

Community Wealth Building Routemap for Moray

Community Wealth Building (CWB) is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.

The Scottish Government have committed to developing a CWB Bill, which will focus on diversification and development of local economies, finance, land, and ownership models. The approach will be targeted towards delivering inclusive growth, through promoting fair work, tackling inequality, and creating sustainable communities that foster wellbeing.

The Five Pillars of Community Wealth Building in Moray

There are five core principles to CWB:

- Progressive Procurement – Developing local supply chains of businesses likely to support local employment and keep wealth within communities.
- Fair Employment and Just Labour Markets – Using anchor institutions to improve prospects of local people by removing barriers to employment opportunities, providing learning and skills development opportunities, and increasing access to career pathways.
- Shared Ownership of the Local Economy – Supporting and growing business models that are more financially generative for the local economy, including social enterprise, cooperative, and employee ownership.
- Socially Just Use of Land and Property – Developing the function and ownership of local assets held by anchor organisations, so local communities benefit from financial and social gain.
- Making Financial Power Work for Local Places – Increase flows of investment within local economies by harnessing and recirculating the wealth that exists.

Progressive Procurement

Objectives: Use local anchor spend to support economic growth in the private and third sectors.

Stakeholders: Moray Council, Business Gateway, HIE, tsiMORAY, NHS Grampian, MOD, Moray College UHI, Chamber of Commerce, Forestry and Land Scotland

Next steps: Increase local supplier engagement with Supplier Development Programme.

Reinvigorate internal supplier development working group. Increased focus on community benefit in tender assessment. Early local promotion of procurement pipeline. Increased frequency of updating and publicising contract register to encourage supply chain participation. Continued professional development opportunities for procurement staff relating to community wealth.

Baseline: Data taken from an analysis conducted by the Centre of Local Economic Strategies on Moray Council procurement spend in 2019/20 financial year. Overall proportion of procurement spend by region:

- Moray: 30% (£31.4M)
- Moray, Aberdeen, Aberdeenshire and Inverness (MAAI): 52% (£54.9M)
- Scotland: 78% (£82.2M)

Total leakage in procurement spend outwith MAAI region equated to £47.6M.

Fair Employment and Just Labour Markets

Objectives: Support the growth of fair employment opportunities with progression pathways for local residents.

Stakeholders: Moray Council, HIE, tsiMORAY, DYW, Fair Start Scotland, Private sector anchors

Next steps: Moray Council to become an accredited Living Wage employer. Implement requirement for inclusion of living wage, fair contracts, and skills development opportunities within procurement contracts. Develop opportunities to access apprenticeships, internships and graduate placements.

Shared Ownership of the Local Economy

Objectives: Work with partners to strengthen and expand the local social business base.

Stakeholders: Moray Council, HIE, tsiMORAY

Next steps: Provide opportunities for social enterprise development within industries where they are underrepresented. Engage with Cooperative Development Scotland to deliver workshops encouraging increased employee ownership. Support growth for social enterprises operating in circular economy and renewables. Explore public-community partnerships for operation key local tourism and heritage assets. Harness local expertise in outdoor learning to support STEM delivery.

Socially Just Use of Land and Property

Objectives: Ensure consideration of social and environmental implications in use of all local public land and assets.

Stakeholders: Moray Council, HIE, Forestry and Land Scotland, Cairngorm National Park Authority, Crown Estate

Next steps: Expand on existing support to increase accessibility for communities in securing Community Asset Transfers. Creation of inclusive and biodiverse open spaces to promote wellbeing. Increased provision and promotion of active travel routes. Access funding to support regeneration of vacant and derelict sites. Engage with other local public sector land owners to explore low carbon initiatives.

Making Financial Power Work for Local Places

Objectives: Capitalize on opportunities for public and community investment in local development.

Stakeholders: Moray Council, Visit Moray Speyside, NHS Grampian, NESPF

Next steps: Explore use of Community Municipal Investment Bonds to finance low carbon and infrastructure projects. Provide support to grow local community owned financial institutions. Assess the implementation of a voluntary tourist tax to invest in local tourist infrastructure.

Who will be accountable for the delivery of CWB in Moray?

Moray Council, through a newly created Moray Anchor Network, will hold responsibility for the governance and delivery of the Moray CWB Strategy. The new network will consist of representatives from local public and private anchor institutions, included those represented on the MEP, Community Planning Partnership (CPP), and Strategic Business Forum. The successful delivery of a CWB strategy in Moray will be reliant upon the commitment of these local anchor partners.

The strategy and its governance arrangements should drive the way in which CWB is delivered locally. This includes the need for political buy-in, and a culture within the organisation in which community benefits are seen as significant considerations across all anchor activities.

Anchor institutions working in partnership can amplify the impact of CWB activity, demonstrating the importance of CWB to the local community. This will not just benefit the practice of each anchor, but also provide a platform to share key learning, with a view towards increasing impact.

What are the risks in the delivery of a CWB approach in Moray?

Community Wealth Building requires an alternative perspective on risk that balances financial cost, with social and environmental cost. However, there is growing evidence that awarding procurement contracts to local business and social enterprise remains competitive in terms of price and often ensures the delivery of better quality goods and services.

The risk in relation to Community Wealth Building is to do nothing. As other local authorities adopt CWB practices to strengthen their local markets and grow their business bases, Moray could 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.

There is also risk posed to the estimated delivery timescales, in the event that there are in delays in the recruitment of a new Community Wealth Building Officer.

How will the CWB approach in Moray be communicated?

There will be a promotional campaign across all five pillars of CWB, highlighting the need and impact of the approach and how it will be tailored specifically to Moray. This will include meaningful engagement with all MEP and CPP stakeholders, Moray Growth Deal project managers, to ensure alignment of delivery. The communications activities will be delivered using existing resource in the Strategic Planning and Development team and in collaboration with external partners.

We will identify and celebrate pre-existing activities aligned to Community Wealth Building in Moray, such as Forres Area Community Trust, Moray Reach Out, and Moray Firth Credit Union. These communications will be used to highlight the added value in terms of local market development, increased employment opportunities, and improved community capacity.

Success of Community Wealth Building in other areas

Manchester City Council achieved growth in procurement spend with businesses based in Greater Manchester from

51.5% to 73.6%
in 7 years.

In Preston, the local anchor network has grown its procurement spend in the Lancashire Council area from

39% to 79.2%
in 5 years.

West Berkshire Council
raised £1M

through Community Municipal Investment as Climate Bonds to support a range of community projects aligned with the council's Environment Strategy.

22% of funds were raised locally, with bonds available for as little as £5.

Jerba Campervans became

100% employee owned,

after the owners began to explore options for succession to secure the long term viability of the company.

In 2018, the two sole founding shareholders transferred all their shares into the newly formed Jerba Campervans Trust. All employees already benefit from an annual profit share which is paid as a flat amount, regardless of position or level of responsibility.

In return for transferring all their company shares into the Trust, the founding shareholders agreed a below market valuation for the business and this amount is gradually being paid to them from company profits over a period of years – without the company taking on any financial debt.

Employee ownership has a proven track record in creating long term growth and security, with reduced staff turnover and improved productivity.

Perth and Kinross Council

have developed a Community Benefits Wish List as a method of engaging with local communities to maximize social value through procurement spend. Local communities add their wishes to an online platform, requesting support from public suppliers in the form of sponsorship, donations, labour, and work experience placements.