



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 20 JUNE 2023**

**SUBJECT: MORAY COMMUNITY WEALTH BUILDING STRATEGY AND
ACTION PLAN**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

1. REASON FOR REPORT

- 1.1 To present to committee for approval the draft Moray Community Wealth Building Strategy (CWB) as set out in **APPENDIX 1** ahead of public and stakeholder consultation. The final strategy and action plan will be reported back to this committee at its meeting on 5 September 2023, following the consultation.
- 1.2 This report is submitted to Committee in terms of Section III (F) (2) of the Council's Scheme of Administration relating to the exercise of functions that promote economic development.

2. RECOMMENDATION

2.1 It is recommended that the Committee:-

- (i) approves the draft Moray Community Wealth Building Strategy and Action Plan as set out in Appendix 1; and**
- (ii) agrees that the final strategy be reported back to this committee at its meeting on 5 September 2023, following the consideration of issues received via a 6 week public consultation period.**

3. BACKGROUND

- 3.1 The CWB approach aims to retain wealth within the local economy, through restricting extractive practices and placing increased control and benefits in the hands of local people. CWB is constructed around five pillars:
- **Spending** - Using public spend to deliver community benefit, fair work and build local supply chains.

- **Workforce** - Ensuring the workforce are in well paid jobs that benefit from an effective voice, security and flexibility.
- **Inclusive Ownership** - Stimulating the development and growth of locally owned enterprises that generate community wealth.
- **Land and Property** - Ensuring that communities maximise benefit and generate wealth from local land and property.
- **Finance** - Ensuring that the flows of wealth generated within the local economy works for the wellbeing of communities and businesses.

- 3.2 The Scottish Government has embedded CWB within its approach to economic development within both the **National Strategy for Economic Transformation (NSET) and National Planning Framework 4 (NPF4)**. The Scottish Government's vision for Scotland is to create a Wellbeing Economy based around an economic model that prioritises the collective wellbeing of current and future generations.¹
- 3.3 Demonstrating its commitment to the CWB approach, the Scottish Government has published a CWB consultation paper to capture the views of national and local stakeholders ahead of bringing forward a **CWB Bill**. The consultation, which closed on 9 May 2023, sought to capture views of the extent to which a CWB duty should be imposed upon public bodies and specific comments on each of the CWB pillars. A corporate Officer Response has been submitted to this consultation on behalf on the Council. The Officer Response has been uploaded to CMIS as an additional meeting document.
- 3.4 Locally, Moray Economic Partnership (MEP) have committed to the CWB approach within the **Moray Economic Strategy 2022-2031**, setting a strategic outcome on "maximising the environmental, social and economic benefits of the transition to net zero and Community Wealth building."

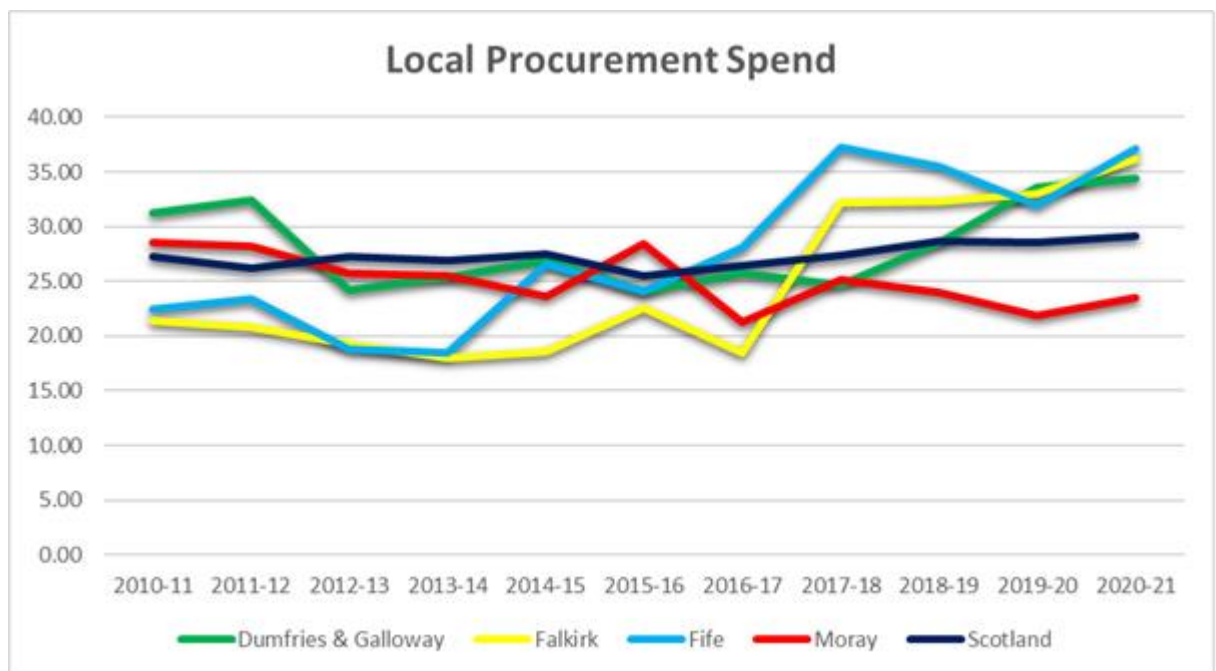
4. **APPROACH IN OTHER LOCAL AUTHORITIES**

- 4.1 In May 2020, North Ayrshire Council became the first Council in Scotland to adopt CWB with the aim of creating a fairer local economy that will tackle poverty and inequality and embed a new economic model focused on wellbeing and inclusion. Some key outputs of the strategy have been:
- 33% reduction in the percentage of people earning less than the real living wage
 - Approval of a two Solar Photovoltaic farm at former landfill sites
 - A new 'Quick Quote' procurement process within the council to provide opportunities for local businesses to win work with the council.
- 4.2 The Scottish Government has since supported the development of five CWB pilot areas, in Clackmannanshire, Fife, Glasgow City Region, South of Scotland and the Western Isles.

¹ [Scottish Government, Creating a Wellbeing Economy](#)

5. MORAY COMMUNITY WEALTH BUILDING STRATEGY

- 5.1 At its meeting on the 28 October 2020 Moray Council approved provision of funding to recruit a CWB Officer to lead on the development and implementation of a CWB Strategy as part of the Economic Recovery Plan (Paragraph 16 of the minute refers).
- 5.2 To support the development and implementation of the Strategy a Moray Anchor Network (MAN) has been formed, as approved by this Committee on the 19 October 2021 (paragraph 12 of minute refers). The MAN consists of representatives from the public, private and third sector including Moray Council, NHS Grampian, Health and Social Care Moray, UHI Moray, Highlands and Islands Enterprise (HIE), Cairngorm National Park Authority, Crown Estate Scotland, tsiMORAY, Ekopia Resource Exchange, Moray Chamber of Commerce, and Scottish Fire and Rescue Service. However, the Scottish Fire and Rescue Service, RAF Lossiemouth and 39 Engineer Regiment Kinloss have stated that while they are keen offer support for the CWB approach, they are unable to commit to the actions within the strategy as they are subject to a decision making process outwith Moray.
- 5.3 To support development of the strategy, a series of workshops were held in partnership with the Centre for Local Economic Strategies (CLES), with representatives of the Third Sector, Public Sector and Private Sector.
- 5.4 The initial focus for CWB was to target an increase in local public spend. To demonstrate the potential for growing spend with Moray, the chart below provides a comparison between the Council and three other rural authorities which have seen the largest growth in local spend over the past ten years. As the graph demonstrates, local spend across Scotland as a whole has been trending upwards from around 26% in 2011 to over 29% in 2021. Over this same period, Moray Council's local spend has trended downwards from above 28% at the start of the last decade to just under 22% in 2020. However, the potential to improve the position in Moray is showcased by the success of Fife Council, Dumfries and Galloway Council, and Falkirk Council. All three had a local spend percentage lower than Moray's in the early years of the chart below, but now find themselves significantly above Moray, with local procurement spend ranging between 34% and 37% of their total.



- 5.5 Activity aimed at increasing the proportion of local procurement spend within Moray has already progressed, with procurement representatives from Moray Council, HIE, UHI Moray, and NHS Grampian joining a rejuvenated Supplier Development Forum. This group aims to identify future public contract opportunities and promote these to local suppliers, alongside provision of support to prepare for and tender for public contract opportunities.
- 5.6 The Moray CWB Strategy and Action Plan presented in **APPENDIX 1** provides a vision to “create a fair and equal society where our communities have a greater stake in Moray’s economy”. The strategy is based around the five pillars of Community Wealth Building to enable greater retention of wealth within the region. The aims of the strategy behind these pillars are as follows:
- **Spending** – Embed a local first approach to procurement within Moray where more wealth is retained locally, benefitting our local workforce and reducing our carbon footprint.
 - **Workforce** – Through investing in our current and future workforce, we want to remove barriers to employment by providing learning and skills development opportunities, increase access to career pathways and ensure our workforce are paid a fair wage.
 - **Inclusive ownership** - Support small businesses, community organisations, social enterprises, and co-operatives to have a greater stake in the economy, with increased ownership and control of assets, to retain and circulate wealth within our communities.
 - **Land & property** - We will work with key departments within Moray Council and our anchor partners to ensure communities maximise benefit and generate wealth from local land and property.
 - **Finance** - Capitalize on opportunities for public and community investment in local development proposals.

6. DELIVERY AND MONITORING OF THE STRATEGY

- 6.1 The newly created MAN will report into the CPP through MEP and progress on the strategy will be reported annually to this committee and the CPB. Delivery of the Strategy will be monitored by officers within the Economic Growth & Regeneration section.
- 6.2 CWB is embedded within NPF4 through Policy 25. The CWB Strategy will serve as the driver for delivering on this policy within future development proposals in Moray, including energy infrastructure. This will include maximising the delivery of community benefits, encouraging the use of local supply chains, and supporting job creation, new business start-ups, and community ownership.
- 6.3 The Key Performance Indicators for the strategy which will be monitored to evidence the effectiveness of the strategy are outlined below, with a full baseline for each presented within **APPENDIX 2**:
- Percentage of Anchor procurement spend with Moray based businesses
 - Percentage of Anchor procurement spend with the third sector
 - Proportion of people earning less than the Living Wage
 - Median earnings in pounds for employees living in Moray
 - Gender pay gap
 - Number of Foundation, Modern and Graduate Apprenticeships
 - Number of Community Asset transfer requests approved & completed
 - Percentage of contracts commenced during the year which have a community benefit

7. PUBLIC CONSULTATION

- 7.1 Following its approval, the draft strategy and action plan will be subject to a 6 week public and stakeholder consultation. The draft strategy will be made available for comment via the Council's website and will be shared with key internal and external stakeholders, with comments invited by 7 August 2023. Responses received and any amendments proposed will be incorporated within the final strategy, which will be reported back to committee at its meeting on 5 September 2023.

8. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Strategy and Action Plan aim to support the corporate plan priority of promoting economic development and growth, as well as delivering on the LOIP priority of a growing and sustainable economy.

(b) Policy and Legal

The draft CWB Strategy and Action Plan links to objectives embedded within National policies of NSET, Fair Work, NPF4 and the future implementation of the CWB Bill as set out in the strategy document.

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the LOIP and Corporate Plan.

(c) Financial implications

There are no financial new or additional implications arising directly from this report of the approval of the draft strategy.

(d) Risk Implications

CWB requires an alternative perspective on risk that balances financial cost with socioeconomic and environmental impact. Moray has an opportunity to be a step ahead of many other authorities in adopting this approach.

With the Scottish Government in the process of preparing a CWB Bill, the likelihood is that other local authorities will adopt CWB practices to strengthen their local markets and grow their business bases. It is key that Moray businesses are provided with the same opportunity to ensure the economy does not find its economic position weakened with increased leakage of local spend, as suppliers from outwith the area are upskilled in tendering for public contracts and supply chain participation. However, the strategy and actions take a proportionate approach to delivering upon this in light of current resource availability and ahead of national legislation being adopted.

(e) Staffing Implications

There is no longer a dedicated CWB Officer post. However, coordination and monitoring of the strategy will be led via existing staff resource within Economic Growth & Regeneration. Delivery of the actions will require the support and commitment of officers across a range of internal services, including Procurement, Strategic Planning & Development and Education, Resources & Communities, including contract managers. As well as the support of key external partners.

(f) Property

A key element of CWB is to work with key departments within Moray Council and Anchor partners to ensure communities maximise benefit and generate wealth from local land and property. The implementation of the CWB Strategy and Action Plan will look to:

- Facilitate use of public assets to support the needs of the community by maximising the use of outdoor space for community benefit and promoting the availability of vacant, underused public assets.
- Assist local communities to take ownership of vacant or underused public assets by continuing to support communities through the Community Asset Transfer (CAT) process.

- Embed community benefit requirements into local planning policy by implementing CWB planning guidance for all upcoming major developments including wind farms and maximise local impact of Developer Obligations to support skills development opportunities and provide community infrastructure, linked to NPF4 Policy.

(g) Equalities/Socio Economic Impact

The proposed actions aim to promote equality and growth in the local economy through the development and implementation of a CWB approach. The vision of the draft CWB Strategy is to “create a fair and equal society where our communities have a greater stake in Moray’s economy”.

(h) Climate Change and Biodiversity Impacts

There are no biodiversity issues arising directly from this report. However, actions aimed at addressing the climate crisis share many synergies with the CWB approach. It is highly likely that increasing local spend through Progressive Procurement will have a positive impact the Council’s carbon output, through reduced transport and logistics emissions. Furthermore, activities which address the drive towards Socially Just Use of Land and Property will support both the social justice and environmental justice agendas.

(i) Consultations

The Moray Community Wealth Building Strategy and Action Plan has been subject to the consultation of CMT/SMT with comments received incorporated within the draft strategy presented to committee.

The Depute Chief Executive (Economy, Environment and Finance), all Heads of Service, the Legal Services Manager, the Strategic Planning and Development Manager, the Economic Growth and Regeneration Manager, the Communities Service Manager, the Principal Climate Change Officer, the Equal Opportunities Officer and Lissa Rowan (Committee Services Officer) have been consulted on this report with their comments incorporated.

9. CONCLUSION

9.1 Development of the Moray Community Wealth Building Strategy has been a key component of the Economic Recovery Plan for Moray, while also supporting the strategic objectives of the Moray Economic Strategy.

9.2 CWB provides an opportunity to take a strategic approach to addressing some of the long standing economic challenges which Moray faces. Including the lack availability of a sufficient working age population, the low wage economy, and gender pay inequalities. The committee is presented with this strategy and the opportunity to embed a new socioeconomic approach within the ways of working across the Council – and the community planning partners – to support delivery of an economy that works for all.

Author of Report: Shannon Creswell, Community Wealth Building Officer

Background Papers:

Ref: [SPMAN-813460984-352](#)
[SPMAN-813460984-353](#)
[SPMAN-813460984-355](#)