically owned enterprises and assets which means the wealth created locally and by local people stays in those communities in the form of incomes and profits rather than being extracted out.

Finance

Pillar definition: Ensuring that flows of investment and financial institutions work for local people, communities and businesses.

Overview of activity: Increasing investment and re-circulating wealth within local economies including through access to affordable credit and business finance.

What this will achieve: Money and investment stays in a local area and is available to support communities and businesses.

'Community Wealth Building is a transformative approach to local economic development' The Democracy Collaborative

'Community Wealth Building is about developing wealth with local roots and ownership' Centre for Local Economic Strategies (CLES)

CWB seeks to use the economic levers available to 'anchor organisations' such as local authorities, health and social care bodies, further and higher education institutions and enterprise agencies, to better support their local and regional economies. Anchor organisations are typically large employers with a strong local presence in an area. They can exert sizable influence through their commissioning and purchasing of goods and services, through their workforce and employment capacity, and by creative use of their facilities and land assets. Positive use of these aspects can affect social, economic and environmental change in a locality or region.

Our democratically elected local authorities are at the heart of the action required to advance the CWB approach in Scotland, playing a key leadership and convening role in its implementation, acting as economic stewards of their place including through local activity or wider regional collaboration for example through Regional Economic Partnerships. CWB recognises the impact that public sector bodies make – both individually and collectively – is not just through the services they deliver but also through how they choose to use the resources at their disposal.

While, in some places, the public sector may represent the catalyst for CWB introduction and development, it is critical that business, the third sector and community organisations all play collaborative roles. In particular, larger private sector employers can be considered anchor organisations. Community organisations, such as community-led bodies, Development Trusts and

² [Co-operative Development Scotland: Blog](#)

microbusinesses, can play a key role in driving forward CWB, particularly in rural areas and islands. Third sector organisations have a range of levers through their spend, employment, assets and local relationships.

The CWB approach has already proved successful internationally. The experience in Cleveland, Ohio and in Preston, UK, of re-directing wealth back into the local economy and placing control and benefits into the hands of local people, has inspired the Scottish Government and other places across the world to consider the merits of this exciting and progressive approach.

Cleveland

Often cited as the original CWB initiative, the ‘Cleveland model’ was developed as a response to post-industrial decline and depopulation. The principal feature of this approach was to localise and retain the spending of local public, private and thirdsector ‘anchors’ through the development of new local cooperatively-owned businesses. These innovative worker-owned enterprises – the Evergreen Cooperatives – grew to include large-scale sustainable laundry services, a large urban greenhouse and an energy production company. A key feature of Cleveland’s model is that wealth re-circulates in the city, as organisations procure services from the cooperatives (within the United States procurement context), which employ local workers and help tackle urban inequalities.³

Preston

Following recognition of the success of this model in generating local opportunities and tackling inequalities, a similar strategy was adopted in the city of Preston, UK. Preston City Council worked with other anchor organisations to develop a CWB approach, primarily with a focus on procurement, looking at spending more in the local Preston and the wider Lancashire economy. Working over several years, there has been a significant increase in the amount the anchors are spending with local enterprises. Analysis shows that £74 million was redirected back into the Preston economy through this procurement work, with £200 million invested into the wider Lancashire economy.⁴

CWB is a ‘re-wiring’ of current economic development practice through use of a strategic framework that can help the public, private, third and community sectors to take a place-based ‘whole system’ approach to re-direct money that is already being spent and the wealth that already exists back into the local economy and into the hands of local communities. If implemented successfully, the approach has the potential to act as a preventative measure – reducing public service demand by tackling inequality and ensuring wealth is retained by local communities in a just and fair way.

Whilst CWB is a catalyst for medium to longer-term change and reform, adoption of the approach is gathering pace across Scotland and the Scottish Government is supporting this. The CWB approach is being taken forward in regions and localities

³ [Democracy Collaborative: Community Wealth Building - What Next](#)

⁴ [How we built Community Wealth: Preston](#)

across Scotland. A number of rural areas and islands are leading the development of CWB initiatives, including through community-led activity and the start-up and development of micro-businesses supporting the retention of wealth in their local areas. Due to the distance from major goods and service provision, local rural businesses and communities are well placed to respond to local opportunities with adequate support and awareness. CWB can play a role in supporting population retention and growth in areas facing depopulation.⁵

CWB can also support our efforts to achieve a just transition⁶. Scotland continues to bear the scars of poorly managed, abrupt and unplanned transitions of the past. Through local business growth, sustainable procurement and community ownership of assets, CWB can support the creation of fair, green jobs which are anchored to local communities.

1.3 Progress to Date

There has been significant progress in implementing CWB in Scotland over the past few years. Much of this has been led by local authorities working in the vanguard, often in partnership with their community planning partners.

The Scottish Government has been working with local authorities and other partners to build capacity to help drive forward the implementation of CWB at the local and regional level, including supporting five CWB pilot areas (Clackmannanshire, Fife, Glasgow City Region, South of Scotland and the Western Isles) and £3 million investment in CWB in Ayrshire through the Ayrshire Growth Deal which builds on the pioneering work of North Ayrshire Council.⁷

A significant number of local authorities are now assembling CWB strategies and action plans. In addition, more local authorities and their partners are assessing the potential of CWB to enable the transition to local and regional wellbeing economies, recognising that CWB provides strategic means of connecting all contributory actions across the economy for economic, social and environmental benefit. Inspired by the work of the pilots, as part of our Covid Recovery Strategy the Scottish Government has committed to working with all local authorities to produce a CWB plan which sets out objectives to protect and create good quality local employment opportunities as part of wider recovery plans.⁸

A number of other sectors, including health and social care, are working to integrate CWB principles into their work, embracing their role as 'anchors' and the wider contribution they can make to reduce inequalities.

The Scottish Government has supported activity to raise awareness and improve understanding of CWB as well as accelerate practice and delivery. Our partnership with the Economic Development Association Scotland (EDAS) has supported the implementation of CWB through communities of practice, open workshops, peer

⁵The role of anchor organisations is highlighted within the Population Strategy 'A Scotland for the Future' which includes commitments to ensure that Scotland's population is more balanced across the

support and development of materials to support anchor organisations and wider stakeholders develop, implement and realise the benefits of CWB approaches.

country, meaning changes may be required to support attraction and retention of people in those areas of the country that are facing a declining population. [A Scotland for the future: Opportunities and challenges of Scotland's changing population](#)

⁶ A just transition is both the outcome – a fairer, greener future for all – and the process that must be undertaken in partnership with those impacted by the transition to net zero. Just transition is how we get to a net zero and climate resilient economy, in a way that delivers fairness and tackles inequality and injustice.

⁷ Annex A provides an overview of this activity

⁸ [Covid Recovery Strategy: For a fairer future](#)

A CWB Guide, supported by the Scottish Government and produced by EDAS and the Centre for Local Economic Strategies (CLES), was published recently and offers practical support for those seeking to pursue a CWB approach. It is both a first introduction for those new to CWB as well as a source of helpful advice and resources, including case studies, for any stage of the implementation journey.⁶

Scotland has a strong track record in delivering projects and programmes which link to the different aspects of CWB – led by the public sector, business, third sector and local communities. These can be found in communities across the country, some current examples include the regeneration of Midsteeples Quarter in Dumfries, West Harris Community Trust, Scotland's growing number of employee owned businesses such as the Jerba Campervans in East Lothian and Collective Architecture in Glasgow⁷, and examples of innovative procurement practice such as the Supplier Development Programme, Perth and Kinross Council's 'Community Benefits Wish List' and East Ayrshire Council's partnership with Mossgiel Farm.⁸

Annex A provides a short summary of CWB development activity in Scotland.

1.4 Development of Community Wealth Building Legislation

The Programme for Government 2021-22 set out the following commitment:

'Building on the development of the approach across Scotland, we will take forward a Community Wealth Building Bill in this Parliament, to enable more local communities and people to own, have a stake in, access and benefit from the wealth our economy generates. The Bill will cement and augment the role local authorities and other public sector anchor organisations, such as Health Boards, play in supporting local economic development and advancing a wellbeing economy, legislating for them to consider their economic footprint within a wider place system.'⁹

⁶ [EDAS: CWB Guide](#)

⁷ See more examples employee owned and cooperative business models here: [Co-operative Development Scotland: Blog](#)

⁸ [Scottish Hub for Regional Economic Development: Case Studies](#)

⁹ [A Fairer, Greener Scotland: Programme for Government 2021-22](#)

The Bute House Agreement came into effect in August 2021 and is an agreement between the Scottish Government and the Scottish Green Party Parliamentary Group to work collaboratively in a spirit of cooperation and consensus building. As part of this, a Shared Policy Programme (SPP) was agreed and sets out policy positions and commitments that both the Scottish Government and the Green Group agree should be delivered. The SPP sets out the following commitment:

'We will develop a Community Wealth Building Bill, which will focus on encouraging diverse and inclusive local economies, finance, land, and ownership models. It will include:

- working within and developing procurement practices to support local economies, including Small and Medium sized Enterprises (SMEs) and micro- businesses, and improved access to training and labour markets for disadvantaged communities and individuals.
- encouraging public kitchens, including school canteens, to source more food produced by local businesses and organic producers.
- where possible, to base public sector capital and revenue funding decisions on targeted social, economic and environmental outcomes.'¹⁰

The commitment to CWB legislation is re-iterated in NSET:

'Introduce Community Wealth Building legislation that builds on the successes and learnings of all of the Scottish Government community wealth building local and regional pilot areas in urban and rural Scotland.'¹¹

NSET outlines our vision to create a wellbeing economy in Scotland. That means transitioning to an economic system, within safe environmental limits, that serves and prioritises the wellbeing of current and future generations. Our approach to a wellbeing is based on the principles of resilience, sustainability, equality and prosperity. The principles of a wellbeing economy cannot be achieved through simply redistributing a proportion of wealth created in order address deep-seated problems with poverty and disadvantage and to clean up environmental damage; they need to be hard-wired into everything we do through pro-active economic development policy, planning and action.

Wellbeing economy

NSET commits the Scottish Government to taking a broader view of what it means to be a successful economy, society and country, and putting people and the planet at the heart of our approach.

The economy should serve a purpose. While economic objectives such as sustainable, inclusive growth remain important, they should serve as a means to an end – that of collective wellbeing. The wellbeing economy approach regards the

¹⁰ [Scottish Government and Scottish Green Party - Shared Policy Programme](#)

¹¹ [Scotland's National Strategy for Economic Transformation](#)

economy as being in service to the health and happiness of people, rooted in human rights and social justice, and embedded within society and the natural environment, upon which our wellbeing depends.

The transition to a wellbeing economy is about whole system transformation. It recognises that the economy is everybody's business – from health and care to education, and from housing and energy to food and agriculture – requiring a strategic, joined-up focus across government at all levels, across all sectors of the economy and all parts of society. The building blocks of this transition include the Scottish Government's work to progress legislation, targets and plans on areas spanning equality and human rights, child poverty, climate change, biodiversity, land reform, circular economy, good food, Fair Work, infrastructure investment, 20-minute neighbourhoods, community empowerment, among many others. CWB sits alongside other progressive commitments that will support economic reform including the upcoming Land Reform Bill, Just Transition Plans, the Refreshed Fair Work Action Plan and a review of how best to significantly increase the number of social enterprises, employee-owned businesses and cooperatives in Scotland.

Scotland is already leading this agenda on the international stage as a member of the Wellbeing Economy Governments network (WEGo) with New Zealand, Iceland, Finland and Wales, and with Canada becoming a member in 2022. The National Performance Framework (NPF) – Scotland's Wellbeing Framework – first introduced in 2007, provides a clear long-term purpose and set of national outcomes for Scotland's future wellbeing, and is our vehicle for delivery of the United Nations Sustainable Development Goals.

Our Wellbeing Economy Monitor has been developed to look beyond traditional metrics of economic success, such as Gross Domestic Product (GDP), to measure how Scotland's economy contributes to improving things that people really value, such as health, equality, fair work and environmental sustainability. The basket of measures, based on the NPF national indicators, includes metrics of child poverty, income and wealth inequality, community ownership, gender pay gap, educational attainment, young people's participation, employees below the real Living Wage, greenhouse gas emissions and biodiversity, among others. The Monitor will complement traditional economic indicators to provide a broader picture of how Scotland's economy is contributing to national outcomes of social and environmental wellbeing.¹²

CWB is an example of our practical approach to economic development that supports a wellbeing economy at the local and regional level and is a key way to turn the wellbeing economy vision and strategy into tangible action. We have also published a Wellbeing Economy Toolkit to support local authorities and regions across Scotland to embed the wellbeing economy approach in their local and regional strategies.¹³

Where it is embraced, CWB can accrue more than economic benefit. It can support better health outcomes and contribute to a reduction in child poverty. The approach

¹² [Wellbeing economy monitor](#)

¹³ [Wellbeing economy toolkit: supporting place based economic strategy and policy development](#)

can play a key role in a just transition to a net zero, circular, nature-positive economy and in rebuilding natural capital including through actions such as sustainable procurement, a focus on fair and green jobs, green investment decisions and recognising the ecological value of land.

Through this consultation, we want to identify if new legal measures or changes to existing laws are required to accelerate the implementation of CWB, building on the good practice already underway. As we work through the responses, it may be apparent that not all measures necessarily require new or amended legislation to take them forward.

This consultation has been structured to enable respondents to offer suggestions for legislative change across all five pillars of CWB and from a general CWB perspective. In particular, we wish to gather views on a proposal for a new duty to advance CWB.

Some of the principles of CWB are expected to be supported by other Bills in the legislative programme, for example the Land Reform Bill which will be introduced by the end of 2023. In addition, the 2022-23 Programme for Government included a commitment to explore how to ensure the interests of future generations are taken into account in decisions made today. Subject to Ministerial decisions, a Wellbeing and Sustainable Development Bill later in the Parliamentary session may include placing duties on public bodies and local government to take account of the impact of their decisions on wellbeing and sustainable development, and the creation of a Future Generations' Commissioner.

CWB will also build on existing legislation such as the Community Empowerment (Scotland) Act 2015. The current review of that Act will explore if the legislation is doing what it set out to do and if any changes are required with a particular focus on community ownership and strengthening decision-making to improve outcomes for local communities.

To support the development of CWB legislation we have established a CWB Bill Steering Group chaired by the Minister for Public Finance, Planning and Community Wealth, with representatives from CWB pilot areas and key stakeholders across the public, private and third sectors, to provide oversight as we develop legislative proposals (full membership is detailed in Annex B).

Wider tailored engagement has also taken place with stakeholders including with local authorities, the third sector, businesses and policy organisations. We have received written feedback from the CWB pilot areas on their work and Scottish Local Authorities' Economic Development Group (SLAED) on the opportunities and barriers from a local economic development perspective. Further engagement will take place during the consultation period and we welcome the input of a broad range of groups and interests. Given CWB has been identified as a key action in tackling child poverty including within the Tackling Child Poverty Delivery Plan 2022-26¹⁴, we are working with the Poverty Alliance through the Get Heard Scotland programme to

¹⁴ [Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022 to 2026](#)

ensure the voices of those with lived experience are included and to hear from grassroots organisations during this consultation period.

Whilst local progress in implementing comprehensive CWB approaches, as well as initiatives within specific CWB pillars, is notable, our ambition is to go further and faster in embedding CWB as a core economic development measure across Scotland. Rather than focusing on discrete examples of activities within particular pillars, this consultation paper recognises that the full power of CWB is delivered through the culmination of activity and connections across all of the pillars.

The Scottish Government's objective is to develop legislation that learns from the experience of those delivering CWB 'on the ground' and provide an enabling framework to catalyse the implementation of CWB. Scotland's local authorities, community planning partnerships, Regional Economic Partnerships, wider public sector anchors, businesses, the third sector and communities need to be at the centre of driving the change required.

Through the work of the CWB Bill Steering Group, CWB pilots and wider CWB engagement, a number of potential areas of opportunity to accelerate delivery of CWB have been highlighted as well as the identification of barriers. It is clear from early engagement that there is a desire for legislation to build on existing work, remove barriers and inertias, strengthen commitment and collaboration, and enable action to achieve outcomes faster.

Of course, legislation alone will not deliver CWB. In several areas, the need for culture change, capacity building across the public sector, third sector and inclusive business models, community capacity building, stronger guidance and practice, and changes to policy have all been highlighted. The Scottish Government welcomes views and additional proposals relating to those areas.

Part 2. Developing Legislation and Inspiring Change

2.1 General Advancement of the CWB Approach

2.1.1 Overview

Through this consultation we would like to explore which new powers, abilities and duties will enable local authorities, public bodies, wider community planning partners and Regional Economic Partnerships to have more individual and collective influence in taking action to support CWB in their local area or region.

In this section we invite views on a legislative proposal for the general advancement of the CWB approach through an ambitious new CWB duty.

What are we proposing

Proposal: A duty to advance CWB

The aim of the duty is to extend and deepen the implementation of CWB across Scotland, ensuring universal coverage and shared principles whilst allowing for local, regional and organisational flexibility.

We would like respondents views on three options for a CWB duty:

- **Option A)** a duty requiring Scottish Ministers and prescribed public sector bodies¹⁵ to embed the CWB model of economic development into their corporate plans and wider strategies
- **Option B)** a duty requiring those public sector bodies statutorily obliged to be involved in community planning to produce a collective CWB place-based strategy and action plan which contains specific actions across the five CWB pillars to advance the CWB model of economic development in their local authority area
- This requirement could be taken forward at a regional level if neighbouring local authorities and their community planning partners have a preference for that approach
- **Option C)** a combined option – featuring a union of both options set out above

All of the options create different opportunities for ensuring the involvement of local communities. For **Option B and Option C**, there could be a statutory requirement to include business, third sector and communities in the development of a strategy and action plan.

¹⁵ As a starter, we would propose the organisations which are covered by the Fairer Scotland Duty: [Fairer Scotland Duty: guidance for public bodies](#)

In relation to the proposed CWB duty, during the consultation period we will undertake specific engagement including with, for example, local authorities, health boards, community planning partnerships and Regional Economic Partnerships, in addition to wider engagement.

Why we are proposing this

The Scottish Government would like to ensure a long term and consistent commitment to CWB and that this approach becomes standard economic policy and practice, whilst tailored to the needs and opportunities of places across the country. Whilst we expect variation in the actions taken, commitment to certain principles will be essential to maximising the potential of the CWB approach for all communities.

Whilst local authorities have led the way in implementing CWB in Scotland, the approach relies on commitment of wider public sector bodies and other stakeholders. Encouraging collaboration on CWB across major public sector 'anchor' organisations is an area of importance in accelerating CWB (for example, enterprise agencies, colleges, universities and health boards and wider national public bodies). Collaboration and a commitment to a strategic framework across the five CWB pillars will avoid duplication, disparate initiatives and will ensure a whole system approach. In addition, representatives of the third sector, such as registered social landlords, business, as well as the communities themselves, must all be part of developing CWB plans and meaningfully engaged in the most appropriate manner in order to maximise the holistic benefits of the approach.

It has been perceived that CWB should be a key consideration of anchor organisations and those focused on economic development, and that it should be consistently represented in key operating plans, economic strategies and impact measures. In addition, some feedback has highlighted the need for a strategic approach to the development of CWB strategies to avoid a cluttered landscape and ensure there are no gaps in provision.

Many local authorities are collaborating with other anchor organisations via existing community planning structures or through new 'anchor networks' or Commissions. There is good practice evident in the production and agreement of CWB 'anchor charters'¹⁶ in certain geographies which can be built on through the production of CWB strategies and action plans.

Regional collaboration on CWB is already taking place across Scotland through, for example, Regional Economic Partnerships, the development of regional economic strategies and the delivery of projects through City Region and Growth Deals. Many anchor organisations span multiple local areas (including some health boards and further and higher education institutions), as do the footprints of some local businesses, therefore we encourage regional collaboration, where appropriate, to

¹⁶ These are documents which commit selected local and regional anchor organisations, predominantly public sector, to specific pledges across the CWB pillars.

maximise benefits and avoid duplication. The systematic approach of CWB means that some Regional Economic Partnerships are placing CWB at the centre of their regional economic strategies (for example Ayrshire) to ensure a coherent approach to all investment including City Region and Growth Deals. We will facilitate engagement with Regional Economic Partnerships regarding how this duty might operate at a regional level.

In line with the Place Principle¹⁷, there requires to be local flexibility to respond to issues and circumstances in different places. This includes recognising the differences between urban and rural and island contexts. Delivering CWB should be cognisant of the wider context of place, simplifying the landscape by ensuring that programmes and investment work together, and are directly relevant to the specific needs of the particular environment or community and enable people to live well locally. Shared national principles and reporting could ensure high standards of implementation to unleash the potential of CWB and help address the fact that the way our economy functions has not worked for enough people and places.

Place Principle

The Scottish Government and COSLA have agreed to adopt the Place Principle to help overcome organisational and sectoral boundaries, to encourage better collaboration and community involvement, and improve the impact of combined energy, resources and investment.

It promotes a shared understanding of place, and the need to take a more collaborative approach to a place's services and assets to achieve better outcomes for people and communities. The principle encourages and enables local flexibility to respond to issues and circumstances in different places.

Through early engagement, capacity has been raised as one barrier to implementation. Feedback has also outlined the challenge of embedding a CWB culture across an anchor organisation cannot be underestimated – it is a transformational change which takes time, visible and committed senior leadership, resources, training and skills. The capacity of local communities, the third sector, micro-businesses and SMEs to drive forward CWB has also been raised by various stakeholders.

We also welcome ideas on support that can be offered to develop and implement CWB strategies, action plans and wider CWB initiatives, however respondents should be mindful of the challenging fiscal backdrop and should consider ways in which existing investment can be maximised.

From this proposed central new general duty to advance CWB we are keen to explore if there are subsequent legislative changes required across the five pillars. In the five sections which follow we outline the current legislative context, provide an overview of current policies and actions to support the delivery of the five CWB

¹⁷ [Place Principle: introduction](#)

pillars whilst providing an opportunity for respondents to suggest any areas of legislative change required to maximise the potential of CWB. Please note that a number of areas across the five pillars are reserved to the UK Parliament, including employment law, company law, taxation and financial regulation.

2.1.2 Questions

Q1. a) We are proposing a duty to advance Community Wealth Building, which form do you think this duty should take:

- Option A
- Option B
- Option C
- Other
- No duty

Please provide a reason for your answer.

In your answer please include views on:

- which bodies should be covered by the proposals
- how to best ensure accountability for implementation to the Scottish Parliament
- how to best ensure the involvement of local communities, business and the third sector in the implementation of the duty

b) One way Scottish Government could support the implementation of the proposed Community Wealth Building duty is to provide statutory or non-statutory guidance. Would this be helpful to partners in meeting the proposed duty?

Yes No Don't Know

Please provide a reason for your answer.

In your answer please include views on:

- areas in which it would be helpful for this guidance to focus on, e.g. areas to consider when implementing the five pillars, links to further support materials
- whether the guidance should be statutory or non-statutory

Q2. a) Are there other non-legislative measures that you believe are required to accelerate the implementation of the Community Wealth Building approach in Scotland?

Yes No Don't Know

Please provide a reason for your answer:

b) Are there specific actions required to advance delivery of the items contained within the Shared Policy Programme outlined on page 11?

- 'working within and developing procurement practices to support local economies, including Small and Medium sized Enterprises (SMEs) and microbusinesses, and improved access to training and labour markets for disadvantaged communities and individuals.
- encouraging public kitchens, including school canteens, to source more food produced by local businesses and organic producers.
- where possible, to base public sector capital and revenue funding decisions on targeted social, economic and environmental outcomes'

Yes No Don't Know

Please provide a reason for your answer:

2.2 Spending Pillar

2.2.1 Overview

The spending pillar of CWB is focused on maximising tangible community benefits through procurement and commissioning, developing good enterprises, promoting Fair Work and a drive to create and maintain shorter supply chains. The Scottish public sector spends approximately £14.5 billion a year buying goods, services and works in a way that can deliver the most benefit to society, contributing directly to a fully functioning wellbeing economy. Procurement projects vary hugely from large infrastructure developments, including roads and bridges (23%), to food and catering (1.2%).

The spending pillar of CWB uses the spending power of anchor organisations to better support local and regional economies including by growing local spend with SMEs, the third sector and supported businesses through activity such as:

- understanding where spend is going and increase knowledge of local suppliers;
- supporting local businesses bases and third sector to enhance their capacity to bid for public sector contracts;
- creating local supply chains to re-circulate wealth in the local and regional economy, create local jobs and support net zero and environmental ambitions;
- maximising community benefits to ensure they deliver CWB ambitions and the needs of local communities.¹⁸

A significant amount of work has already taken place in Scotland. The Procurement Reform (Scotland) Act 2014¹⁹, and the Procurement (Scotland) Regulations 2016²⁰ built on the work achieved in the reform of public procurement, providing direction to public bodies and setting out procurement responsibilities and accountabilities.²¹ Under the terms of that Act, contracting authorities which have significant procurement expenditure need to create and annually review procurement strategies that set out how they intend to use their procurement spend to contribute to a range of national and local priorities and to the sustainable procurement duty. They are also required to publish annual procurement reports describing how their procurements have complied with their organisational procurement strategy.²²

The sustainable procurement duty²³ requires that before a contracting authority buys anything, it must think about how it can improve the economic, social and environmental wellbeing of the area in which it operates, with a particular focus on reducing inequality – and in carrying out a procurement, act with a view to securing such improvements. It also requires a contracting authority to consider how its

¹⁸ For examples of spending pillar activity see the CWB Guide: link to be inserted following publication

¹⁹ [The Procurement Reform \(Scotland\) Act 2014](#)

²⁰ [The Procurement \(Scotland\) Regulations 2016](#)

²¹ [The Procurement Reform \(Scotland\) Act 2014](#)

²² [Scottish Government procurement strategy: April 2022 to March 2024](#)

²³ More information on the sustainable procurement duty is available here: [Public sector procurement](#).

procurement processes can facilitate the involvement of SMEs, third sector bodies and supported businesses, and how public procurement can be used to promote innovation.

Statutory²⁷ and non-statutory²⁸ guidance has been published to help public bodies comply with the sustainable procurement duty and support sustainable procurement. The guidance is framed in terms of Scotland's purpose and outcomes meaning that in the process of complying with the sustainable procurement duty, a contracting authority will also be contributing to national priorities including Fair Work, the Economy, the Environment and Human Rights. For example, compliance with the sustainable procurement duty underpins the contribution that a contracting authority makes to addressing climate change in the course of its procurement activity. To reinforce this connection, the Scottish Government encourage contracting authorities to refer to the same information in climate and procurement reporting.²⁹

We are working to improve access to public contracts for SMEs, the third sector and supported businesses. This includes business support, splitting larger requirements into smaller lots, making it easier for smaller firms to bid for work. Figures show that 11,025 new contracts were advertised through the national Public Contracts Scotland (PCS) Advertising Portal in 2020-21. Of these, 92% were for low value contracts and 78% were 'Quick Quotes', a simpler method of competing contracts than that required for high value/high risk procurements. Some 15,656 suppliers were awarded public contracts through PCS, of which 76% were SMEs, 73% were Scottish-based, and 59% were Scottish-based SMEs.

Community benefit requirements are defined in the Procurement Reform (Scotland) Act 2014 as contractual requirements imposed by a contracting authority.³⁰ They are intended to complement other economic, social and environmental considerations in the Act, in particular, the sustainable procurement duty.³¹ Guidance on community benefits places an emphasis on tailoring community benefits to the individual procurement and the place-based benefits that might accrue. Detail and examples of this approach are included in the Scottish Government policy note on Measuring Social Impact in Public Procurement.³²

Fair Work First is the Scottish Government's policy for driving high quality and Fair Work across the labour market in Scotland by applying Fair Work criteria to procurement, grants, other funding and contracts being awarded by and across the public sector. For example, we announced in October 2021 that companies bidding

²⁷ [Procurement Reform \(Scotland\) Act 2014: statutory guidance](#)

²⁸ [Sustainable Procurement Tools](#)

²⁹ [Public sector leadership on the global climate emergency: guidance](#)

³⁰ They are defined in the Procurement Reform Act as: a community benefit requirement is a contractual requirement imposed by a contracting authority (a)relating to:

(i)training and recruitment, or

(ii)the availability of sub-contracting opportunities, or

(b)which is otherwise intended to improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.

³¹ [Public sector procurement: Sustainable Procurement Duty](#)

³² [Measuring social impact in public procurement: SPPN 10/2020](#)

for Scottish Government contracts will routinely have to pay the real Living Wage (more information on Fair Work First is provided in section 2.3).²⁴

Increasing public procurement spend with Scottish companies and SMEs is a longstanding priority for the Scottish Government. Extensive benchmarking has shown Scottish public procurement approaches have made great progress. Whilst we have ambitions to do more, further progress will not be without its challenges. We are continuing to listen to Scottish businesses and third sector through a variety of forums, helping to test and inform public procurement approaches to ensure our approaches are flexible and scalable for SMEs and the third sector.

Wider activity underway to grow local spend in Scotland includes:

- funding a spend analysis tool for all local authorities to help them to identify opportunities to develop their local supply base;
- funding the Supplier Development Programme to ensure that SMEs, third sector organisations and supported businesses who wish to bid and win for public contracts have support to increase their competitive capability;
- the Supply Chain Development Programme is a key part of NSET and aims to improve the capacity, capability and development of Scottish supply chains; and
- prime contractors are encouraged to use the PCS advertising portal to facilitate access of subcontracting opportunities to SMEs, the third sector and supported businesses.²⁵

This work takes place in an environment where international trade agreements and investment rules, including those governed by the World Trade Organisation, afford reciprocal access to public contracts. Simply preventing foreign firms from bidding for Scotland's public contracts would not only risk breaching international trade rules but could also limit opportunities for Scottish firms to export their goods and services to other countries. Therefore, work to make public contracts accessible to Scottish businesses takes place alongside work to build business capacity and capability to participate in national and international markets.

The Scottish Government recently consulted on a Circular Economy Bill and Waste Route Map which will help advance a zero waste and circular economy. Not only does this benefit the environment, a more circular economy can strengthen communities by providing local employment opportunities and lower cost, more sustainable access to the goods we need. This is also more self-sufficient as it reduces our reliance on imported goods and materials, and provides increased economic resilience.

²⁴ [Fair Work First: guidance Fair work and procurement](#)

²⁵ [Advertising subcontracting opportunities on the Public Contracts Scotland \(PCS\) website: SPPN 5/2019](#)

Additionally, the Scottish Government will update Catering for Change, which will set out principles in relation to sustainable procurement of food and catering services in the public sector to align public procurement behind sustainable, low carbon farming and food.

The Good Food Nation (Scotland) Act provides an over-arching framework for clear, consistent and coherent future Scottish food policy, which applies to the national as well as the local level. The Act places duties on Scottish Ministers and certain public authorities (including local authorities and health boards) to produce plans of their policies in relation to food and set out what they will do to make those plans real. When preparing the plans, Scottish Ministers and relevant authorities will be required to give consideration to a number of high level principles set out in the Good Food Nation (Scotland) Act. This includes the principle ‘that each part of the food system and supply chain plays an important role in the provision of food’.

In order to achieve the ambitions of the spending pillar of CWB, and go beyond existing legislation, policies and guidance, as part of early engagement stakeholders have suggested a focus on the following areas:

- review the national, sectoral, local and regional frameworks and contracts to ensure that the arrangements in place ensure logical groupings that facilitate access to SMEs, the third sector and supported businesses;
- further investment in supplier development capacity and to improve knowledge of local supplier within anchor organisations;
- investment in capacity to support linkages between local procurement teams and economic development;
- explore opportunities for joint procurement between anchor organisations;
- develop the content of annual procurement strategies and reports to demonstrate how the procurement activity of individual public bodies contributes to CWB;
- an improved focus on place-based thinking in the use of community benefits and reporting to reflect how this is being achieved.

2.2.2 Questions

Q3. Are there ways in which the law could be changed to advance the spending pillar of Community Wealth Building?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement.

2.3 Workforce Pillar

2.3.1 Overview

The workforce pillar of CWB is focused on driving Fair Work practices and creating meaningful labour market opportunities in local communities that support wellbeing through actions such as:

- anchor organisations and employers committing to Fair Work practices;
- payment and promotion of the real Living Wage;
- providing appropriate channels for effective voice;
- action to create more diverse and inclusive workplaces;
- seeking to recruit locally and from groups often excluded from the labour market;
- support for skills development, in work progression and employee wellbeing, including for those at risk of potential exclusion from labour market in the future.²⁶

Although the Scotland Act 2016 transferred powers to Scotland to provide employment support for disabled people and those at risk of long term unemployment, all other aspects of employment law and industrial relations remain reserved to the UK Parliament, including employment rights, trades unions, equality and health and safety. This means that the Scottish Government is limited in what it can do to influence changes in workplace practices. We are doing all that we can with the levers available to us to encourage employers to adopt fair working practices. The Scottish Government has recently published a refreshed Fair Work Action Plan, incorporating a refresh of the Gender Pay Gap Action Plan, Disability Employment Gap Action Plan and actions derived from Anti-Racist Employment Strategy.

The Fair Work Convention, which independently advises the Scottish Government on Fair Work, published its Fair Work Framework in 2016. It sets a vision that, by 2025, people in Scotland will have a world-leading working life where Fair Work drives success, wellbeing and prosperity for individuals, businesses, organisations and society. The Fair Work Framework defines Fair Work as work that offers effective voice, respect, security, opportunity and fulfilment; it balances the rights and responsibilities of employers and workers, and can generate benefits for individuals, organisations and society.²⁷ NSET includes a commitment to take further steps to remove barriers to employment and career advancement for disabled people, women, those with care experience and people from minority ethnic groups.

Fair Work means increased financial security, greater independence, and better physical health and mental wellbeing. It means equal opportunities at work, including

²⁶ For examples of workforce pillar activity see the [EDAS: CWB Guide](#) and the Refreshed Fair Work Action Plan: [Fair Work action plan: becoming a leading Fair Work nation by 2025](#)

²⁷ Find our more information here: [Fair Work Convention](#)

to learn, develop and progress, and to enjoy a culture and environment free of bullying and discrimination, helping people live more fulfilling lives. Fair Work is also a model for innovation and success, with many employers in Scotland already implementing Fair Work practices, providing safe and secure working environments and promoting positive workplace cultures where staff are engaged and have their voices heard. There are also a range of business benefits to adopting Fair Work practices. A report published by Carnegie UK and The RSA indicates that higher quality work, like higher pay, can serve as a spur to greater work satisfaction and motivation, thus leading to higher levels of workplace productivity.²⁸

While progress has been made to support workers access and sustain Fair Work, more needs to be done to ensure that we remove the barriers so that all workers can experience the benefits of Fair Work and achieve the outcomes as set out in our aims. The key objectives are:

- increasing the number of people paid at least the real Living Wage and on stable contracts;
- work with employers, workers and trade unions to strengthen effective voice, through a range of appropriate channels;
- support employers to adopt flexible working practices;
- reduce the Gender Pay Gap for employees in Scotland by the end of this parliamentary term (May 2026), and to maintain or where possible improve our position relative to the UK as a whole and our international neighbours;
- reducing the Disability Employment Gap to 18.7 percentage points (p.p.) by 2038, therefore halving the gap from the baseline in 2016;
- improving labour market outcomes for racially minoritised people and increase the impact of actions taken forward by employers to address racial inequality.

As highlighted in section 2.2, Scottish Government has published Fair Work First guidance which supports employers and public sector partners to adopt fair working practices by applying Fair Work criteria to grants, other funding and contracts being awarded by and across the public sector, where it is relevant to do so. Fair Work First asks employers to commit to:

- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the Gender Pay Gap and create a more diverse and inclusive workplace;
- payment of the real Living Wage;
- offer flexible and family friendly working to all workers from day one of employment;
- oppose the use of fire and rehire practices.

In line with the Bute House Agreement, we have strengthened our approach to conditionality by introducing a requirement on public sector grants recipients to pay at least the real Living Wage to all employees and to provide appropriate channels

²⁸ [Can Good Work Solve the Productivity Puzzle](#)

for effective workers' voice, such as trade union recognition. The requirement will apply from 1 July 2023.

The Scottish Government actively champions the real Living Wage which helps to ensure peoples' basic pay meets the cost of living and is a key area of focus of actions to tackle child poverty. We fund the Poverty Alliance to run the Scottish Living Wage Accreditation initiative which includes the Living Wage Places programme.²⁹ Scottish Enterprise, in conjunction with the Scottish Government, Fair Work Convention and other partners, have developed a Fair Work Employer Support Tool to help employers understand and fully embed the dimensions of Fair Work.³⁰

An example of Fair Work in practice is the South of Scotland Enterprise Act 2019 inclusion of a requirement for South of Scotland Enterprise to establish a committee to advise it on what might be done to advance the interests of workers in the South of Scotland.³¹

The Scotland Act 2016 transferred new powers to Scotland to provide employment support for disabled people and those at risk of long term unemployment. The changes took effect in April 2017 and we are taking action to help those facing the greatest barriers to work to find and stay in jobs, through Fair Start Scotland.³²

The No One Left Behind approach is focused on placing people at the centre of the design and delivery of employability services and aims to deliver a system that is more responsive to the needs of people of all ages who want help and support on their journey towards and into work - particularly people with health conditions, disabled people and others who are disadvantaged in the labour market. To realise our ambitions for No One Left Behind, Scottish and Local Government are working collaboratively and with other partners in the public, private and third sector through Local Employability Partnerships (LEPs) in each local area. LEPs bring together a range of partners to develop a strategic approach to planning, implementation and delivery of employment support in a way that meets the needs of individuals and emerging local labour market demands.³³

As part of early engagement on CWB legislation stakeholders have suggested a focus on the following areas:

- taking further steps to encourage anchor organisations to pay the real Living Wage and become Living Wage accredited;
- anchor organisations should develop and commit to local or regional fair employment charters, these could include a focus on seeking to recruit locally and from groups that are often excluded from the labour market.

The Scottish Government is limited currently in what it can do in terms of legislation to advance the workforce pillar given that employment law is a reserved area,

²⁹ [Living Wage Programme](#)

³⁰ [Fair Work Employer Support Tool](#)

³¹ [South of Scotland Enterprise Act 2019](#)

³² [Fair Start Scotland](#)

³³ [No One Left Behind: delivery plan](#)

therefore we make no legislative proposals in relation to this pillar. We launched the Fair Work Nation consultation in 2021 which requested views on the opportunities, challenges and the actions that need to be taken for Scotland to become a Fair Work Nation. Some respondents offered suggestions for what the Scottish Parliament could do with full control of employment law.³⁴

2.3.2 Questions

Q4. Employment law is reserved to the UK Parliament. Are there other devolved areas where the law could be changed to advance the workforce pillar of Community Wealth Building?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament. We will cross-reference to responses received as part of the Fair Work Nation consultation which was held in 2021.

³⁴ Analysis of Fair Work Nation consultation responses available here: [Becoming a Fair Work Nation: consultation analysis](#)

2.4 Land and Property Pillar

2.4.1 Overview

The land and property pillar seeks to grow the social, ecological, financial and economic value that local communities gain from land and property assets. This pillar focuses on maximising the use of land and property including through:

- productive and sustainable use of land and assets to support communities and enterprise;
- promoting and enabling diversified ownership and management of land and buildings;
- supporting community capacity building to grow community ownership;
- tackling vacant and derelict land and buildings to support regeneration including within town centres, increase community wellbeing, create employment opportunities, tackle climate change and protect our natural capital.³⁵

The use and ownership of Scotland's land is one of the central issues for the future of our environment, our society and our economy. As a result of the Land Reform Acts of 2003 and 2016 and the Community Empowerment Act of 2015, Scotland has taken significant steps forward in supporting and enabling communities to have greater opportunity to own or to influence the use of the land and property on which they live.

A consultation on the next Land Reform Bill was launched in July 2022 building on Programme for Government 2021-22 and Bute House Agreement commitments. The next Land Reform Bill will be introduced by the end of 2023 and will make important changes to the framework of law and policy that govern the system of ownership, management and use of land in Scotland.³⁶

The Land Reform Bill aims to address long-standing concerns about the highly concentrated pattern of land ownership in rural areas of Scotland. Proposed measures include:

- the introduction of a public interest test for transfers of large-scale landholdings;
- a requirement on owners of large-scale holdings to give prior notice to community bodies of their intention to sell;
- a requirement on those seeking land-based subsidies to have the land registered in the Land Register, to ensure transparency around who benefits from public funding;
- strengthening the Land Rights and Responsibilities Statement³⁷.

In addition, the consultation focused on how to ensure communities benefit from future investment in Scotland's natural capital, greater transparency around land and

³⁵ For examples of land and property pillar activity see the [EDAS: CWB Guide](#)

³⁶ [Land reform in a Net Zero Nation: consultation paper](#)

³⁷ [Scottish land rights and responsibilities statement](#)

asset ownership and on the future role of taxation in respect of land reform. These proposals all have the potential to contribute to the ambitions of CWB.

The Community Empowerment (Scotland) Act 2015 has provided a legal framework to promote and encourage community empowerment and participation, creating new rights for community bodies and placing new duties on public authorities. The review of the Community Empowerment Act was launched in July 2022 and will include a focus on community right to buy and asset transfer.

Local authorities already have broad compulsory purchase powers, which can be used for a wide range of purposes – including bringing vacant and derelict land and property back into productive use. We will separately be taking forward work to reform and modernise compulsory purchase legislation in Scotland to establish a fairer, quicker and more effective system for assembling land required to deliver development, regeneration and infrastructure projects in the public interest.

Local authorities also have existing mechanisms for securing financial or in-kind contributions to community facilities and infrastructure (sometimes referred to as ‘developer contributions’) from those undertaking development – for example, through Section 75 planning obligations.³⁸ As part of the Scottish Government’s ongoing review of existing land value capture mechanisms, we recently published independent research on the effectiveness of using planning obligations for these purposes. The research estimated that approximately £0.5 billion was agreed through existing developer contribution mechanisms in Scotland in 2019/20.³⁹ The findings from this research will inform our consideration of future reforms in this area, including the introduction of a new infrastructure levy under powers in the Planning (Scotland) Act 2019.

National Planning Framework 4 (NPF4) promotes an ‘infrastructure first’ approach to planning, through which infrastructure needs and developer contribution requirements are robustly evidenced and clearly articulated at the plan-stage. This approach is intended to provide greater certainty for all parties – including communities – about the impacts that new development will have on infrastructure and the contributions developers are expected to make. Front-loading infrastructure considerations through the plan-making process will provide communities with greater opportunity to get involved and ensure their needs are considered.

NPF4 sets out how our approach to planning and development will help to achieve a net zero, sustainable Scotland by 2045. It contains a policy in relation to CWB which outlines that: local development plans should be aligned with any strategy for CWB for the area; spatial strategies should address CWB priorities; identify community assets; set out opportunities to tackle economic disadvantage and inequality; and seek to provide benefits for local communities. Development proposals which contribute to local or regional CWB strategies and are consistent with local economic priorities will be supported, as will proposals linked to community ownership and management of land. NPF4 also includes a policy in relation to brownfield, vacant and derelict land

³⁸ [Planning Obligations: Section 75](#)

³⁹ [Planning - the value, incidence and impact of developer contributions: research](#)

and empty buildings, specifying that local development plans should set out opportunities for the sustainable reuse of brownfield land including vacant and derelict land and empty buildings, which contributes towards the CWB land and property pillar aims. Policy also seeks to direct development to existing city, town local and commercial centres and supports sustainable rural communities, limiting out-of-town and greenfield development.⁴⁰

The Scottish Land Commission has produced guidance for public bodies that own, manage, use, and influence the use of, land and buildings in Scotland, to help organisations to take actions that support CWB.⁴¹

Scotland benefits from our well established programmes that continue to support place-based community-led regeneration, which enable and create the conditions that can support the delivery of the CWB approach. The Place Based Investment Programme (PBIP) is built on the experience and success of the Regeneration Capital Grant Fund, delivered in partnership with COSLA. The PBIP, underpinned by the Place Principle, seeks to ensure that the investment in our communities and places, such as our town centres and 20 minute neighbourhoods, are community led, making sure that money spent in places has the greatest collective benefit and meets the needs and aspirations of local communities. Our Strengthening Communities Programme helps to develop community capacity and sustainability.

The Scottish Government is also currently carrying out a consultative process to develop a new Agriculture Bill, this includes draft enabling powers for Rural Community Led Development and Rural Networking to advance rural development. The new Agriculture Bill provides the opportunity to deliver both new and further support mechanisms relating to the wider management and utilisation of Scotland's natural assets that further rural development while still remaining aligned with EU outcomes. The new Agriculture Bill will, in particular, allow action and financial support to activities to contribute directly to rural and island communities whilst also enabling and supporting collaboration to allow capacity building and positive change. This potential lever offers an opportunity to build on the existing LEADER network in rural and island areas to increase community and micro enterprise capacity.⁴²

As part of early engagement on CWB legislation stakeholders have suggested a focus on the following areas:

- review compulsory purchase powers and the case for introducing alternative land assembly mechanisms such as compulsory sales orders;
- explore the scope of existing mechanisms for securing development contributions, such as Section 75 planning obligations;
- explore new mechanisms for enabling land value uplifts to be reinvested in economic, social and community facilities.

⁴⁰ [Revised Draft NPF4](#)

⁴¹ [The Scottish Land Commission: Guidance](#)

⁴² [Delivering our Vision for Scottish Agriculture. Proposals for a new Agriculture Bill](#)

These matters will be considered in detail through separate workstreams. In doing so, it will be important to ensure that any new mechanisms – or changes to existing ones – are fair to all parties, comply with human rights obligations and maintain incentives to make land available for development.

2.4.2 Questions

Q5. Are there ways in which the law could be changed which are not already covered in the proposals for the Land Reform Bill to advance the land and property pillar of Community Wealth Building?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement.

2.5 Inclusive Ownership Pillar

2.5.1 Overview

The inclusive ownership pillar aims to develop models of ownership that enables the wealth generated in a community to stay in that locality, including:

- promotion of more generative forms of business models including locally owned businesses, employee ownership, co-operatives, social enterprises and community enterprises;
- transition of existing companies to employee ownership;
- transition of existing companies to asset or mission locked social enterprises;
- encouraging citizens, communities and the third sector to play a greater role in ownership and control of assets within the economy;
- public ownership for public good as appropriate.⁴³

A number of areas regarding the ownership and taxation of companies are reserved to the UK Parliament. The Scottish Parliament has limited powers when it comes to taxation. Under the current devolution settlement, the vast majority of tax powers remain reserved to the UK Parliament. This constrains what the Scottish Government can do in relation to tax policy. In addition, company law is a reserved area as part of the Companies Act.

As part of NSET, we have committed to a review of how best to increase the number of social enterprises, employee-owned businesses and cooperatives in Scotland. This review will help inform the development of a key pillar of CWB and therefore we will consider any legislative proposals arising from that review which will report by the end of 2023.

Scotland already has a strong track record in these areas. The Social Enterprise Strategy, which was co-produced with the sector and launched in 2016, sets out a wide-ranging, ambitious and long term programme to develop the potential of Scotland's social enterprise sector. The strategy sets out 3 key priorities: stimulating social enterprise; developing stronger organisations; and realising market opportunities. The strategy is accompanied by a series of three-year action plans which describe the evolving commitments, initiatives and programmes that will deliver on the long term priorities set out in the strategy. The latest Social Enterprise Action Plan was published in March 2021 and details how we will work across the public sector and with partners to build forward and put the social enterprise model at the heart of Scotland's recovery.

Key achievements to date include:

- establishing an enhanced national intermediary body through Social Enterprise Scotland, to represent the whole of the social enterprise sector across Scotland and provide one clear voice advocating for it;
- significant progress with the national schools programme funded by the Scottish Government and run through the Social Enterprise Academy which

⁴³ For examples of inclusive ownership pillar activity see the [EDAS: CWB Guide](#)

will ensure that by 2024 every school child will have the opportunity to engage with a social enterprise project at school;

- enhanced tailored business support to the third sector including start up, scaling up, business recovery and leadership development and support through the world-leading Scottish Government funded business support to the third sector currently delivered via Just Enterprise;
- new funding for a range of targeted programmes, established to stimulate and grow social enterprise activity at home and internationally as well as stimulate innovation and test new models of funding including through key delivery partners such as Firstport, Social Investment Scotland, Community Enterprise in Scotland and Social Enterprise Scotland.

The Scottish Government has an ambition for 500 employee-owned business in Scotland by 2030. The Scottish Government has supported the establishment of an employee ownership Industry Leadership Group – Scotland for Employee Ownership (SfEO) – which will empower the employee ownership sector to direct its own development. Scottish Enterprise delivers ownership succession support to companies, where employee ownership is significantly highlighted as a fairer, more inclusive option. Research findings published by Co-operative Development Scotland in 2021 (conducted by the University of St Andrews) showed that employee owned businesses were more resilient than non-employee owned businesses during the Covid-19 pandemic. A significant focus on people, job security, health, equality and wellbeing led to increased business turnover and improved staff retention at a time when many businesses experienced the opposite.⁴⁴

Co-operative business models can play a critical role in economic recovery, supporting the Scottish Government’s aim to create a fairer, stronger and more democratic economy. We will continue to work through Co-operative Development Scotland and the enterprise agencies to support the growth of co-operatives, employee-owned businesses and other inclusive business models.

Support for co-operative development is delivered by Co-operative Development Scotland and is focused on:

- the promotion of the co-operative model, including employee ownership models;
- the direct provision of advice and information to start up co-operatives and others seeking growth opportunities;
- the dissemination of best practice in relation to business development;
- the provision of training in co-operative business skills; and
- a source of research and data on the scale and impact of the co-operative enterprise activity in Scotland.

Key recent Co-operative Development Scotland achievements include:

- in financial year 2021-22, Co-operative Development Scotland reached 128 attendees via four succession masterclasses, held two professional adviser webinars and hosted a webinar exploring platform co-operatives in

⁴⁴ [Scottish Enterprise: Employee Owned Business](#)

partnership with Co-operatives UK as well as a partnership event dedicated to community co-operatives;

- in financial year 2022-23, Co-operative Development Scotland has extended its programme of partnership events dedicated to community co-operatives including two events providing CPD (Continuing Professional Development) to upskill development officers and businesses advisors;
- Co-operative Development Scotland have supported 20 new co-operatives in both 2020-21 and 2021-22. To date this year (2022-23) 11 co-operatives are receiving support across the spectrum of community, consortia and platform co-operatives;
- Co-operative Development Scotland have support 39 employee ownership feasibility studies in 2021-22 with 25 adopting employee ownership (2020-21 figures are 29 taken to feasibility and 22 adopting employee ownership);
- Co-operative Development Scotland have responded to 78 employee ownership enquiries this year (2022-23) to date, taking 25 to feasibility stage so far.⁴⁵

In addition, Co-operative Development Scotland have partnered with Youth Enterprise Scotland (YE Scotland) on a new initiative which provides the first comprehensive source of information on inclusive, values-led business models for young people. Together they aim to inspire young entrepreneurs to set up companies with a social or environmental purpose. YE Scotland have reported that the young people they work with are increasingly interested in developing businesses with a social and/or environmental purpose.⁴⁶

NSET includes a commitment to build on the findings from the Business Purpose Commission⁵⁶, to inform how businesses can deliver positive impacts on prosperity, wellbeing and environmental sustainability. This will recognise that businesses which take a long term (inter-generational) view of their stakeholder commitments fare better in times of crisis, including during the pandemic. The Business Purpose Commission proposed recommendations aimed at business, the Scottish Government and the UK Government. The Scottish Government is primarily interested in ways it can, within its devolved competencies, promote purposeful business and support companies to develop purpose driven approaches.

The Community Empowerment Act 2015 covers eleven different topics including areas concerned with community ownership such as community right to buy and asset transfer. As highlighted in section 1.4 and 2.4, the review of this Act will have a particular focus on community ownership and strengthening decision-making to improve outcomes for the local community. We recognise the need for community capacity building, particularly in more fragile communities, to support communities to participate in or lead CWB activities.

⁴⁵ Figures from November 2022

⁴⁶ [YE Scotland: Young people developing businesses with a social and/or environmental purpose](#) ⁵⁶
[Business Purpose Commission](#)

As part of early engagement on CWB legislation stakeholders have suggested a focus on the following areas (please note: a number of these suggestions, for example employee right to buy, Marcora Law and exploring incentives are proposals in which the Scottish Government is limited where it can act given they cover reserved matters):

- greater recognition of the role of inclusive business models in the economy;
- availability and accessibility of start-up support for the establishment of inclusive business models;
- greater acknowledgement of the role of support organisations and the need to ensure they are adequately resourced to maintain and grow outputs;
- a duty for business support services to consider the distinct needs of inclusive business models and to promote these models;
- preparatory work with public sector bodies to improve understanding of inclusive business models in advance of supporting the development of CWB plans and their subsequent implementation;
- a need to increase the knowledge and improve the culture around cooperatives to support new cooperative enterprises or transitions across Scotland;
- supplier development support for inclusive business models including social enterprises to build capacity;
- explore incentives to encourage the establishment of inclusive business models;
- an ‘employee right to buy’ when a business is put up for sale which allows a window for employees to consider developing a bid and raising the finances;
- a ‘Marcora law’⁴⁷ which would give workers support to organise a co-operative buyout or rescue when a business is up for sale or under threat. Whilst the Scottish Government would be keen to further explore suggestions around employee right to buy and Marcora law, these proposals are heavily focused on reserved matters.

2.5.2 Questions

Q6. Are there ways in which the law could be changed to advance the inclusive ownership pillar of Community Wealth Building?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early

⁴⁷ The ‘Marcora Law’ is named after an Italian law introduced in 1985 and gives workers support to organise a co-operative buyout or rescue when a business is up for sale or under threat. The Marcora Law legislates for the state to utilise specific powers to redirect welfare expenditure towards worker buyouts – specifically, via a fund which invests in the share capital of a ‘phoenix’ co-operative, matching up to three times what the employees invest, by capitalising up to three years’ unemployment benefit. The employees forgo the right to unemployment benefit during that period, should the co-operative fail. With powers over welfare expenditure, employment, and industrial relations not within the devolved competence of the Scottish Government, the Marcora Law is not directly replicable in the Scottish context. (Source: [Owning the workplace, securing the future](#))

engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament.

2.6 Finance Pillar

2.6.1 Overview

The finance pillar of CWB aims to increase flows of investment within local economies by harnessing the wealth that exists locally and directing wealth to tackle inequality, including through:

- promoting the development and use of progressive forms of finance including credit unions and Community Development Finance Institutions (CDFIs);
- ensuring micro-businesses and SMEs have access to finance;
- promoting and harnessing social investment;
- value-led responsible investment;
- incorporating clear CWB criteria into public forms of investment and business cases.⁴⁸

It should be noted that financial regulation is a reserved matter and therefore we do not make legislative proposals in relation to financial regulation. The Financial Conduct Authority (FCA) regulates the financial services industry in the UK.

There is already a wealth of activity across Scotland in support of the above. This includes:

- the Affordable Credit Loan Fund which supports the affordable credit sector by enabling social lenders, such as CDFIs, to provide access to affordable credit to low income households;
- in response to a recommendation from the Carnegie UK Trust's Advancing Affordable Credit report in February 2022, Scottish Government launched a national affordable credit marketing campaign to promote awareness of the community lending sector;
- the Scottish Community Lenders Fund supported both credit unions and CDFIs to promote the availability of affordable credit and strengthen the balance sheet of affordable credit providers;
- Social Investment Scotland offers loan funding and business support for social enterprises, charities and community groups looking to make a positive impact on people's lives, society or the environment;
- the Catalyst Fund delivered through Firstport offers ambitious social enterprises who have potential to deliver significant social impact but are unable to access existing social investment products;
- access to finance for SMEs including through Business Loans Scotland and DSL Business Finance Ltd;
- the Scottish National Investment Bank (the Bank) provides long term patient capital to help crowd in private investment into Scottish businesses and projects. The Bank's missions are to; address net zero, improve places and

⁴⁸ For examples of finance pillar activity see the [EDAS: CWB Guide](#)

harness innovation while also promoting equality, diversity and fair work across its partners and investees;

- NSET includes a commitment to develop a values-led high-integrity market for responsible investment in natural capital. This commitment, including more detail on Government's expectation on community engagement and community benefit from this market, is set out in more detail in the Interim Principles for Responsible Investment in Natural Capital published in March 2022⁴⁹, and is supported by the Government's Land Rights and Responsibilities Statement⁵⁰ and related Scottish Land Commission guidance;
- the Scottish Taskforce for Green and Sustainable Financial Services launched in February 2022 will focus on capitalising on the opportunities of financing the global shift to net zero;
- the Scotland Loves Local programme aims to help revitalise communities and town centres, increasing footfall and activity by encouraging people to shop locally.

As part of early engagement, some stakeholders have suggested a focus on the following areas:

- exploring if CWB principles and standard criteria could be built into funding and funding assessment criteria;
- encouraging investment funds including, for example, pension funds, to be directed to build local wealth;
- greater recognition of the role of credit unions and CDFIs and explore the establishment of community banks.

2.6.2 Questions

Q7. Are there ways in which the law could be changed to advance the finance pillar of CWB?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament.

⁴⁹ [Interim Principles for Responsible Investment in Natural Capital](#)

⁵⁰ [Scottish land rights and responsibilities statement](#)

Part 3. Next Steps

3.1 Responding to this consultation

We are inviting responses to this consultation by 25 April 2023.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). Access and respond to this consultation online at [Scot Gov-Citizen Space-CWB](#). You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 25 April 2023.

If you are unable to respond using our consultation hub, please complete the Respondent Information Form, and send it with your response:

By email to: communitywealthbuildingconsultation@gov.scot

Or by post to:
Community Wealth Building
Directorate for Economic Development
Third Floor
5 Atlantic Quay
150 Broomielaw
Glasgow
G2 8LU

3.2 Handling your response

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy: <https://www.gov.scot/privacy>

3.3 Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

3.4 Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or at: communitywealthbuildingconsultation@gov.scot

3.5 Scottish Government consultation process

Scottish Government consultation process Consultation is an essential part of the policy-making process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.scotland.gov.uk> . Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision-making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review;
- inform the development of a particular policy;
- help decisions to be made between alternative policy proposals;
- and be used to finalise legislation before it is implemented.

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

Annex A – Overview of CWB Activity in Scotland

There has been significant progress in implementing CWB in Scotland over the past few years. The purpose of this Annex is to provide a high level overview of examples of CWB activity in Scotland and it is not intended to be exhaustive.⁵¹

The Scottish Government has supported five pilot areas to develop bespoke CWB action plans, covering a range of actions across the five pillars of CWB.⁵²

CWB Pilots

Clackmannanshire

Clackmannanshire are progressing CWB activity including in relation to the Gender Pay Gap and real Living Wage, ownership considerations in high street regeneration, growing local supply chains and a community benefits wish list.

Fife/Tay Cities

Fife are focusing on a number of areas including growing local spend, delivering employability funding through a CWB lens to support lone parents, deepening the role of community finance and using land as a tool to achieve net zero. The learning will be shared with the wider Tay Cities region.

Glasgow City Region

Glasgow City Region are focused on bringing vacant and derelict land into more productive use and are pursuing sustainable procurement within the construction sector aiming to develop benefits for Scottish firms with a securer pipeline for apprenticeships and more local jobs. Glasgow City Region are now developing plans to advance CWB across all five pillars of the approach.

South of Scotland

The South of Scotland Regional Economic Partnership are incorporating CWB across its regional economic strategy, and South of Scotland Enterprise, working with partners, have a deep dive focus on the role of housing sector in developing South of Scotland supply chains, particularly in green retrofitting of housing stock.

Western Isles

Western Isles have focused on areas such as enhancing awareness and application of land rights and responsibilities for greener and more locally productive use and deepening the links between employability programmes and local skills needs, in addition to activity across other CWB pillars.

⁵¹ Further examples are available here: insert links to CWB Guide

⁵² [Scottish Hub for Regional Economic Development](#)

North Ayrshire Council and Ayrshire Growth Deal

North Ayrshire Council launched Scotland's first CWB strategy in May 2020 committing the Council to deliver an ambitious range of CWB activity at a local level and through collaboration with regional partners.⁵³

Scottish Government committed £3 million through the Ayrshire Growth Deal to advance CWB across the region. The funding is supporting new Community Wealth Building officers to support local businesses and community organisations deliver Community Wealth Building ambitions; a regional CWB Fund to advance this activity; and a dedicated Fair Work Ayrshire team who will work closely with Ayrshire anchor organisations and major employers to establish Ayrshire as a Fair Work region.⁵⁴

This builds on wider CWB activity in the Ayrshire region including: an Ayrshire-wide Community Wealth Building Commission containing key anchor organisations including health, further education, police, fire, Scottish Enterprise and the third sector; and the launch of an Ayrshire Anchor Charter which commits local and regional anchor organisations to a range of pledges across the five CWB pillars and a sixth pillar of 'Climate Action'.

Though CWB is often implemented on a local scale, as highlighted above there are examples where the approach has been expanded across whole regions, with Glasgow City Region and Ayrshire leading the way by embedding CWB within their Regional Economic Strategies. The value of this scale of ambition and shared endeavour has been recognised by the Regional Economic Policy Advisory Group, who noted the benefit that could come from this intentional use of public and private investment scaled up across regions in their Regional Economic Policy Review⁵⁵, and included it as one of the policies that could be considered by all Regional Economic Partnerships across Scotland.

Beyond local authorities, a number of other sectors are working to integrate CWB principles into their work, embracing their role as 'anchors' and the wider contribution they can make to reduce inequalities.

As part of the Place and Wellbeing Programme within Health and Social Care, Scottish Government is working with Public Health Scotland to support health and social care providers to contribute to the CWB agenda including supporting territorial health boards (which operate at a regional level) to become active anchor organisations. Health boards and other health and social care providers can make a valuable economic contribution within their region by increasing access to local

⁵³ [SHRED - North Ayrshire](#). See North Ayrshire Council CWB case studies here: [Case Study: North Ayrshire](#)

⁵⁴ [Ayrshire Growth Deal - Community Wealth Building](#)

⁵⁵ [Fair Work action plan: becoming a leading Fair Work nation by 2025](#)

employment, purchasing from local suppliers and ensuring communities can make greater use of NHS land and buildings.

Scotland's Housing to 2040 strategy contains a focus on strengthening the role of social housing providers as key anchor organisations. Social housing providers are ideally placed not only to work with tenants and residents, but also to develop the wider local and regional economies in which they are based and help tackle poverty in these areas by providing work and training opportunities. The strategy sets out that by 2025, CWB will be embedded in the approach and practices of social housing providers across Scotland.⁵⁶

There is also a plethora of activity and innovation within each of the five pillars of CWB. Within the spending pillar, the Supplier Development Programme is supporting Scottish SMEs and third sector organisations who are interested in bidding for public sector contracts through a range of resources and events.⁵⁷ In the workforce pillar, Fair Work First is driving high quality and fair work across the labour market in Scotland by applying fair work criteria to grants, other funding and contracts being awarded by and across the public sector, where it is relevant to do so.⁵⁸ In 2019 over 50 local employers – including Dundee City Council – developed an action plan to make Dundee the UK's first 'Living Wage City'.⁵⁹ Within the land and property pillar, the Scottish Land Commission have produced guidance on CWB and land and identified good practice case studies.⁶⁰ To support inclusive ownership, Co-operative Development Scotland (CDS) has partnered with Youth Enterprise Scotland (YE Scotland) on a new initiative which provides the first comprehensive source of information on inclusive, values-led business models for young people.⁶¹ Within the finance pillar, Social Investment Scotland offer loan funding and business support for social enterprises, charities and community groups looking to make a positive impact on people's lives, society or the environment.⁶²

These examples are not exhaustive however illustrate that CWB can deliver more and better jobs, business growth, more productive use of land and assets, plural ownership models and shorter supply chains.

Annex B – CWB Bill Steering Group Membership

- Balfour Beatty
- Business Services Association (BSA) Scotland • Clackmannanshire Council
- Clackmannanshire Third Sector Interface (TSI)
- Clyde Gateway

⁵⁶ [Scotland's Housing to 2040 strategy](#)

⁵⁷ Find out more about the support on offer at: [Supplier Development Programme](#)

⁵⁸ [Fair Work First: guidance](#)

⁵⁹ [Living Wage Places](#)

⁶⁰ [The Scottish Land Commission: Case Studies](#)

⁶¹ [Co-operative Development Scotland \(CDS\) and Youth Enterprise Scotland \(YE Scotland\): Inclusive Business](#)

⁶² [Social Investment Scotland](#)

- Comhairlie nan Eilean Siar
- Community Enterprise in Scotland (CEIS)
- Cooperative Development Scotland/Scottish Enterprise
- COSLA
- Federation of Small Businesses (FSB) Scotland
- Fife Council
- Glasgow City Council/Glasgow City Region
- Highlands and Islands Enterprise
- NHS Lothian
- North Ayrshire Council
- Scotland's Regeneration Forum (SURF)
- Scottish Council for Voluntary Organisations (SCVO)
- Scottish Funding Council
- Scottish Renewables
- Social Enterprise Scotland
- South of Scotland Enterprise
- Supplier Development Programme
- Sustainable Procurement Ltd
- STUC
- University of Glasgow

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2nd May 2023

Agenda Item No. 4

Our Fife Leadership Summits and Next Steps

Report by: Michael Enston, Executive Director, Communities

Wards Affected: All

Purpose

To update the Fife Partnership Board on the responses from partners in relation to the Leadership Summit exercise and to agree next steps to support partnership change and reform.

Recommendations

Board members are asked to:

- i) Consider partner responses and summary in Section 1 and
- ii) Agree the next steps as set out in Section 2 and 3.

Resource Implications

The next phase of this work will rely on existing resources. In relation to the work on “no wrong door” the redesign phase will involve external support. This is being funded through the existing work on whole family support. Additional investment will be required to support the delivery of resultant programmes of change. One output from this next phase of work will be an assessment of costs and benefits as part of business case development.

Legal & Risk Implications

The responses from partners do highlight issues around changes to structures, governance and resource decision making. This next phase of work will explore this but is not anticipated to pose any legal or risk issues.

Impact Assessment

An EqIA is not required as the report does not propose any changes to existing policies and practices.

Consultation

The Recovery & Renewal Leadership Group has informed the content in this report.

1.0 Background

- 1.1 The Fife Partnership Leadership Summits exercise was undertaken between August 2022 and January 2023. It was designed to explore the implications of the reform themes from the recently agreed refresh of the Plan for Fife and in doing so, to broaden the involvement and commitment of leaders from across the Partners.
- 1.2 Initial feedback and summit outputs were presented to Fife Partnership Board on 28th February 2023.
- 1.3 Fife Partnership Board agreed that partners take the outputs from the summits to their respective leadership teams for further consideration and discussion. Partners were invited to respond to the following three questions to support the next steps :
- What work is needed to take forward the Strategic Change Ambitions?
 - What are the implications of the draft Leadership Commitments for you and your organisation role in taking them forward?
 - What changes should be made to partnership governance and delivery arrangements to take community planning forward?

See Appendix 1: Strategic Change Ambitions and Leadership Commitments.

- 1.4 Completed responses were received from six of thirteen partners: Fife Council; NHS Fife; Health and Social Care; Fife College; Skills Development Scotland and SUSTRANS see **Appendix 2**. Partners may also wish to report verbally on their consideration of the Summit outputs.
- 1.5 The outputs from the leadership summits were strongly supported. This consensus is apparent from the further consideration by individual partners. There are some issues highlighted around whether structural change or governance changes is required and whether a greater emphasis on developing collaborative working and culture change is needed. To a large extent these will need to be explored by individual partners as part of the next phase of work. This also recognises that partners will be affected differently and, in many cases, will not be affected at all by the type of changes being discussed. Nonetheless there is a strong desire to continue the dialogue and leadership involvement around public service reform in Fife.

2.0 Next Steps

Building Community Wealth	
The next phase of work will build on the review of the CWB one year action plan 2022-2023 which revealed that there is a need to sharpen focus on a fewer number of outcomes around (1) enhancing	The Community Wealth Building Support Group will drive partnership action around fewer priorities with a

<p>partnership local procurement spend (2) initiating progressive recruitment targeting those people facing most barriers to employment and (3) maximising the use of community benefit clauses in public sector contracts. The review also requires partners to move to active delivery across all five pillars of Community Wealth Building.</p>	<p>stronger focus on implementation and monitoring and reporting of impact.</p>
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<p>No Wrong Door</p>	
<p>Services in scope for this redesign phase will be defined going forward but will include Social Work, Family Support services, Community Learning and Development, Customer Contact, Welfare and Debt support and employability. Third sector input will be important as will the involvement of Health and Social Care and Health Services. Other partners will also have an interest in how this work develops.</p>	<p>This work is being progressed by the Whole Family Support/No Wrong Door Steering Group. The output from this next phase of work will be an operating model and business case.</p> <p>This redesign phase is expected to conclude by the end of 2023.</p>

<p>Place</p>	
<p>This next phase of work is focussed on:</p> <ul style="list-style-type: none"> a. operating arrangements for delivery of place based services (this is largely Council focussed) b. redesigning joint working and planning processes around place and c. exploring joint commissioning and resourcing opportunities. 	<p>Oversight of this work will be through the Leadership Reform and Recovery Board and a specific project/design team will be established.</p>

<p>Health & Well-Being</p>	
<p>Next steps will include:</p> <ul style="list-style-type: none"> • Further collaborative leadership work around Public Health Priority 6 to build on the momentum created by the Leadership 	<p>Work will include scoping of delivery mechanisms. Communities & Wellbeing Partnership is well placed to support and will report to Recovery & Renewal Leadership Board.</p>

<p>Summits and extend to other system leaders</p> <ul style="list-style-type: none"> • Exploring development of a strategic direction on use of green space for health and wellbeing, including establishment of a Green Health Partnership • Work to better coordinate and raise awareness of what's available for people to access in their local communities, that supports physical activity, social connection, health and wellbeing. 	
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3.0 Leadership and Change

3.1 The Recovery & Renewal Leadership Board considered the question of whether changes are required to our partnership arrangements in Fife to support the reform agenda. The discussion highlighted several issues:

- Inconsistent relationship and alignment of partnerships to the Leadership Board and to Fife Partnership
- A need for a greater role for the Leadership Board in assurance and alignment of plans and strategies prior to consideration by Fife Partnership Board
- Lack of clarity in reporting arrangements and in ownership / accountability
- Confused landscape regarding reporting of progress and the reporting of performance information
- The potential for a stronger role for research and insight to support the partnership agenda

3.2 While a fundamental review of partnership working and mechanisms would not be particularly valuable at this mid-point of the 3 year Plan For Fife- nonetheless there are improvements which should be considered at this time. These are largely around reporting, clarity of delivery accountability (particularly around the 13 ambitions) and the focus on priority areas including change at both a Fife Partnership and Leadership Board level. The Leadership Board will give further consideration to this and to maintaining leadership engagement across the partners. Proposals for change will be developed by the end of June 23.

Report Contact
Sinead O'Donnell
Project Manager
Communities Directorate
Email: sinead.odonnell@fife.gov.uk

Appendices:

Appendix 1 - Strategic Change Ambitions and Leadership Commitments
Appendix 2 - Full Partner Responses

Background Papers

[Our Fife Leadership Summits Report to Fife Partnership Board 28th February 2023](#)

Materials from the stocktake event including summary reports [OurFife Leadership Summits Stocktake | Our Fife Leadership Summits](#)

Appendix 1

Leadership Summit Stocktake January 2023

Draft Strategic Change Ambitions and Leadership Commitments

Put Community Wealth Building at the heart of what we're doing, so we

- actively engage and work with local business, start-ups and third sector to win more of our work
- reach out our recruitment to local communities
- prioritise CWB within our key strategies e.g. economy, climate, health

Live up to the Place Principle, so we

- work through a shared approach to how we inform, plan, review and engage locally
- adjust our structures and operating arrangements to enable locally responsive teamwork
- make resource decisions together

Implement system change in how we are supporting people and families to improve their quality of opportunity and life, so we

- commit to share knowledge, review our referral approaches, and redesign processes
- join up our access and information
- lead and invest in multi-service team working and skills

Prioritise health and wellbeing when we plan our places and services, so we

- invest in local community groups to facilitate local action
- design our workplaces and the services they deliver to improve physical activity and health and wellbeing
- work to create community networks and use all our assets to support physical activity and health and wellbeing, especially our green spaces

Our Fife Leadership Summits – Partner Feedback – April 2023

1.What work is needed to take forward the strategic change ambitions?	
Fife Council	<p>Partners need to commit to both the overall direction of public service reform in Fife and to the specific areas of change outlined through the Summit process. This commitment needs to quickly move to a leadership expectation of implementation of change. This requires changes to the role and focus of partnership working at a senior level and dedicated resources to design and enable the change. We should be aiming to have clear programmes of change designed and ready for implementation by the end of 2023. Partners need to also commit to adjusting their internal plans and organisation development to embrace the overall direction and specific areas of change. This will not succeed if it is digested as a community planning extra. Within the Council we would intend to continue to build engagement around this agenda with services, elected members and trade unions. Increasingly we would want to look at more joint work with service managers and leads in partner organisations. This may be a good moment to revisit our respective leadership development and jointly resource the task of building our leadership capability and capacity for change.</p>
NHS Fife	<p>The Leadership Conversations have provided an opportunity to gather diverse perspectives from across different partner organisations. The reports from each of the thematic workshop groups now need to be considered through Fife partnership leadership structures. We look forward to discussions of the cross-cutting themes from the workshops by the Recovery and Renewal Leadership Group.</p> <p>Culture and Values</p> <p>One of the stated aims of the Leadership Conversations was to build on our common purpose and the workshops have been an important step along the way which we welcome. The summit in January noted the importance of culture as we continue our work together. This resonated with us strongly as a leadership group and we would fully support further work to build awareness of roles and develop our shared culture and values across Fife Partnership.</p> <p>Strategic alignment</p> <p>There is an opportunity for all partner organisations to consider their own strategic plans and consider how these link and support the Plan for Fife. NHS Fife's new strategy for Population Health and Wellbeing, aligns to the ambitions set out in Plan for Fife and contains a commitment that we will continue to work in partnership. Community engagement, NHS Fife Green Space Strategy and advancing our role as an Anchor Institution are all areas of work that contribute across all the themes and commitments.</p>

<p>Health and Social Care</p>	<p>An underpinning sense of common purpose across organisations that captures our shared vision for Fife and drives the practical work that needs to be delivered. The Leadership Summits recognised the criticality of a ‘TeamFife’ culture and captured the thinking of willing partners. Committing to a shared vision for Fife also recognises the importance of the individual partners as part of the collective and the voices of the people of Fife, in their localities, and how they can contribute to our success in delivering this.</p> <p>An overview of the existing alignment across partners Strategic Plans and an understanding of where energy needs to be focused to work through where that alignment might not currently exist would help to build that shared narrative and a strong, coherent vision for Fife.</p>
<p>Fife College</p>	<p>Joint Planning across the partners with clear roles defined – responsibility & accountability, outlining clear actions on who is taking what forward.</p> <p>Learn from others, best practice. What are others doing that partners can learn from or collaborate on.</p>
<p>SEStran</p>	<p>So far as place making is concerned, the overall ethos of the ambitions – which it would appear can be summed up as ‘we need to work together more and more effectively’ can be achieved by a) greater effort towards data sharing (particularly between land use and transport planning) and b) greater regard being had to existing strategies and policies already in place.</p> <p>As regards b) SEStran’s Regional Transport Strategy (RTS) has been newly approved by the Scottish Ministers. There is already close working with Fife’s Transportation Services and the Local Transport Strategy shares the broad RTS objectives. However, Development Planning – and potentially similar strategy making around Place concepts by other CP organisations – also need to share the same vision.</p>
<p>Skills Development Scotland</p>	<p>Collaboration is at the heart, engaging with a broad range of partners identifying common goals and being candid about the barriers that already exist in the system.</p>

2.What are the implications of the draft commitments for you and your organisation role in taking them forward?	
Fife Council	The draft commitments are consistent with the Council’s intent and are supported. We would expect to build on these in the work on the strategic change ambitions. They will require adjustments and changes to current approaches and these need to be addressed in the next part of this process.
NHS FIFE	<p>High level themes The high-level themes set out in the draft commitments are supported by our leadership team, however some of the actions listed within the commitments require further clarification. We welcome the opportunity to clarify and refine the focus of the draft commitments prior to the next Partnership Board meeting.</p> <p>Areas of difference The actions within the draft commitments refer to resource decisions and investment and these areas in particular require further consideration. There would be significant barriers to progressing with the actions listed within the commitments as currently worded and we cannot endorse these at present. These areas of difference indicate that further work is needed to fully understand the different responsibilities of leaders within the partnership.</p>
Health and Social Care	<p>The overarching headlines of the commitments align with the Partnership’s Strategic Plan around Community Wealth Building, Place, Supporting Families and Prioritising Wellbeing: our objectives focused on being Local, Sustainable, Integrated, with ambitions for the Wellbeing and best Outcomes for the people of Fife.</p> <p>However, the actions set out need further analysis. Actions that focus on improving collective working, developing a shared vision, and connecting with communities seem to provide a platform on which to improve our Fife wide, multi-organisational working. Actions that look to ‘harder’ reforms such as structural adjustments and resources require further exploration to understand what is in scope within these areas and what this would mean for individual organisations and the responsibilities they hold.</p>
Fife College	<p>Ensuring clear alignment to our new corporate strategy and lower level strategies and action plans.</p> <p>Continue to be active members on the various groups to drive the commitments forward.</p>

	<p>Ensuring our portfolio is aligned to economic need and demand with a focus on upskilling / reskilling / retraining, working collaboratively with partners and businesses to support this and get people back into work.</p> <p>Joint planning with our key stakeholders / partners</p>
SEStran	<p>So far this is unclear from a SEStran viewpoint. The commitments are very much about the 'what' rather than the 'how.'</p>
Skills Development Scotland	<p>SDS are committed to implementing the recommendations of the recent Career Review, the following are key to success with partners. The following are closely aligned with the draft commitments</p> <p>5. Community based services: career services should be delivered within communities in a way that is aligned to social justice values and provides access to consistent national services.</p> <p>6. Exposure to fair work: people should have a right to have a wide range of meaningful opportunities to experience work and understand what fair work is.</p>

<p>3. What changes should be made to partnership governance and delivery arrangements to take community planning forward?</p>	
Fife Council	<p>There are three issues here. The first is about focus. Our current partnership arrangements are set across a broad range of activity. Given the change and delivery challenges ahead, we should look at streamlining our focus on fewer but well supported outcomes. This would aid constancy of purpose and visible leadership of the process. Secondly, we need to ask how effectively the partnership structure engages leadership across our organisations. The leadership summits brought together a wider involvement of people and we need to build on this. Finally we would suggest the need to revisit the relationship between different partnership groups and Fife Partnerships. Some partnership groups have little relationship to the Fife Partnership/Leadership Group and exist a continuing given irrespective of changed priorities. The delivery relationship needs to be looked at. Overall greater delivery transparency would help in building wider leadership engagement across the partners.</p>
NHS Fife	<p>Next steps for Community Planning</p> <p>This is an important question and we note that there were thoughtful comments during the Leadership summit about changes that may be required and the importance of building greater understanding about the roles and remits of partner organisations. We recognise that it may not be necessary to alter governance arrangements in order to progress closer collaboration and at this point in the leadership</p>

	<p>journey our focus should be on building system leadership through focussed programmes of activity.</p> <p>Within the Health and Well-being theme there is potential to compliment other commitments with work on physical activity and connectivity and consider Scotland's Public Health Priority 6 'A Scotland where we eat well, have a healthy weight and are physically active'. The Communities and Well-being Partnership already brings together key partners and has potential to provide support in progressing this agenda.</p> <p>We recommend this question is tabled with Fife Partnership Recovery and Renewal leadership group for further consideration. Statutory Duties and governance structures which are a requirement of partner organisations cannot be changed easily.</p>
<p>Health and Social Care</p>	<p>This question assumes that changes need to be made to existing governance arrangements to deliver the objectives set out in the draft commitments.</p> <p>This area deserves further work to understand how the vision for redesigned governance will improve our current arrangements, which would support organisations to influence and therefore 'own' any alterations.</p> <p>This question also links directly to question 1 – if we articulate our shared vision and how our current individual strategies coalesce around this, this will provide a framework to realign any governance arrangements to further enhance our collective work. Any proposals around governance arrangements would need to align with existing legislative expectations related to structure and accountability under the Public Bodies (Joint Working) (Scotland) Act 2014.</p> <p>The Partnership works across the governance of the Council, the Health Board / NHS and the IJB and is still successfully developing integration. Our lived experience since 2015 of working in an integrated way suggests two things:</p> <ul style="list-style-type: none"> (a) it is possible to work across a range of governance structures and (b) governance and any associated statutory responsibilities are not easily changed and (c) as we've stated throughout this response, what is of critical importance is having a shared common purpose that people can connect with and align to. <p>The Partnership has welcomed the opportunity to participate in the Leadership Summits, listen to partners thoughts and concerns around our existing understanding and have the opportunity share our ideas</p>

	and questions. Further work through the Fife Partnership Board and extant forums to address the questions within our response will help to further our collective leadership in this area.
Fife College	<p>Clear action plans with clear accountability /responsibility</p> <p>Effective monitoring and reporting</p> <p>Actions to be split into short / medium / longer term to support focussed monitoring and reporting</p> <p>Clear set of KPIs / measures of success and who is responsible for the achievement of them</p> <p>Improved understanding of different funding streams and how partners can work collaboratively to utilise them, instead of competing against one another.</p>
SEStran	Again this is unclear at this stage. Partnership and governance arrangements need to take account of the resource issues of smaller organisations like SEStran, which cover 8 local authority areas.
Skills Development Scotland	<ul style="list-style-type: none"> • Clear purpose • The effectiveness and impact of should be measured using a suite of outcome-based measures that are integrated in all settings, supporting the delivery of responsive and flexible services • Put service users at the heart of the process

2nd May 2023

Agenda Item No. 5

PLAN FOR FIFE: ANNUAL REVIEW OF PRIORITIES AND AMBITIONS

Report by: Michael Enston, Executive Director, Communities Directorate

Wards Affected: N/A

Purpose

To provide a high level review of progress against Plan for Fife priorities and ambitions.

Recommendation(s)

Fife Partnership is asked to consider the content and role of this first review.

Resource Implications

None

Legal & Risk Implications

There are no legal and risk implications.

Impact Assessment

An EqIA is not required as this report does not propose any changes to policies or services.

Consultation

The report has been reviewed by the Recovery and Renewal Leadership Board.

1.0 Background

- 1.1 In 2017, the Plan for Fife set out ten-year ambitions for Fife, designed to be the focal point for change over the ten-year period. The three-year review of the plan 2021 established recovery and renewal priorities for the current 3-year planning period and added an ambition around climate. It was proposed that an annual review of these priorities and ambitions would be required between the 3 yearly state of Fife strategic assessment. This first review is being submitted at the mid-point of the 3 yearly assessment and is based on information as at 2022.

2.0 Progress on Priorities and Ambitions

- 2.1 This first review of Ambitions and Priorities show a mixed picture. While some progress is apparent, Fife continues to face significant challenges, particularly around economic recovery.
- 2.2 The Improvement Service provide an overall assessment against a range of key life outcomes. While these are not a commentary on performance, they do highlight the continuing social and economic challenges being faced in areas such as Fife. The use of a Red/Amber/Green key shows the relationship of Fife to the national average position.

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APPENDIX: Plan for Fife Annual Review of Priorities and Ambitions 2022

Annual Review of Priorities and Ambitions



2022

Annual Review of Priorities and Ambitions

The 2021 Plan4Fife update recognised that existing progress, coupled with the challenges of the Covid-19 Pandemic, necessitated a shift in how we work to deliver our ambitions.

As part of this, it was recognised that an annual short, high-level review of progress against achieving these ambitions was required. This is the first of these reports.

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1. Context and challenges

The challenges identified in the 2017-2027 Plan4Fife under each of the 4 Themes remain and have been exacerbated by external factors such as the pandemic, which have affected both people and places.

Inclusive Growth & Jobs 	Opportunities for All 
<ul style="list-style-type: none"> • Lack of investment in Fife’s industrial estates and businesses infrastructure • Fife, and particularly mid-Fife, needs more businesses, with more of these trading outside Fife and investing in innovation and growth to improve their resilience. • Digital technology is rapidly changing, and people and businesses need to keep up to date with this, so they are not left behind. • We are not making the most of all of our tourism assets to grow existing or new businesses. • Travelling around Fife to access work can be difficult and the cost of travel can also be a barrier. 	<ul style="list-style-type: none"> • Too many children in Fife live in poverty. • Too few children are ready to learn when they start school. There are significant gaps in health, well-being and children’s attainment between the most and least deprived areas in Fife. • Many people in Fife are unable to manage financially and suffer from significant insecurity and lack of control as a result. • People’s life chances and ability to participate are being affected by physical and mental well-being and health inequalities. • We need to make sure that everyone without work, including people with a disability and mental health issues, gains the skills and has access to the support they need to enter and sustain employment.
Thriving Places 	Community Led Services 
<ul style="list-style-type: none"> • Our town centres need to meet changing needs in order to support viable mixed economies and communities. • The quality of the local environment in many communities is poorer than in other parts of Fife. • Fife’s population is changing rapidly, with more than 20,000 new homes needed over the next 10 years, bringing both economic opportunities for Fife but also increasing pressure on our public services. • Too many homes in Fife are poor quality, and Fife has high levels of fuel poverty. • Many of our community facilities and amenities are in poor condition and do not meet the needs of local people. 	<ul style="list-style-type: none"> • There will be an increase in levels of need and service demand over the plan period. • There will be a reduction in available funding. • Many communities feel excluded from key decisions that affect their everyday lives. • A great deal of public spending currently goes on dealing with the consequences of problems, rather than their causes.

2. Recovery and Renewal Priorities

The revised Plan identified the need to focus on the ambitions of the original 2017-2027 plan, but that there were overarching priorities for recovery and renewal from the pandemic, along with the need to address the climate emergency. These recovery and renewal priorities show a mixed picture. While some progress is apparent, Fife continues to face significant challenges, particularly around economic recovery.

Community Wealth Building	
Progress	Challenges
<ul style="list-style-type: none"> • As a new priority, there has been a need for extensive promotion of the concept of community wealth building. • Fife has a Partnership CWB Delivery Plan • Each partner organisation has adopted the Anchor Charter. • There has been local procurement success for Fife Council and supporting partners • There has been development work on Community Benefits Portal & Joint Public Assets Register • In relation to workforce pillar, there have been in-roads on Progressive Recruitment through Fife Council workforce mapping, vacancy profiling, stakeholder engagement, Facilities Management and Housing tests • Through the Leadership Summits consensus has been reached on the community wealth building systems approach. 	<ul style="list-style-type: none"> • There is a need to move beyond theory to implementation of the policy at pace. • Fife Council is leading the Fife CWB agenda. There are internal barriers to change (culture, risk aversion, ties to current systems and processes that will need to be overcome). • There is a need for clarity around partner delivery of plan & accountability. • Existing systems and processes – both strategic and local - will require to be redesigned to support both the implementation of an organisation and partnership wide CWB approach. • This will need to be aligned with refreshed plans and strategies. • A key challenge remains to ensure that the benefits of any interventions are felt across Fife and among all social groups • The scope and extent of emerging SG CWB legislation has the potential to limit Fife's ambition.

Tackling Poverty and Preventing Crisis

Progress

- The Tackling Poverty and Preventing Crisis Delivery Plan focuses on financial Insecurity, tackling homelessness, food and household support, No Wrong Door, data and insight.
- New data tools have been procured and are now in place - Low-Income Family Tracker and Entitled2 Benefits Checker.
- A significant Winter Support Programme has been deployed to provide support in response to cost of living crisis.
- Work on Child Poverty, Homelessness and Employability is being integrated.
- Service redesign around people and place, has delivered "wrap around support" in Housing First and Employability, and building out from Kirkcaldy tests of change in Community Social Work and Putting People First.

Challenges

- This is an escalating priority, with the ambition unlikely to be achieved given levels of uncertainty facing people with the ongoing cost of living crisis and recovery from the pandemic.
- Impacts are being felt across all social groups, but particularly for those already experiencing hardship. Work is ongoing to ensure that measures consider impacts on the general population, as well as specific impacts on people and families.
- While there has been significant support provided for tackling poverty, the funding is not there to sustain this. There needs to be a rebalancing of resources from crisis to prevention.

Leading Economic Recovery

Progress

- A short-term Leading Economic Recovery Action Plan was successfully delivered
- This included 10,241 grants totalling £106m to Fife businesses
- Just under half of Fife Council procurement spend was with Fife businesses in 2021-22
- Good progress has been made in supporting business start-ups and supporting people into employment.
- Major connectivity projects include the Leven Rail Link / River Leven Programme / Levenmouth Reconnected
- Under the City Regional Deals, progress has been made with the Fife i3 Programme, Eden Campus and Arrol Gibb Innovation Campus
- The 150th Open Championship at St Andrews in 2022 saw a record number of 290,000 visitors.
- The City of Dunfermline was granted city status in 2022 as part of the Queen's Platinum Jubilee Celebrations.

Challenges

- The context for economic recovery continues to be challenging, particularly for Fife businesses, many of which are faced with significant concerns.
- While the many indicators continue to mirror Scottish trends, it is highly likely that businesses will be significantly affected by increases in energy costs and an accompanying decline in people's disposable income.
- As well as addressing the impact of cost-of-living / cost-of-doing-business crisis, the new Economic Strategy for 2023-28 will need to align to community wealth building aspirations to mitigate the impact of anticipated increases in unemployment and high level of economic inactivity.
- This presents a challenging context for improving educational attainment and positive destinations for Fife school leavers.
- Mid-Fife continues to be an area of specific economic interest, and will need consistency of focus.
- Challenges remain around the just transition to net zero

Addressing the Climate Emergency

Progress

- Climate Action Plan sets out actions around reducing carbon emissions, greater resilience to climate change, increased community capacity to tackle climate change, and community wealth building
- Work is ongoing to take advantage of climate funding opportunities at both a Fife and Scottish level.
- Development of a comprehensive public sector asset register is ongoing, with the intent of helping to develop a place-based approach to climate action.
- Climate Place project developed to assess, develop and deliver local climate opportunities in Kirkcaldy area, using public sector assets and supported through the shared-prosperity fund
- Support for the development of a Community Solar Co-Operative in place with feasibility studies across 11 sites in Fife
- A test of change project in West Fife Villages has supported community Food redistribution hubs.
- The Sustainable Procurement policy has been reviewed and a programme established to develop pilot projects and training
- Improvements have been made in Climate Literacy, with Fife Council and Fife College becoming Bronze Carbon Literate Organisations and Planning Services Gold.
- With rising energy costs, work is progressing to support services, households and businesses to manage their energy bills.

Challenges

- There is a need to anticipate and plan for the more pressing implications of climate change and how it will affect peoples' lives. A Risk & Vulnerability Assessment will be required to identify agree action on adaptation to climate change across Fife.
- The energy crisis is now being experienced by households, businesses and organisations throughout Fife and beyond. This brings to the fore the need to reduce demand for energy, as the important first step in reducing carbon emissions.
- Natural Gas is the largest source of emissions and is the largest contributor to the Council's Footprint. Decarbonising heat will be a critical challenge in the coming years and will require substantial additional capital investment. Current alternative solutions primarily use electricity and therefore potentially have increased revenue costs.
- Given budget restrictions anticipated in the coming years, it will be crucial that carbon emissions reductions are considered with all new investments, in creating a new business-as-usual, and that climate is considered throughout the broad range of anchor organisations decisions and investments. There is a need for a co-ordinated and joined up approach to carbon management across partner's public sector estate and review of capital plan.
- Other areas for future action include delivery of Local Heat & Energy Efficiency Strategy requirements, Natural Capital Project, and an updated Local Biodiversity Action Plan.
- While climate funding opportunities are being maximised, the resources required to deliver Net Zero and ensure a just transition, remain a challenge.

3. Review of Ambitions

The annual review of progress against the ambitions is not about describing the activity that has been happening but looking at what impact this activity has had on the ambition by reviewing progress with performance indicators aligned to the Plan4Fife. There is a need to regularly review the indicators that are actively been used to monitor performance for the Plan4Fife to ensure they remain relevant and fit for purpose.

Inclusive Growth and Jobs		Ambition	Progress Against Ambitions
		Economic activity and employment in Fife is improving faster than the rest of Scotland	Progress remains mixed. Both claimant and underemployment rates remain higher than the Scottish average, although infrastructure such as broadband access is good.
		Economic activity and employment in Mid Fife is catching up with the rest of Fife and Scotland	Mid-Fife continues to face challenging economic circumstances, falling further behind Fife for measures linked to employment. Work continues identifying the best way to capture data for mid-Fife that is both consistent and dependable.
		Fife has year on year increases in visitor numbers and tourism spend	Current trends show tourism rebounding from pandemic lows, but still below pre-pandemic figures for visitor numbers, jobs supported, and tourist spend.
Opportunities for All		Ambition	Progress Against Ambitions
		Fife has lower levels of poverty in line with national targets	There are signs of progress in areas such as median weekly earnings and fuel-poor households, but national trends and decisions, (particularly concerning the cost of living) will undoubtedly shape future actions and require responsiveness and adaptability.
		Educational attainment continues to improve for all groups	Current indicators show a slight improvement for some pass rates, although the gap between the least and most deprived areas persists.
		Fife has reduced levels of preventable ill health and premature mortality across all communities	While there has been slight improvement across some areas, Fife has fallen further behind Scotland for key indicators. Ongoing challenges remain around inequalities in health, including for healthy life expectancy, and substance use.

Thriving Places

Ambition

Everyone has access to affordable housing options

Fife's main town centres stand out as attractive places to live, work and visit

All our communities benefit from low levels of crime and anti social behaviour

Every community has access to high quality outdoor, cultural and leisure opportunities

Progress Against Ambitions

Progress appears steady, with a spike in the number of households in temporary accommodation. The economic context is likely to increase the need for affordable housing options.

Town centres continue to face significant challenges, with retail vacancies increasing and challenging economic conditions likely to have an impact. The effects are being felt across Fife.

Fife continues to perform well at a Scottish level. Public concern about specific anti-social behaviour issues remains low, while recorded crime shows only minor fluctuations.

This ambition has seen some decline, with figures for cultural engagement and attendance all decreasing. The effect of COVID on this ambition, in both the short and medium term, may be significant.



Community Led Services

Ambition

Our public services are more joined up and acting 'one step sooner'

Fife's communities and individuals are more involved in local decision making and in helping to plan and deliver local services

Progress Against Ambitions

There is a mixed picture for this ambition. Public services have experienced unprecedented demand from disadvantaged and vulnerable support as a result of both the pandemic and the ongoing cost of living crisis. The belief that council services are designed for needs remains above the Scottish average.

The partnership and community response to the pandemic showed that there is more scope for local people to get involved in helping to plan and deliver local services. There has been a five percentage point drop in ability to influence local decisions from a historic high relative to other areas in Scotland.



Addressing Climate Change

Ambition

Fife has lower levels of carbon emissions in line with national targets (75% by 2030 from 1990 baseline).

Progress Against Ambitions

Fife Council's carbon footprint is still on track to achieve Scottish Government's target for 2030 of a reduction of least 75% lower than the baseline year (61% reduction from 1990 baseline to 2022). Area wide emissions per capita are also falling steadily, though the total area emissions rose marginally in 2020.

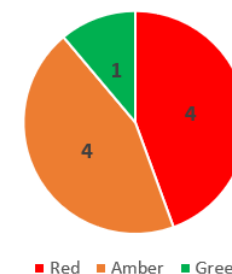
4. State of Fife Indicators

The State of Fife indicators are a focused set of indicators developed to monitor whether the Plan4Fife is having the high-level strategic impact it aims to achieve. The indicators are intended to provoke discussion on whether we are doing the right things, approaching them in the right way and achieving the right level of impact.

Of 9 indicators, 1 shows improvement, 4 give some level of concern, and the remaining 4 track the Scottish average.

Please note that this represents a retrospective assessment of performance over time. It is common for there to be a lag in reporting data on longer term outcomes.

State of Fife Indicators



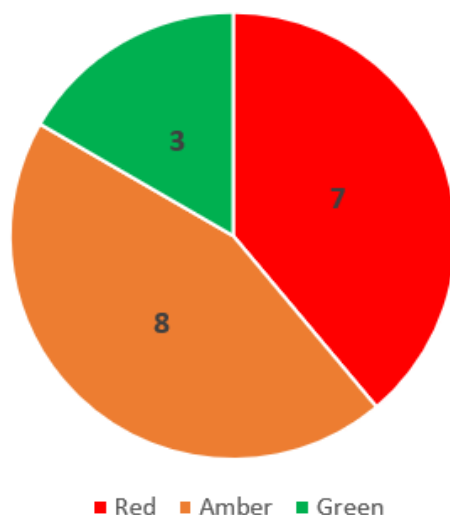
State of Fife Indicator	What is the data showing?	RAG
Life Expectancy (males and females)	Life expectancy continues to stall, indicating a need to monitor trends and inequalities in mortality in more general need to improve health and its determinants.	Yellow
Healthy Life Expectancy	While healthy life expectancy overall has been reducing, Fife is reducing at a sharper rate than Scotland. The long term impacts of COVID-19 on population health have yet to be seen.	Red
Early child development	The proportion of children in Fife with any developmental concern recorded at the 27-30 month review has shown improvement in the context of a slight decrease for Scotland.	Green
School Attainment (One or more higher pass at S5)	Fife's school attainment score for those seeking access routes through higher education, as a means to improving the inclusion of post school opportunities, continues to track below the Scottish average. The reduction in this figure for both Fife and Scotland should be interpreted with caution given changes to SQA accreditation with the pandemic.	Red
Employment Rate	While the Fife rate has mirrored Scotland it has been decreasing at a faster rate leading to a widening of the gap	Red
Income Deprivation	Fife income deprivation tracks the Scottish level	Yellow
Influence over Decisions in Local Area	While Fife residents feel more able to influence decisions in their local area compared to Scotland, this has fallen in Fife from a previous high.	Yellow
Mental Health (Prescriptions for anxiety and depression)	The proportion of the population in receipt of prescriptions for anxiety and depression is greater in Fife than Scotland.	Red
Mental Wellbeing	Fife continues to track Scotland on mental wellbeing	Yellow

5. Community Planning Outcomes

Through the Community Planning Outcomes Profiling (CPOP) Tool, the Improvement Service provides an assessment of how Community Planning Partnerships are performing against a set of core measures on important life outcomes including early years, older people, safer/stronger communities, health and wellbeing, and engagement with local communities.

At a level below the State of Fife Indicators it provides a good high level reflection of the broad range of life outcomes that the Plan4Fife is looking to improve. It helps to assess if the lives of people in Fife are improving and provides a consistent basis for measuring outcomes and inequalities of outcome, from Fife, down to Area, and neighbourhood level (as per Local Strategic Assessments). Please note the assessment below is retrospective, based on a snapshot of data available as at October 2022. More recent progress will be reflected in future annual updates.

Fife Community Planning Outcomes



Of the 18 indicators in the Community Planning Outcomes Framework, only 3 are assessed as Green, showing good progress relative to other areas of Scotland. While crime rates continue to improve, more progress could be made on child healthy weight. The impact of covid has yet to be reflected in premature mortality figures.

8 indicators are assessed as Amber. This includes child poverty, healthy birthweight, unplanned hospital attendances, emergency admissions and wellbeing, business survival, dwelling fires, and carbon emissions. Where progress against key life outcomes has been assessed as Amber, this is often against a generally improving trend, but Fife is not improving at the same rate as Scotland.

7 indicators are assessed as Red, including employment rate, median earnings, out of work benefits, fragility, and fuel poverty reflecting the particularly difficult economic context for recovery. Challenges remain around raising attainment and supporting positive destinations.

More information on the Community Planning Outcomes Profiling Tool, including indicator definitions, and locality information, is available at [Community Planning Outcomes Profile | Improvement Service](#)

RAG	Outcomes compared to the previous year, and over time
	CPP outcome better than Scotland AND CPP outcome improvement rate faster than Scotland
	CPP outcome better than Scotland AND CPP outcome improvement rate slower than Scotland OR CPP outcome worse than Scotland AND CPP outcome improvement rate faster than Scotland
	CPP outcome worse than Scotland AND CPP outcome improvement rate slower than Scotland

Key Life Outcomes

Indicator

Progress against outcomes

RAG

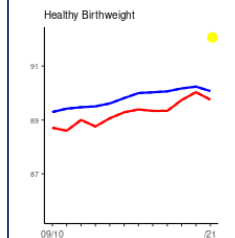
Change over time



Healthy Birthweight

Despite steady progress between 2018 and 2020 taking the figure above 90%, the percentage of babies with a healthy birthweight in Fife remains below the Scottish figure. Both Fife and Scottish birthweights decreased in 2021, with the Fife figure returning to 2019 levels.

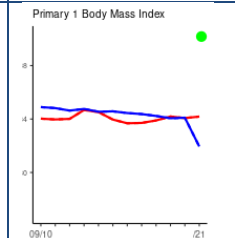
Amber



Child Healthy Weight

At 84.2% in 2021, the proportion of P1 children in Fife with a healthy BMI was more than 2% higher than the Scottish figure. This was not due to a significant Fife improvement, with the Fife proportion remaining steady between 2019 and 2021. Rather it highlights a substantial drop in the Scottish percentage, to 81.9% in 2021.

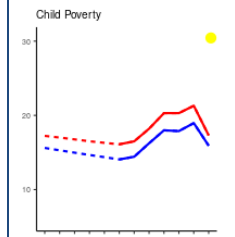
Green



Child Poverty

This indicator relates to the percentage of children in low-income families – households where income is less than 60% of median income. While the Fife figure has consistently been higher than the Scottish equivalent, it has tracked the general trend. This includes a fall in 2020/21, with the Fife percentage decreasing from 21.3% to 17.3%.

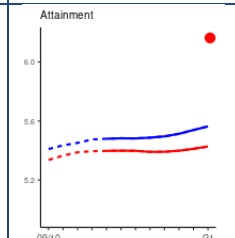
Amber



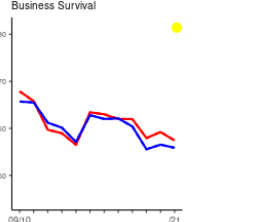
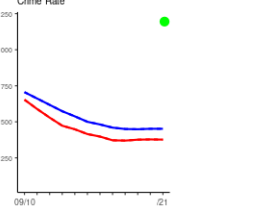
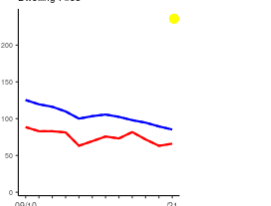
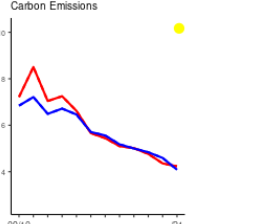
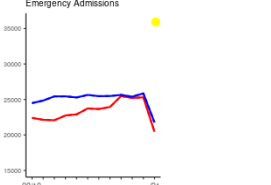
Attainment


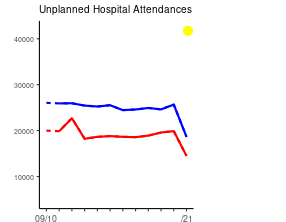

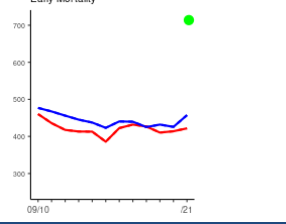

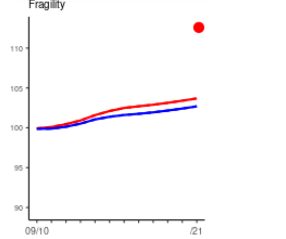

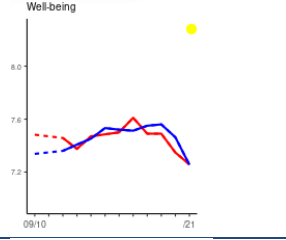

Attainment levels in Fife (based on the highest level of qualification achieved by school leavers, averaged across all leavers within a data zone) have consistently been lower than the Scottish figure. Fife is remarkable for its consistency, with a score of 5.4 in each year between 2010/11 and 2020/21. This has led to a growing divide with the Scottish figure, with the attainment level growing from 5.4 to 5.6 over this time.

Red



<p>Positive Destinations</p>	<p>Positive destinations for school leavers include higher education, further education, employment, training, voluntary work or activity agreements. As trend data shows, the gap between Fife and Scotland has increased over time, with the recent Scottish increase in positive destinations yet to be replicated in Fife. Between 2018/19 and 2020/21, the Fife percentage of positive destinations decreased from 91.0 to 89.8. The Scottish figure over the same period increased from 92.9 to 93.2. Fife has made improvements in this area in the last year, but still below outcomes for Scotland.</p>	<p>● Red</p>	
<p>Employment Rate</p>	<p>The employment rate encompasses the percentage of the economically active population (16-64) who are in employment. While the Fife and Scottish rates have broadly mirrored each other over the last decade. The gap has grown in the last two years, primarily due to a steeper decrease in the Fife rate. The Fife employment rate decreased from 74.00 to 72.33 between 2018/19 and 2020/21. The Scottish decrease over this time was smaller, from 74.07 to 73.93.</p>	<p>● Red</p>	
<p>Median Earnings</p>	<p>Fife continues to closely track the Scottish median earnings rate, albeit at a consistently lower level. Fife median earning of £479.10 in 2020/21 are slightly below the Scottish figure of £488.30. Of note is that this is the largest difference between Scottish and Fife earnings since 2012/13.</p>	<p>● Red</p>	
<p>Out of Work Benefits</p>	<p>This indicator shows the percentage of the 16-64 population in receipt of out of work benefits. Examination of the data over the long-term shows some interesting trends between the Scottish and Fife figures. While Fife has consistently had a higher rate of out of work benefits, the difference was never greater than 0.3 percentage points between 2008/9 and 2017/18. Since this point, Fife's percentage rate has ranged from 0.8 - 1 percentage points above Scotland. The impact of COVID led to a significant increase in Fife's rate, from 12.9 in 2019/20 to 16.6 in 2020/21.</p>	<p>● Red</p>	

<p>Business Survival</p>	<p>This indicator covers the proportion of business surviving 3 years since the birth of the enterprise. What is immediately apparent is that, at both a Scottish and Fife level, there are significant year-on-year fluctuations, with the Fife rate ranging between 56.5 and 67.9 over the indicator period. Although the Fife rate fell below the Scottish figure on several occasions during the indicator period, from 2017/18 to 2020/21 the Fife survival rate has been consistently higher.</p>	<p>Amber</p>	
<p>Crime Rate</p>	<p>In common with the Scottish trend, the Fife crime rate (number of crimes per 10,000 population) has seen a long-term decrease before stabilising in recent years. Between 2016/17 and 2020/21, the Fife crime rate stayed within the range of 370-377 crimes per 10,000, with this rate expected to decrease further in the coming years.</p>	<p>Green</p>	
<p>Dwelling Fires</p>	<p>The number of dwelling fires per 100,000 population considers both deliberate and accidental fires. While the Fife rate has consistently been below the Scottish equivalent, there has been consistent yearly variation which contrasts with the Scottish trend. The Scottish figure has decreased, year-on-year, since 2016/17, with a 2020/21 figure of 85.3. Fife figures have seen great fluctuation over the same period, including increases in 2017/18 and 2020/21.</p>	<p>Amber</p>	
<p>Carbon Emissions</p>	<p>Carbon emissions in both Fife and Scotland have seen a long-term decrease, particularly in the years since 2012/13. The Fife figure has reduced from 7.2 to 4.2 over this period, with the Scottish figure seeing a similar reduction, from 6.7 to 4.1.</p>	<p>Amber</p>	
<p>Emergency Admissions 65+</p>	<p>From 2009/10 to 2016/17 emergency hospital admissions (65+) rose in Fife, indicating increasing pressure on health services. An increase to 25,492 in 2017/18 saw Fife increase to a comparable level just below the Scottish rate, where it has broadly remained. While Fife saw a greater decrease than Scotland in 2020/21, to 20,451, this may have been affected by differences in COVID impact on services around Scotland.</p>	<p>Amber</p>	

Unplanned Hospital Attendances	<p>This data shows the number of emergency department attendances per 100,000 population. Apart from an increase in 2011/12, Fife has generally mirrored the Scottish trend. Both Fife and Scotland saw a sharp decrease in unplanned attendances in 2020/21, likely due, in part, to lockdowns and other ramifications of the COVID pandemic. The Fife rate decreased from 19881.86 in 2019/20 to 14484.80 in 2020/21.</p>	 Amber	
Premature Mortality (under 75)	<p>Premature mortality statistics show the European age standardised rate of deaths for persons under 75 per 100,000 persons per year. These are based on historic trends and do not take into account Covid-19 related deaths. The data shows that, except for 2017/18, Fife has consistently tracked lower than the equivalent Scottish rate. Of note is that while both Fife and Scotland saw an increase in 2020/21, the Fife rise was much smaller, from 414 to 422, compared with 426 to 457 in Scotland.</p>	 Green	
Fragility	<p>This is a combined index of three indicators: depopulation, Old Age Dependency Ratio (the ratio of older people to the working age population) and rural depopulation. A rising index indicates an increasingly fragile demographic. While the Fife number has been consistently above the Scottish equivalent since 2012/13, the rate of increase has been broadly similar over this period. The Fife 2020/21 figure of 103.7 is slightly above the Scottish figure of 102.7.</p>	 Red	
Wellbeing (ONS)	<p>Wellbeing figures at both a Fife and Scottish level have seen some fluctuation in recent years. With higher scores evidencing a greater sense of wellbeing, the Fife wellbeing score was lower than Scotland for the period 2017/18 - 2019/20. However, the more pronounced Scottish decrease in 2020/21 means that both Fife and Scotland have a rate of 7.26 for that year.</p>	 Amber	
Fuel Poverty	<p>Fuel poverty data is not directly comparable due to a change in methodology in 2018. Prior to 2018, fuel poverty was defined as one tenth of household income was spent on fuel costs. From 2018 this focus was narrowed so that as well as meeting the one-tenth criteria, household income after fuel costs had to be insufficient to maintain an acceptable standard of living. Post 2018 figures have reduced the gap between Fife and Scotland, with both on a downwards trend. Fife reduced from 26.3 to 23.1 between 2018/19 and 2020/21, with the Scottish rate decreasing from 24.8 to 22.9 over the same period.</p>	 Red	