

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE
TUESDAY, 11 JULY 2023

Report Title	Community Wealth Building Update			
Purpose of Report	To provide an update on work carried out to date and set out a proposal for future work.			
Decision(s)	The Committee RESOLVES: a) To note the community wealth building work completed to date b) To delegate authority to the Strategic Director of Resources in consultation with the Chair and Vice-Chair of this Committee, procurement and One Legal to procure a contract for additional support, funded from the Business Rates Pilot Reserve, to provide further options for Community Wealth Building.			
Consultation and Feedback	Senior Economic Development Specialist and Alliance Strategy and Resources Committee Members			
Report Author	Andrew Cummings, Strategic Director of Resources Email: andrew.cummings@stroud.gov.uk			
Options	The Committee could choose not to proceed with additional support for Community Wealth Building.			
Background Papers	None			
Appendices	None			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. INTRODUCTION / BACKGROUND

- 1.1 Community Wealth Building is a people-centred approach to supporting economic development, seeking to redirect wealth back into the local economy and places more control and benefits into the hands of the local people.
- 1.2 Stroud District Council has been committed to the principle of local wealth building since a motion agreed by Council in October 2018 formally introduced the concept into local policy making.
- 1.3 This motion identified that there are four key strategies at the heart of local wealth building. These are, focussing on local employment, equitable development of land and community assets, support for SMEs, cooperatives and local banks, and progressive procurement.
- 1.4 At the time of agreeing the motion the Council had no dedicated economic development resource in place and subsequent budgets have therefore needed put in a number of additional sums to support economic development. Most significantly the gain from the Business Rates Pool in 2019/20 of £386k was ringfenced to create the small economic development team which the Council currently benefits from.

- 1.5 Since that time local, or community, wealth building has been a key part of Council policies. In particular Council Plan Priority ER 4.3 states “Support procurement from local businesses and drive local spending on low carbon goods and services to create stronger supply chains within the local economy. This may include collaborative partnerships with local anchor institutions to encourage community wealth building”. This is an ongoing priority, on those procurements below procurement thresholds, and is owned by the Strategy and Resources Committee.
- 1.6 The ten-year Economic Development Strategy published in 2022 also includes a commitment to local wealth building both as part of the principles and associated action plan. The Strategy includes the following commitment “we want to capture existing community generated wealth creation, encourage local spend and develop local supply chains to maximise the value of local assets and ensure the benefits of economic development are retained locally”.
- 1.7 This report seeks to set out the work that has been carried out so far and also seeks member approval for funding for further work in this area.

2. Community Wealth Building Work Underway

- 2.1 In the corporate procurement strategy local spend is defined as those suppliers which have a GL postcode. In the last corporate procurement update to this committee, it was reported that £11 million of Council expenditure was on local invoices in the previous financial. This was against a total Council spend of £37 million, representing an overall proportion of 32% going on local suppliers.
- 2.2 This year has seen the launch of the Natural Place prospectus for the District. A key commitment within the Council plan, the Natural Place has been developed to support inward investment into the district and to supporting any future funding bids to bring investment into projects in the area.
- 2.3 The Natural Place is supported by the launch of a programme for local businesses and individuals to become ambassadors and changemakers. This ambassador programme will seek to advocate for business in the district who are exemplars in working practices and their sectors.
- 2.4 In 2019 the Council made an investment in the principle of local banking through an allocation of £50k of Business Rates Pilot funding in the Avon Mutual Project looking to develop a Community Bank in the South West of England. The Bank is continuing to work towards its banking license and has achieved investment from a number of sources, most significantly Bristol City Council. A member update evening will be arranged for later in 2023 so members can hear directly from the bank on their current progress.
- 2.5 The Council Plan and Economic Development Strategy have a key commitment to boost our market towns and increase our rural vitality. In particular Town and Parish Councils were supported through the Welcome Back Funding aimed to increase footfall on rural high streets. More recently the UK Shared Prosperity Fund for Stroud District has been targeted at local communities and aims to achieve a broad distribution both geographically and in the size of recipients.
- 2.6 The recruitment of a Tourism officer who works with the market towns to increase awareness of activities, events and businesses in their areas, has been a significant step forward in developing community wealth. This includes the promotion of events and festival which will be included on the place making app through the next upgrade, including a calendar of events.

- 2.7** Developing Skills in the local economy is a key facet of Community Wealth Building. The Council continues to run a successful apprentice programme and has recently held a number of open evenings to encourage prospective apprentices. In order to increase the range of apprentices that we are able to offer the Council has also developed a link with Cirencester College to build on the existing links with SGS College.
- 2.8** The Council has also committed to the principles of social value within its Procurement Strategy and has signed up to the Social Value Portal. As part of this process the District Council has selected the Themes, Outcomes and Measures that our social value will be considered against. These TOMS include the amount spent in the local supply chain, more local people in employment and improved employability of young people.

3. Further Opportunities

- 3.1** As already discussed in this report the Council has made considerable progress on local wealth building in the nearly five years since the original motion, in spite of disruption since 2020 with first the pandemic and then the Cost of Living Crisis. The inclusion of local wealth building principles across the Council Plan and Economic Development Strategy has led to a considerable focus across all areas of Council Policy.
- 3.2** As an ambitious Council there is also a need to do more and better understand what can to be done to further enhance local wealth building across the District. The motion to the Council back in October 2018 recognises that local wealth building has for the most part been led by City and Urban authorities. This creates challenges in further developing the principles but also opportunities in recognising those unique elements of the local economy.
- 3.3** In order to help the Council progress to the next stage of community wealth building it is proposed that a piece of support work is commissioned from external specialists to evaluate the work that has been carried out to date and help the Council consider where future efforts could be targeted to improve the impact of our work within this area. Initial discussions have been held with an organisation which specialises in this area but clearly a proper procurement exercise must be carried out to identify any other suppliers who may be able to help with this work and allow proper competition.
- 3.4** The Committee is therefore asked to approve the Strategic Director of Resources to begin a procurement process to find a partner who can assist further in this work. The outcome of this process and the findings and actions arising from the resulting work will be reported back to this committee at a later date.
- 3.5** This work will be funded through the Business Rates Pilot reserve. This represents the funding from the 2018/19 Gloucestershire 100% Business Rates Pilot which has since been topped up from other sources. In March 2019 the Strategy and Resources Committee agreed the principles of the distribution of this funding. There are five agreed priorities for the use of this funding and “Local Wealth Building” is one of them. The balance of the reserve is £1.35 million so there are no resourcing implications in funding a small piece of consultancy work.

4. IMPLICATIONS

4.1 Financial Implications

Although the costs of the external advice work is not known at this stage the Business Rates Pilot Reserve has previously been approved by Strategy and Resources Committee

for use on local wealth building. A delegation already exists to the Strategic Director of Resources to allocate reserves towards their intended uses.

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4.2 Legal Implications

The Cabinet Office published a Guide to Reserving Below Threshold Contracts PPN 11/20 which described the options that may be considered for the procurement of below Threshold contracts. These options included reserving procurements by supplier location and specifying that only Small and Medium Enterprise (SME's) and Voluntary Community and Social Enterprises (VCSE's) can bid. These options should be considered on a case-by-case basis.

Officers will work together with colleagues in procurement and One Legal to ensure that a compliant procurement exercise is undertaken for the award of these services.

One Legal

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4.3 Equality Implications

There are no specific services proposed so no EIA has been completed. The principles of Community Wealth Building in general will have a positive impact on the Council's commitments regarding Equality, Diversity and Inclusion.

4.4 Environmental Implications

There are no significant implications within this category.