

Building Community Wealth and Wellbeing: the Role for Social and Community enterprise

Opening Session

25th November 2019

Pauline Graham (Social Firms Scotland) chaired this session and introduced the speakers – as below – and the session’s focus on Community Wealth Building (CWB) in the Scottish policy context.

Aileen Campbell MSP, Cabinet Secretary for Communities and Local Government, spoke of the relevance of the CWB model to Scottish Government’s concern for empowering communities, child poverty, inclusive growth and the National Performance Framework’s (NPF) more broadly. She pointed to on-going challenges of demographic change and stubborn inequalities, and the Christie Commission (2011) approach to tackling these through partnership, participation and prevention. The Social Enterprise Strategy (2016-26) and first Action Plan, the Local Governance Review and the Local Housing Strategy provide opportunities for social enterprise to support this agenda. CWB offers opportunities to further imagine the role of social enterprise in engaging with these challenges and now climate change too. By trusting in our communities there is the chance to build this country.

Neil McInroy, Chief Executive at CLES, explained that CLES work on over the last ten years was part of a global movement. Economic vulnerability, vast inequalities in Scotland and globally, and the Climate Emergency give urgency to this approach. And it offers scope for redistribution and widening economic participation and a very different approach than previous urban regeneration efforts. Scotland’s rich tradition of social justice and social solidarity, and the current Scottish Government focus on inclusive economy, the Place Principle and now CWB offers fertile ground for development.

CWB is pursued through five principles: plural and democratic ownership of the economy; increasing local financial power; progressive procurement; fair employment; and, socially-just use of land and assets. It is concerned to move away from extractive organisations – that take wealth out of the local economy – and towards generative organisations that create and hold wealth locally. The CWB approach in Preston is the most developed in the UK and is focused on large local anchor institutions e.g. public services, universities, housing associations, to utilise local wealth. Barcelona is one international example where the social and solidarity economy is now given equal status with wider economic development. HiE is already doing such work and Scotland has the chance to do this at scale – building from small initiatives below, rejecting ‘trickle down’, and creating culture-change.

Joe Cullinane, Leader of North Ayrshire Council, pointed to the influences of CLES, the development of CWB in Cleveland, Ohio – via anchor institutions and local cooperative networks – and now in Preston in the Council’s decision to adopt this approach. It will use the five CWB pillars to engage with regional inequalities; fiscal austerity, changing nature of work, child poverty and deprivation.

North Ayrshire has established a CWB Commission with membership from public sector, Scottish Enterprise and the third sector. It will look beyond strategy development to actual delivery, building from a CLES diagnostic report on Local Wealth Building. Key elements will include: enhancing procurement to help local business secure contracts; roles of local and regional anchor institutions; public commons partnerships; models of social enterprise and municipal ownership; and development of a community bank [legislation change now allows mutual bank] – and Scotland could have capacity for one for the west and one the east. Funding and investment will be directed by the five pillars and include: £3m from SG for a CWB Fund; £250M Ayrshire Growth Deal; and Pan-

Ayrshire action and investment from the Councils, Health Board, colleges etc. The work of CLES and of Alan McGregor (University of Glasgow) on Inclusive Regional Growth will support this approach.

Questions and Answers: summary of discussions generated by participants, presenters and chair

Scotland is strong on strategy but not necessarily delivery? Discussion emphasised the crucial role of state-craft in creating complex economic and social change and the related dogged-ness required to engage with institutional inertia. There are pockets of good practice and a need to spread these through joined-up policy-making and collaboration (Christie Commission) and focusing on the NPF.

Can CWB support the practical development in communities of the Good Food Nation Bill?

Discussion emphasised the importance of dignified access to food for all, that the real cause was income poverty, and fears over the impact of Brexit. Potential solutions flagged were – as above – working collaboratively across silos e.g. through the SE Action Plans, and the leverage offered by the NPF.

Place-based approaches risk either more affluent communities not providing their spend or being taken over by such communities? Discussions flagged that the focus on places should be understood not as isolated closed economies but as inter-relating elements as per a ‘Russian doll’. CWB builds the capacity of local organisations to compete in the wider economy – across communities and internationally. This is a very different to the current monopoly capitalism where very small numbers of very large organisations dominant markets e.g. health and social care, food production and distribution. It seeks to develop of a much more diverse, competitive supply chain ...

The community sector is entrepreneurial but needs to build greater financial resilience than that offered by annual grants ... how? Getting multi-year funding is problematic for community groups and organisations – and likewise within the state too e.g. Scottish Government gets annual grants from UK Government. A number of opportunities were suggested: the Investing in Communities Fund as an example of multi-year funding; the developing Local Governance Review; a Scottish Local Housing Strategy; and the potential of CWB to bring together local economic and financial strengths – including housing and pension funds – to build bottom-up rather than top-down strategies.

Local procurement strategies are a decade old but still not working for local social enterprise and business ... CWB doesn’t use targets on local spend but seeks to build local business capacity and related development through collaborative working and generating longer terms plans and knowledge as to what is happening: the results in Preston and Cleveland show what can be achieved. Agencies such as HIE and South Scotland Enterprise can support this work too.

How should we influence the development of the Scottish National Investment Bank? Germany’s Sparkassen banking movement with 400 members illustrates the value of a banking community that understands and supports the local banking sector. The SNIB needs to be bespoke and relate to places. It needs ambition, investment and a more diverse membership that includes trades unions and the third sector. Two Community Banks for Scotland (above) would also make a vital difference.

Focusing on preventative spend re. re-use and repair, health inequalities, and then scaling-up ... how? Shifting spend (as per Christie) is proving complex and public spending constraints are making this more difficult. CWB supports large public and third sector bodies to shift to think as ‘local anchor institutions’ and use their employment, procurement and investment collaboratively to create change: the current economic model creates poverty ... so a new model is needed. Health Trusts in England are beginning to shift thinking. In Scotland, political discourse on the NHS remains on targets: preventative work is happening, but we need greater challenge and a ten year commitment.

The work with CLES in Preston, Manchester and Birmingham has used procurement and multiplier-effects which is good but doesn’t re-distribute wealth: local authorities will end up using local

procurement to compete with each other. In Scotland, through a focus on inequalities and community empowerment, there is the potential for a more fundamental re-distribution of power

... Discussions highlighted that: this can't just be about markets for local suppliers only (illegal) but about allowing them to compete: procurement is only one of the five pillars – they need to be seen as a whole; we can't wait for big monies from government (crucial too), we need new forms of investment and collaboration to create shift in power; and, we need to be ambitious re. local economy, poverty, food insecurity and take risks for change and community and well-being.

Community value isn't just about finance: community organisations aspire beyond pounds, and being 'prime contractors', to use their spend to good effect, build social capital, and create social impact.