

TITLE OF REPORT: **Review of Community Wealth Building**

REPORT OF: **Andrea Tickner Service Director Corporate
Commissioning & Procurement**

SUMMARY

The purpose of this report is to provide an update Overview and Scrutiny Committee on the progress made and future plans for Community Wealth Building.

Background

The Council has agreed to implement a Community Wealth Building (CWB) model as one of the tools to support the Thrive agenda in order to achieve this the Council have been working with CLES (Centre for Local Economic Strategies).

Gateshead Council is establishing itself as a leading practitioner of CWB. As a fundamental driver of an inclusive economy, CWB aims to reorganise and control the local economy so that wealth is not extracted but broadly held and generative, with local roots, so that income is recirculated, communities are put first, and people are provided with opportunity, dignity and well-being.

Through community wealth building, Gateshead is advancing its 'Thrive' agenda aspirations and delivering the Corporate Commissioning & Procurement Strategy 2022 to develop Gateshead. The purpose of this report is to give an update on the progress that has been made with CWB.

Purpose of the Session

The purpose of this session is to give Overview and Scrutiny an overview of the progress made with CWB to date (an overview of this is set out in Appendix 1).

Stuart MacDonald, Director from Centre for Local Economic Strategies (CLES) will be attending the session to give a presentation on community wealth building in Gateshead, setting out both the work the Council and CLES have undertaken and indicating the proposals for CWB. Their presentation will also highlight what CLES have achieved in other areas of the UK, and what the Council hopes to achieve in Gateshead.

Overview and Scrutiny should have a particular focus on the future proposals for Gateshead, to ensure that they give true representation of what they would like to achieve in Gateshead.

Recommendations

It is now time for the Council to have a new approach to economic development. Traditionally we have focussed on redistribution after wealth is created, CWB is about pre-distribution during and before wealth is created. It is about wealth, power, institutions and community with a focus on growing social and environmental benefits into all economic activity.

The medium-term recommendations to achieve this are set out below:

- Re-engagement with Anchor Institutions including Queen Elizabeth Hospital and Gateshead College. – initial discussions were held with Anchor Institutions, however; further work needs to be carried out to support the development of a memorandum of understanding/charter committing to their collaboration and advancing CWB work. Key intentions are to:
 - Review of land and property assets held by anchor organisations in Gateshead to see if they could be re-purposed.
 - Develop a carbon reduction/energy transition approach with anchor institutions.
 - Anchor institution workforce analysis. Identification of gaps with parts/cohorts of citizens more distant from labour market.
- E-learning modules to be rolled out via the intranet providing training on CWB for all staff.
- Appoint a Social Value Coordinator (subject to funding) to facilitate the allocation and coordination of £3.8m Social Value offers.
- Continue to work with the VCSE sector, branching out to schools and internal colleagues to identify what Social Value requirements they have and embed them into future procurement opportunities.
- Develop our internet pages and social media platforms to improve SME's access to contract opportunities.
- Greater emphasis on pre procurement engagement with local organisations, quotations being ring fenced to local companies, a number of Dynamic Purchasing Systems (DPS's), similar to frameworks, have been established to enable participation of local companies, a recent example of this is on the Construction DPS, where we have specifically targeted local companies to get on the DPS, we have received 30+ applications.
- Addressing gaps in the local supply chain and those opportunities offered to local suppliers.

- Investigation into existing business support activities that support the development of the generative economy and improve the competitiveness and readiness of local supply chains, ensuring business opportunities are accessible to the local market.
- Support the development of the social economy and alternative business models, including cooperatives and community interest companies that have the potential to provide goods and services that meet community need and address gaps in Council and anchor institutions' supply chains. Explore the potential for a Gateshead Plural Economy Development Network.
- Explore the viability of a co-operative and ethical business Accelerator Programme.
- Development of Social Value framework/Community Benefit for all planning and development.
- To ensure that all future planning activity considers maximum social/community benefit, including improving residents' access to employment opportunities arising from major regeneration projects through the Gateshead Works Service.

In January 2023, we will hold another Evidence Gathering Session with colleagues from Economic Development, HR, and Procurement to discuss their work around employment and skills, the development of the local economy and the CWB outcomes achieved through procurements. Followed by an interim report to OSC in March and a final report in April 2023.

The Overview and Scrutiny Committee is asked to:

- note the arrangements for gathering evidence for the review of Community Wealth Building
- provide their views on the evidence presented.

Contact: Janine Copeland 0191 433 5986

This appendix sets out the CWB which has been achieved in Gateshead:

- Pre-2019- Longstanding progressive activities undertaken by Gateshead Council and partners.
- April 2019- CLES commissioned to support the development of the Council's CWB agenda.
- November 2019- Development of internal commissioning and procurement proposals.
- November 2019- Delivery of final CLES report, including key recommendations for progressing community wealth building in Gateshead.
- November 2019- Presentation of CLES report to Chief Executive.
- February 2020- Development of Social Value framework and tools.
- March 2020- Development of 'Action Plan' to progress Gateshead's CWB aspirations.
- May 2020- Expanding scope of CWB work to look at energy transition and the climate emergency.
- July 2021 – Established Gateshead Local Enterprise Group to carry out Enterprise support mapping and develop an Action Plan
- October 2021 – Established Social Value Toolkit for all procurements over £100k
- December 2021 – Established Procurement working group to review Spend Analysis and develop an Action Plan
- December 2021 – Established Employment working group to carry out Employment analysis and develop an Action Plan
- May 2022 – Achieved £4m Social Value offers to be distributed in Gateshead.
- June 2022 – Work commenced on designing the CWB e-learning module, this is still in progress.
- July – Work commenced on the development of refresh and simplify our Internet pages this is still in progress.
- Sept 2022 – Establishment of Social Value database to help monitor social value offers.
- Sept 2022 – Establishment of VCSE's high level 'wish list' which is now incorporated into all procurements.