

# Community Wealth Building in Scotland

Exploring 'New' Ways to Build an Inclusive Local Economy

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February 2024



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## Executive summary

This report outlines the findings of the RSE funded project, '*Community Wealth Building in Scotland: Exploring "New" Ways to Build an Inclusive Local Economy*'.

Community Wealth Building has been defined as a 'people-centred approach to local economic development'.<sup>1</sup> The Scottish Government's plans to implement CWB as a national policy, the first of their kind, significantly expands the remit of CWB as currently practiced in the UK, where CWB has more usually been implemented at a local authority level. This research therefore, highlights how CWB is understood at this early stage of implementation, areas of challenge, and potential ways forward.

The report outlines findings from semi-structured interviews with 30 participants, including key stakeholders from policy and practice, and representatives from three geographically distinct case study areas: North Ayrshire, Glasgow, and the Western Isles. Interviewees included Scottish Government policy leads, public and third sector support agencies, and case study representatives from local authorities, anchor organisations and institutions. To provide a broader picture, the report also includes an analysis of 168 responses to the Scottish Government's Community Wealth Building (CWB) consultation (October 2023); facilitating a degree of cross-referencing between the two enquiries.

### *Diverse understandings of CWB*

Our research identified three different understandings of CWB among our interviewees. These are:

- *CWB as a values-driven approach to economic development;*
- *CWB as a practical tool to deliver economic development in distinct way;*
- *CWB as a deepening and broadening role of community organisations in the economy.*

We found that understandings of CWB are often associated with the particular vantage points of our interviewees, such as where an interviewee was living and working and their experience of development in their area. Therefore, how someone understands what CWB is, differs depending on how they conceive of what it is for.

Those that understood CWB as a *values-driven approach* to economic development, not only identified the practice as a 'new' approach, but one that counter posed existing practices. For those that understood CWB as a *practical economic development tool*, they valued the potential of CWB as a practical mechanism to create change within their organisations and the local economy. The final conception of CWB identified in our research, focused on *the involvement and agency of communities*, rather than anchor institutions. This was the most contested understanding, with some participants viewing this as a way to expand the terms of economic development to include considerations of and space for community power. Conversely, those who disagreed with this conceptualisation drew firm lines between community development and economic development, with CWB rooted firmly in the latter.

These various understandings and the relationships between them, illuminate important tensions to be acknowledged in the implementation of CWB. Nevertheless, it is important to recognise a point of consensus between these differing understandings, with interview participants, broadly,

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<sup>1</sup> <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>

lending support to CWB as an opportunity to create change. Their expectations of this change, whether within their organisation or in the Scotland's economy at large were inflected according to their particular perspectives, but this consensus suggests the possibility to create a shared understanding of CWB in Scotland.

### *Challenges of understandings of CWB*

In terms of challenges associated with understandings of CWB, interviewees discussed -what they perceived as- imprecise, or confusing terminology. In particular, the use of 'community' frequently led to the policy being linked to community development and capacity building rather than an economic model. Although, even among those who identified CWB as an economic model there was acknowledgment that, to be effective, there would need to be an element of community capacity building built into CWB implementation. Connected to this debate, respondents highlighted that when community organisations -and some local authority officers- were engaged in discussions around CWB, they frequently failed to see anything 'new' in what CWB offered, commenting that their existing practice was already closely aligned with CWB.

Underlying these points was a consensus that breadth and depth of awareness of CWB remains low. Respondents identified this as particularly problematic when local authority officers lacked knowledge of CWB, because it could lead to claims that their departments were already practicing CWB rather than looking at how CWB could alter existing practice in economic development. This raised important points of distinction between *doing* elements of CWB and *embedding* it as an economic development model across the five pillars of practice.

### *Practicing CWB*

In practice, CWB was understood by interviewees as *a journey or as a process*, intimating that every locality has a different starting point, priorities, and skills available to implement CWB, which are determined by contextual factors, such a history, cultural legacies and place specific dynamics. CWB was seen to represent both a continuity and a break from prior economic development practices to varying degrees, and this was also contingent on the local context of implementation. For example, in the Western Isles, community-oriented economic development practices have been standard for decades, with a long history that can be traced back to at least the 1970s. Indeed, some interviewees -particularly strategic stakeholders active in the Scottish Government current CWB pilot studies- understood the Scottish Government adoption of CWB policy as reflective of a journey in developing an inclusive economy. Therefore, the implementation of CWB is considered as an opportunity to label cohesively various activities that have led to CWB adoption such as fair work, community benefits, community empowerment and aspirations for a wellbeing economy.

### *Challenges and enablers*

While consensus was shown on the opportunity CWB represents, resource and capacity were repeatedly mentioned as challenges to implementation across the three case study areas. These were expressed in a number of ways. For example, concerns around resourcing and staff capabilities (i.e. skills gaps, training, education- across all dimensions and levels, from elected representatives to civil servants) were apparent in all three case study areas. Furthermore, there were calls to address the potential mismatch between policy and practice which risks to reduce CWB to a tick box exercise. Indeed, contradictory policy orientations from the Scottish Government were indicated as giving unclear direction for how local authorities should implement CWB. This

was mentioned both in terms of the mismatch of narrative from Scottish Government around local assets versus global investment/inward investment, as well as leaders of councils, where the focus on inclusive growth too often seemed to overshadow that on CWB. Drawing from the experience of North Ayrshire it is possible to identify a number of practices that might have enabled the implementation of a CWB policy. Firstly, leadership, at senior level, triggered buy-in to CWB. Secondly, collaboration and partnership working sustained the homogenisation of practices and co-designed strategies for implementation. Thirdly, resourcing the implementation of CWB through funding of specific CWB officers and dedicated investment.

### *The way forward; looking towards future legislation*

A number of key points can be drawn that might support the legislative process:

- **Policy alignment:** Including both a policy framework to set the agenda for economic development, and a common set of aims to clearly articulate what the end-goals of CWB are. This would support the drawing up of measures of success/failure. This would enable the creation of specific targets that can be actioned in practice.
- **Attention to leadership:** This includes, local leadership to drive the agenda with sensitivity to local resources and assets; therefore, recognising if/how local assets need to be developed. In some areas this will also mean creating the right conditions for building the capacity of the social economy, businesses and communities.
- **Attention to governance in the form of collaboration:** For CWB to be effective, attention is required to facilitate collaboration within institutions, between institutions, and between anchors institutions and community organisations. Likewise, mechanisms for accountability will be needed to ensure successful delivery of CWB. This is both to measure success/failure of implementation, and to ensure that institutions actually deliver CWB.

# Introduction

## 1.1 What is Community Wealth Building?

Community Wealth Building (CWB) has been defined as an asset-based approach to economic development that aims to democratise the ownership of wealth. Connected to an international movement to foster a more inclusive economy, it has been promoted as a way to re-orientate economies at a city or city-region level to retain more wealth locally, with advocates of CWB regarding it as the antidote to existing extractive economic practices.<sup>2</sup> CWB has been positioned as a pragmatic response to the failures and problems of neoliberal economic development, with twin paths of policy innovation in the United States of America (USA) and United Kingdom (UK). The two most well-known and longest established implementations of CWB as a policy practice are in Cleveland, Ohio since 2005, and in Preston, Lancashire since 2011. In the subsequent years, it has spread to numerous other places across the USA<sup>3</sup> and UK<sup>4</sup>, with similar practices reflecting globally those of the wider New Municipalist movement<sup>5</sup>.

The key agents for implementing CWB are anchor institutions: place-based organisations, such as local authorities, universities and hospitals, which are tied to their surrounding area by their mission, invested capital, and relationship with stakeholders.<sup>6</sup> As a policy set and implementation strategy, CWB focuses on five pillars:

<b>1. Spending</b>	<i>Leveraging the purchasing power of anchor institutions in their supply chains to support the development of an ecosystem of locally rooted businesses for social value, community benefit, and ecological sustainability.</i>
<b>2. Workforce</b>	<i>Reconfiguring the employment policies of anchor institutions to encourage inclusive local hiring, paying the real living wage, trade union recognition, the prevention of deskilling labour and/or the geographic extraction of skilled labour to more attractive places, eliminating pay gaps based on gender, race, sexuality, disability, etc</i>
<b>3. Land and assets</b>	<i>Deploying the use of anchor institutions' assets, land and property included, for socially useful development, and importantly expanding the role of people and communities in democratically deciding the uses of those assets, particularly for those already in direct public ownership.</i>
<b>4. Inclusive ownership</b>	<i>Democratising the ownership of wealth in the economy in the form of plural models of ownership of assets and firms, such as through supporting the</i>

<sup>2</sup> Guinan, J., & O'Neill, M. (2019). *The Case for Community Wealth Building*. Cambridge: Polity Press. p. 5-6.

<sup>3</sup> Kelly, M., & McKinley, S. (2015). *Cities Building Community Wealth*. Takoma Park, MD: The Democracy Collaborative.

<sup>4</sup> Centre for Local Economic Strategies. (2023). *Community wealth building case studies*. [Online] Available from: <https://cles.org.uk/community-wealth-building-in-practice/community-wealth-building-places/community-wealth-building-case-studies/> [Accessed 30 October 2023].

<sup>5</sup> Colau, A., & Bookchin, B. (2019). *Fearless Cities: A Guide to the Global Municipalist Movement*. Oxford: New Internationalist Publications.

<sup>6</sup> Dubb, S., Howard, T., & McKinley, S. (2013). *The Anchor Dashboard: Aligning Institutional Practice to Meet Low-Income Community Needs*. Takoma Park, MD: The Democracy Collaborative. p. v.

	<i>development of cooperatives, community land trusts, social enterprise, municipal public ownership, Public-Common Partnerships, etc</i>
<b>5. Finance</b>	<i>Seeking to secure control over financial flows, to avoid wealth extraction and ensure its reinvestment in socially useful and virtuous economic projects that build up the place-based plural, inclusive and democratic economy so as to avoid unequal wealth concentration</i>

## 1.2 Community Wealth Building in Scotland

CWB was first brought to Scotland in 2020 with the work of North Ayrshire Council. This has been realised organisationally in the creation of the Ayrshire Community Wealth Building Commission; a partnership comprising the three Ayrshire local councils with other anchor institutions including NHS Ayrshire and Arran, Ayrshire College, Scottish Enterprise, Scottish Fire and Rescue, Police Scotland, and The Ayrshire Community Trust. Further, these anchor institutions signed onto the Anchor Charter<sup>7</sup> committing them to taking a CWB approach to economic development for the long haul. This is illustrated in the consistency of the approach despite changes of political leadership. CWB was first pioneered by North Ayrshire under the leadership of Labour Cllr. Joe Cullinane, learning directly from the example of the Preston Model. Despite the change of leadership in 2022 to SNP Cllr. Marie Burns, the council has continued to be committed to the CWB approach.

The Scottish Government adopted CWB as part of the *Shared Policy Programme* between the SNP and Scottish Green Party in 2021<sup>8</sup>, and subsequently as part of its *National Strategy for Economic Transformation* (NSET) in March 2022<sup>9</sup>. This included a commitment to “*introduce Community Wealth Building legislation that builds on the successes and learnings of all of the Scottish Government community wealth building local and regional pilot areas in urban and rural Scotland*”<sup>10</sup>. These pilot areas are Clackmannanshire, Fife, Glasgow City Region, South of Scotland, and the Western Isles, with additional support for Ayrshire through the Ayrshire Growth Deal<sup>11</sup>. Additionally, a junior ministerial position, the Minister of Public Finance, Planning and Community Wealth, was also created in 2021, subsequently being revised as the Minister for Community

<sup>7</sup> North Ayrshire Council. (2020). *Community Wealth Building Anchor Charter*. [Online] Available from: <https://www.north-ayrshire.gov.uk/Documents/cwb-anchor-charter.pdf> [Accessed 10 August 2023].

<sup>8</sup> Scottish Government. (2021). *Scottish Government and Scottish Green Party Shared Policy Programme: Working Together to Build a Greener, Fairer, Independent Scotland*. p. 21. [Online]: Available from: <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2021/09/scottish-government-scottish-green-party-shared-policy-programme/documents/scottish-government-scottish-green-party-shared-policy-programme/scottish-government-scottish-green-party-shared-policy-programme/govscot%3Adocument/scottish-government-scottish-green-party-shared-policy-programme.pdf> [Accessed 30 October 2023].

<sup>9</sup> Scottish Government. (2022). *Delivering Economic Prosperity*. [Online] Available from: <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2022/03/scotlands-national-strategy-economic-transformation/documents/delivering-economic-prosperity/delivering-economic-prosperity/govscot%3Adocument/delivering-economic-prosperity.pdf> [Accessed 10 August 2023].

<sup>10</sup> Ibid. p. 36.

<sup>11</sup> Ayrshire Growth Deal. (2022). *The Ayrshire Growth Deal Benefits Realisation Plan*. [Online] Available from: <https://www.ayrshiregrowthdeal.co.uk/wp-content/uploads/2022/02/22.02.28-AGD-Benefits-Realisation-Plan.pdf> [Accessed 30 October 2023].



Wealth and Public Finance in 2023, with a specific responsibility for the development of CWB<sup>12</sup>. Tom Arthur MSP has been the Minister since 2021.

The Scottish Government conceives of CWB as a practical approach to achieving a Wellbeing Economy<sup>13</sup>. This is “*an economy designed to serve people and the planet, not the other way around. Rather than treating economic growth as an end in and of itself and pursuing it at all costs, a Wellbeing Economy puts our human and planetary needs at the centre of its activities, ensuring that these needs are all equally met, by default*”<sup>14</sup>. A Wellbeing Economy approach consists of four principles:

1. **Predistribution** – Configuring the economy so the gains are distributed in an egalitarian fashion automatically, instead of relying on redistributive measures to correct for inequality after the fact.
2. **Purpose** – The function of the economy is to deliver human and ecological wellbeing, not simply growth as defined by Gross Domestic Product.
3. **Prevention** – Designing the economy to prevent harm to people and planet first, rather than maintaining an exploitative and extractivist system whose negative outcomes must then be fixed.
4. **People-powered** – Economic decisions are taken democratically by the people themselves, such as through citizen assemblies and participatory budgeting.

The Wellbeing Economy acts as a broader framework to inform the end goals of economic development, and provide lenses through which the success or failure to achieve those goals can be measured. These principles clearly align with the five pillars of CWB.

## 2 Methodology

### 2.1 Research aims

Like many predecessors in public policy, CWB’s success can be dependent on the local dynamics of place. These are the historical legacies and institutional structures that shape the nature of local relationships. The research investigated how the implementation of CWB is being approached in Scotland through three specific research questions:

1. *How is CWB understood and engaged with in local Scottish contexts?*
2. *How do local dynamics (i.e. unique historic legacies, cultural traditions, institutional structures of places) underpinning approaches to CWB shape its implementation in Scotland?*

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<sup>12</sup> Scottish Government. (2023). *Minister for Community Wealth and Public Finance*. [Online] Available from: <https://www.gov.scot/about/who-runs-government/cabinet-and-ministers/minister-for-community-wealth-and-public-finance/> [Accessed 30 October 2023].

<sup>13</sup> Scottish Government. (2023). *Equality, Opportunity, Community: Our Programme for Government*. p. 18-22. [Online] Available from: <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2023/09/programme-government-2023-24/documents/equality-opportunity-community-programme-government/equality-opportunity-community-programme-government/govscot%3Adocument/equality-opportunity-community-programme-government.pdf> [Accessed 30 October 2023].

<sup>14</sup> Wellbeing Economy Alliance. (2022). *What is a Wellbeing Economy?* [Online] Available from: <https://weall.org/what-is-wellbeing-economy> [Accessed 30 October 2023].

### 3. *How effectively does CWB support the Scottish Government's commitment to community empowerment and a wellbeing economy?*

To answer research questions 1 and 2, interviews were organised in three geographically distinct case studies, examining local dynamics in North Ayrshire, Glasgow, and the Western Isles. To address research question 3, the interview data was cross referenced with a policy analysis collected from desk-based research (collated policy documents, case studies, and local authority strategy documents) and responses to the Scottish Government's CWB consultation which ran from January to May 2023. Although the consultation did not pose the same questions as our research, being more directly focused on developing the proposed CWB Bill, it provides a useful discursive background within which our interviews can be situated and cross-referenced. See Appendix 6.1 for a graphical representation of our research design.

The emerging results were thematically analysed and discussed jointly by the research team to answer the research questions.

## 2.2 Case studies

We chose three geographically distinct areas for research to explore and understand how differences of place shape experiences of CWB – North Ayrshire, Glasgow, and the Western Isles. The choice of these case study areas was determined by their known distinctive approaches to policy application and historical legacies<sup>15</sup>. North Ayrshire was chosen for the study as it is the longest and most well-established instance of CWB in Scotland. With a population size of approximately 135,000, Ayrshire is a large predominantly rural area with concentrated population centres in post-industrial towns. Glasgow was chosen as a case study as it is the largest densely populated urban area in Scotland, with a population of approximately 635,000 people. An area such as Glasgow will also be subject to specific economic, political, social, cultural and administrative forces that, while overlapping to varying extents, are not identical in other parts of the country. The Western Isles was specifically chosen too, as it is a self-contained archipelago to the west of the Scottish mainland. The Isles have a population of approximately 27,000 people spread across a number of remote/rural islands, with Stornoway being the central commercial hub, with the town having a population alone of 6,000 people. What makes this case study different is that large development trusts are key to supporting the local economy, with two thirds of the population living on community owned estates.

In comparison, the other Scottish Government pilot areas do not offer such straightforward comparisons. Clackmannanshire and Fife, though being similar to Ayrshire in some respects, also have economies much more closely integrated with the wider central belt of Scotland. The South of Scotland, comprised of the Scottish Borders and Dumfries and Galloway, is a large rural area, but is less self-contained than the Western Isles, being situated between the central belt and England geographically.

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<sup>15</sup> Mazzei, M., & Roy, M.J. (2017). 'From Policy to Practice: Exploring Practitioners' Perspectives on Social Enterprise Policy Claims', *Voluntas*. 28. p. 2449-2468. [Online] Available from: <https://doi.org/10.1007/s11266-017-9856-y> [Accessed 21 November 2023].

## 2.3 Interviews

Semi-structured qualitative interviews were conducted with 18 participants from various organisations which are involved with implementing CWB in the three geographic areas. Interviews also took place with 12 key stakeholders from national (all of Scotland or all of UK) organisations.

The interviewees can be categorised as follows:

<b>North Ayrshire</b>	North Ayrshire Council local authority representatives x 6
<b>Glasgow</b>	Glasgow City local authority representatives x 5 Glasgow City Region local authority representative x 1 Clydeplan (Glasgow and the Clyde Valley Strategic Development Planning Authority) x 1 Glasgow Council for the Voluntary Sector (GCVS) x 1
<b>Western Isles</b>	Comhairle nan Eilean Siar local authority representatives x 2 University of the Highlands and Islands (UHI)- Outer Hebrides Campus x 1 Highlands & Islands Enterprise (HIE) x 1
<b>Key stakeholders</b>	Community Land Scotland x 1 Convention of Scottish Local Authorities (COSLA) x1 Scottish Government CWB representatives x 3 Community Enterprise in Scotland (CEIS) x 1 Scottish Enterprise x 1 Development Trust Association Scotland (DTAS) x 1 CLES- The National Organisation for Local Economies x 1 UK University-based academic experts on local economic development x 3

The topic guide (see appendix 6.2) was informed by the literature, and included themes such as:

1. Individuals understanding and interpretation of CWB.
2. CWB practice (nationally and related to geographic area).
3. Specific application of the five CWB pillars.
4. Facilitators and barriers for implementation.

Participants were approached to take part in the study via email using targeted sampling based on their role within their sector. Interviews took place in person or online using both Microsoft Teams, between November 2022 and April 2023. Interviews were approximately 30- 60 minutes long and were recorded online or using a Dictaphone. Participants were each provided with a participant information sheet that outlined the nature of the study, and were then asked for consent to the use of their interview data for the purposes of the study. All data was saved and stored on a

password encrypted file and laptop. Ethical approval for the study was provided by Glasgow Caledonian University.

## 2.4 Consultation responses

For the purpose of providing a broader picture of CWB implementation in Scotland, a range of responses from the Scottish Government Community Wealth Building consultation were also analysed alongside the interviews. The consultation consisted of nine questions in total. The first four corresponded to the development of CWB legislation concretely, and the remainder asked about actions that could advance each of the five CWB pillars in more general terms. Each of the questions collected both quantitative and qualitative data, asking for a tick box answers directly to the question posed, as well as a text box for respondents to elaborate in detail. See Appendix 6.3 for the full list of these consultation questions. In the course of the research, we only had access to the consultation responses that were published and publicly available online from the Scottish Government website– of which there were 168 out of a total 185. The Scottish Government commissioned their own detailed analysis of the consultation responses, which was published in October 2023<sup>16</sup>.

## 2.5. Data Analysis

All data from interviews was transcribed and uploaded into the qualitative data analysis software tool NVivo 20-7. The interview data was analysed using an inductive thematic approach where key themes emerged throughout the analysis of each interview. A coding framework was used to identify the common themes, then to draw out the specific details of each theme, and to isolate the data to evidence these points. All coding was overseen by the full research team, feedback was received, and consensus was sought. Analysis of the consultation responses acted as an accompaniment to the interviews. The same inductive thematic analysis was undertaken using NVivo for all qualitative consultation data, and the same coding framework was used across both the interviews and consultation responses. Microsoft Excel was used to organise quantitative data from the consultation responses. The broad themes all emerged from the interviews, but some specific details differed in the consultation responses.

# 3 Findings

## 3.1 Diverse understandings of Community Wealth Building

Understandings of CWB were categorised into three broad conceptualisations. These differing, if overlapping, understandings typically depended on the professional position of the interviewees. These were:

- CWB as a *values-driven approach to economic development*, typically associated with theoreticians (academics, think tank practitioners, policy makers);

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<sup>16</sup> Scottish Government (2023) Building Community Wealth in Scotland: consultation analysis. Available at: <https://www.gov.scot/publications/building-community-wealth-scotland-independent-analysis-responses-consultation-exercise-analysis-report/> [Accessed 30 October 2023]

- CWB as a *practical tool to deliver economic development* in a distinct way from current, mainstream economic development approaches, typically associated with officers in anchor institutions, such as local government and public sector representatives;
- CWB as a *deepening and broadening of role of community organisations in the economy*, typically associated with representatives from third sector organisations.

Though these conceptions were, in general, associated with specific professional vantage points, this is not to say that those positions held any one view singularly. Rather, these differences were more a matter of where the emphasis is placed in their understandings of CWB. For instance, local government officers did understand CWB to also be a values-driven approach contingent upon community organisation, but in general the emphasis was placed on its utility as a practical policy toolset. As an example, one interviewee put it succinctly, CWB is *'a very flexible but practical tool, allowing localities to deliver wellbeing economy principles'* [Key stakeholder, COSLA]. This is because these participants tended to encounter CWB primarily as people responsible for developing and implementing policy in local government. In the same vein, theoreticians emphasised the over-arching normative approach (representative of current point of consensus expressed through emerging CWB literature), and third sector interviewees emphasised the role of community organisations.

### 3.1.1 CWB as a values-driven approach

This conception operated at the more abstract level of general principles. Here, CWB was understood as a national approach to economic development which is rooted in and driven by a set of broader principles. These being inclusion, social justice, and democracy. This understanding of CWB forms the framework within which more specific, concrete actions could be designed. In this regard, it has significant convergence with the wellbeing economy. As one interviewee put it, *'I think CWB is an approach to achieve a wellbeing economy and inclusive economy'*. [Local authority representative, North Ayrshire]

Theoretical understandings were found to be shaped by practice, learning from and building iteratively upon prior examples of CWB elsewhere in the UK and USA. A number of interviewees, from across professional and geographical backgrounds, mentioned the Preston and Cleveland Models as sources of inspiration. However, learning from prior practice was not necessarily aligned with interviewees seeking duplication. While specific geographic aspects of understanding were not always explicitly discussed, interviewees were alert to the general need to adapt the approach to specific local circumstances:

*(CWB) is a way to look at the assets you have and the economic assets that you have in your OWN locality, and how to use them differently to achieve these wellbeing economy outcomes. [Key stakeholder, COSLA]*

This conception of CWB, as first and foremost a values-driven approach, was the view most concerned with the question of whole systems change- *'(CWB is) quite a broad, holistic thing... It's about trying to create a new system'* [Academic expert]

This system change outlook shown by interviewees also identified the need not only to introduce new approaches to economic development, but to counterpose them to existing (in their view) neoliberal practices. In this view, CWB was seen to replace neoliberalism, not merely supplement

it. This viewpoint was mostly propagated by theoreticians, but was comprehended by others, such as local government officers. As one such interviewee described:

*CWB is an economic development approach but it's values-based, it's about anchor organisations focusing on the way that they do their business-as-usual, how they've organised their systems and processes and the impact of those on the local and the regional economy [Local authority representative, Glasgow City]*

### 3.1.2 CWB as a practical tool

In comparison with the previous more abstract values-driven understanding, this conception of CWB was more concrete. Here, interviewees understood CWB to be practice first, and theory second. Many interviewees, mostly officers working in local government and the public sector, conceived of CWB as the means by which wider goals can be materialised through specific practical policy tools and real-world actions. Indeed, one interviewee described CWB as *'the kind of action-focused strand of building a wellbeing economy'* [Local authority representative, Glasgow City]. Another interviewee stated clearly:

*What we're trying to do is demonstrate that it's a vehicle to take forward a lot of other Scottish Government priorities around child poverty, net zero, etc. [Scottish Government representative]*

As this understanding was most associated with officers, it centres the agency of anchor institutions in effecting change. As one interviewee put it:

*CWB is about 'using the power of anchor organisations, of... big public sector purchasers within a local economy. How you can use these tools to stimulate activity, locally'. In the development of CWB in Scotland, of the different types of anchor institution, the 'critical organisation is the [local] council [Local authority representative, Western Isles].*

Conceiving of CWB as primarily about altering the policies and practices of anchor institutions to effect change, this understanding focused on the utility of the five pillars as lenses through which to do so. One interviewee described the interconnectedness of the pillars, saying that in developing CWB in practice, *'the pieces of the jigsaw are now all beginning to fit in together'* [Local authority representative, Glasgow City].

However, within this conception, the extent of alignment between CWB's theory and practice did vary. Some people viewed the five pillars of utility without embracing the overarching goals for economic system change as a whole. As one interviewee made clear, *'I think I was less convinced of the whole sort of economic policy approach'* [UHI representative, Western Isles]. This demonstrates that CWB could be seen as being of utility for economic development at a concrete policy level, even if those putting it into practice do not fully embrace to the wider normative goals.

### 3.1.3 CWB as community organising

A third understanding of CWB by interviewees was one that centres the involvement and agency of communities, as opposed to privileging the agency of anchor institutions. Here, interviewees drew attention to the work already being done by community organisations to advance the principles of CWB, if not already labelling their practice under its banner:

*[CWB] is more about building the capacity and the resource within communities to help shape what those communities look like for the better of those people within the communities.... It's not just about financial wealth, it's about the wealth of experience, it's about wellbeing and it's about giving them communities that they feel proud of and connected and to. [Local authority representative, Glasgow City]*

The name of *Community Wealth Building* was seen by many to imply a focus on community, and the democratic aspirations of its wider goals was also seen to draw attention to this aspect.

In this context, some suggested that economic development needs a more expansive horizon- *'you need to be able to say what you mean by economic development and economic activity, and you need to be able to say what you mean by wealth'* [Key stakeholder, DTAS]. The implication here was that economic development was not only the domain of anchor institutions, but a matter for communities themselves to have agency over. This was a sentiment expressed by another interviewee who said, *'it's not about one part of the council or one part of the health and care partnership. This is everybody's business'* [Key stakeholder, GCVS].

Emphasis was placed on building upon the pre-existing architecture of the third sector, including the cooperative and social economy sectors, who already put into practice many aspects of CWB without labelling it as such. As one interviewee articulated:

*CWB is happening on the ground all the time, but the people writing policy and reports are sitting behind a desk and they don't see it and they don't even experience it, they just write about it [Local authority representative, Glasgow City].*

In many ways, the dichotomy between anchor institutions and community organisations was seen as a fictitious division, with both being key component parts of a successful CWB strategy. As one interviewee put it: *'who gets to be the guardian and the arbiter of whether something is truly CWB?'* [Key stakeholder, CEiS]. For many, the practical question for CWB was how *'to create the policy framework to support grassroots innovations'* [Academic expert]. Conversely however, it can also be recognised that anchor institutions may play a key role in catalysing community organisations, as people have learned from other existing CWB projects outside Scotland.<sup>17</sup>

This aspect of building on the foundations already established by community organisations will be discussed in more detail subsequently in section 4.2 on the practice of CWB.

#### *3.1.4 Challenges of diverse understandings of CWB*

The main challenge associated with varying understandings of CWB was that the terminology used to describe it was seen to be **confusing and often imprecise**. Amongst some interviewees, there was a lack of clarity on its definition and scope. Some of these conceptual difficulties were seen as an issue of how CWB can be used as a framework from specific professional vantage points, where the emphasis is placed in policy and whose agency is centred. As one local authority interviewee articulated:

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<sup>17</sup> The Cleveland Model, the original CWB project in the United States, certainly fits this model with the Evergreen Cooperatives being created from scratch as worker-owned community centred enterprises with the support of anchor institutions

*The language around CWB has been a bit of a challenge for us. It really is an economic model for anchor institutions but we find it commonly misunderstood as being about community development or community capacity building. It's not that.* [Local authority representative, North Ayrshire].

As described in section 3.1.3, while it was generally felt that there is a significant role for community organisations in CWB, from the point of view of local government, this was potentially confusing. Other interviewees found the abstractness of the values-driven approach to CWB to an extent alienating. One third sector interviewee said:

*Our members are a bit like, what's all this fancy policy talk all about? But we all do CWB, we've done it for a long time, you know. They're not aware of the ideas, the concepts* [Key stakeholder, Community Land Scotland].

Some consultation responses also found the language used unhelpful, as the Scottish Enterprise consultation response noted, *"the language and terminology used is an important consideration; many businesses feel more closely aligned to the issues detailed in each of the pillars rather than more abstract terms"*<sup>18</sup>. Additionally, the way in which CWB is framed was seen by some as making its comparison to, and integration with, other frameworks difficult, as another response drew attention to, *'many [Third Sector Interfaces] outlined that there was significant work underway that aligned with the CWB outcomes, but it is not framed in that language'*.<sup>19</sup>

Another challenge highlighted was that the **breadth and depth of awareness of CWB was still very low** in general. As one interviewee pointed out: *'people don't understand the concepts of things like CWB and anchors'* [Scottish Government representative]. Another interviewee echoed this sentiment: *'I would say there's still a lot of maybe misconceptions about what some of it means in practice* [Local authority representative, Glasgow City].

Lastly, in terms of local authorities, lack of awareness manifested more in a misunderstanding of what CWB is and is not. Some interviewees found this is particularly concerning as misunderstanding the content of CWB could lead to people wrongly assuming they are already practicing it when they are in fact not, as one interviewee argued:

*...that's one of my biggest issues, people like to say either (a) 'We've already done this stuff' or (b) 'We're already doing it, we're doing it right now.'* [Local authority representative, Glasgow City].

This view was likewise expressed by another interviewee who argued that while some local authority members claimed to be doing community wealth building, digging into these claims frequently found that they were doing the *'easy-to-do-bits' from across the model, rather than*

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<sup>18</sup> Scottish Government. (2023). 'Scottish Enterprise', *Community wealth building consultation: Published responses*. [Online] Available from: [https://consult.gov.scot/economic-development/community-wealth-building-consultation/consultation/view\\_respondent?\\_b\\_index=120&uuId=790896231](https://consult.gov.scot/economic-development/community-wealth-building-consultation/consultation/view_respondent?_b_index=120&uuId=790896231) [Accessed 24 November 2023].

<sup>19</sup> Scottish Government. (2023). 'TSI Network (EVOC submitting on behalf of Third Sector Interface Network)', *Community wealth building consultation: Published responses*. [Online] Available from: [https://consult.gov.scot/economic-development/community-wealth-building-consultation/consultation/view\\_respondent?\\_b\\_index=120&uuId=1059589580](https://consult.gov.scot/economic-development/community-wealth-building-consultation/consultation/view_respondent?_b_index=120&uuId=1059589580) [Accessed 24 November 2023].



*‘really embedding’ CWB as and approach to economic development’.* [Local authority representative, North Ayrshire]. This raises an important distinction to capture in terms of **‘doing’ and ‘embedding’ CWB**, which we expand upon in section 3.2.1. Despite the diverse understandings of CWB, it is important to acknowledge a point of consensus between these differing understandings, with interview participants, broadly, lending support to CWB as an opportunity to create change and the possibility to create a shared understanding of CWB in Scotland.

## 3.2 Practical implementation of Community Wealth Building – challenges and enablers

Interviews showed that **understanding and interpretation** could potentially impact on CWB practice or intended practice. For example, CWB was seen by many as a **rebadging of practices** that were already occurring. Further, the interviews also outlined some debate over the extent to which CWB represents continuity with prior economic development policies or a break with them in practice. Nonetheless, interviews also showed positive connotations in cohesively labelling various existing activities that have led to CWB adoption, further still, the developmental links with previous, historical programmes, for example, fair work, community benefits, and the more recent Community Empowerment Act 2015.

This is where geographic contextual differences were most prominent, most notably in terms of the applicability of the five pillars and challenges with their implementation, and the break or continuity with existing economic development practices.

### 3.2.1 *The practice of CWB as a process*

Building on the overlapping but differing understandings examined in the previous section, CWB was viewed in practice as *a process*; intimating that every locality has a different starting point, priorities, and skills available to implement CWB, which are determined by contextual factors, such as a history, cultural legacies and place specific dynamics. Though it is understood at national government level as a set of policies framed by overarching values, our interviews showed that these are not viewed as rigid ideal type policies that can simply be rolled out equally everywhere. Interviewees demonstrated this by describing how the five pillars act as lenses through which policies can be evaluated and changed in the specific local contexts they are being applied to.

*Its concept is flexible by design... But something they talked about is flexibility within those five pillars* [Key stakeholder, COSLA]

CWB was seen by many to represent **both a continuity and a break from with prior economic development practices** to varying degrees, and this was also seen to be contingent on the local context of implementation.

*Our Community Wealth Building journey [in the Western Isles] is a different one from some of the other areas we’ve heard...we started off talking about community co-ops, which were set up in the 1970s. Some of that is core Community Wealth Building stuff... it’s been part and parcel here, on the scene, for 50 years* [Local authority representative, Western Isles]

In the Western Isles, community-oriented economic development practices have been standard for decades, with a long history that can be traced back to at least the 1970s. Therefore, respondents from the Western Isles explained that prior to CWB’s coming to Scotland, they *‘were doing a lot of this stuff anyway. It has just now been rebadged under a new name of Community Wealth Building’*

[Local authority representative, Western Isles]. This was seen clearly in the local economic activity that already existed.

*80% of the population of the Western Isles lives on community-owned land”, likewise “about half the local economy is in the public sector and we’ve got a very, very strong third sector and a very, very strong community base.” “The community now owns about 22 megawatts of electricity generation. There’s about five or six community energy companies, who own quite a lot of generation. [Local authority representative, Western Isles].*

Thus, in the Western Isles, CWB can, with some justification be described as a point of continuity with past policies, as stated by the Western Isles Council- *‘I’m not sure it differs an awful lot’* [Local authority representative, Western Isles].

Although the broad strokes of CWB were seen to align with the pre-established economic base, the actual execution of policy at the level of the local authority as an anchor institution was seen to potentially reflect a break with previous specific local government strategies/policy sets. According to our interviewees, local government tended to initiate a new corporate strategy every five years. Thus, from this point of view one respondent saw the value of CWB: *‘if you don’t adopt the whole system’s approach, then you will not deliver the impacts they you might otherwise deliver’* [UHI representative, Western Isles] Therefore, while being able to identify aspects of existing economic development activity in the Western Isles that aligned with CWB, interviewees could equally point to areas of challenge in the process of embedding CWB practice, particularly around the NHS and housing.

In North Ayrshire, again, interviewees identified points of continuity and departure with existing practice. Specifically, respondents identified a long-term interest in establishing an inclusive economy, with those discussion starting around 2016:

*We’ve been very much on a journey which I think was around community wealth building without realising it, without using that kind of title about the North Ayrshire pound and trying to support small businesses, enterprise, that development of community empowerment, community capacity building [Local authority representative, North Ayrshire]*

Even though CWB activity built on previous interest within North Ayrshire Council in the inclusive economy and community led regeneration, interviewees continued to identify the implementation of CWB through the Ayrshire CWB Commission and CWB Charter as innovations in public policy practice. A point that will be expanded upon in the enablers of practising CWB section.

Where CWB was seen to represent a break with prior economic development practice most clearly was in Glasgow. As one respondent described:

*It’s shifting the mindset and changing the way that we’re talking about capital investment projects completely. We’re talking about what are the likely health and wellbeing impacts of this capital spend project; no economic impact’s mentioned, that’s not at the forefront, we’re it in for the health and inequalities impacts [Local authority representative, Glasgow City].*

There was also evidence to suggest that in Glasgow, some prior practices and focuses associated with neoliberal approaches to economic development have been rebranded as CWB, despite being at odds with the values-driven goals of CWB and the practical implications of the five pillars. This is illustrated by the apparent continuity of CWB with prior 'social renewal' policy: *'There's always been this big focus on social renewal within the department'* [Local authority representative, Glasgow City]. This could be interpreted as an approach to CWB that prioritises identifying areas where the local authority can be seen to be *doing* CWB rather than *embedding* new practice. At this point in time Glasgow remains in the very early stages of CWB implementation, complicated by the scale of the City region. However, should this continue, there is a risk that models of regeneration have tended towards gentrification and extractivist economics, to which CWB emerged historically in a direct opposition to will be continued under the guise of CWB.

### 3.3 Challenges of practicing CWB

#### 3.3.1 Resourcing and capacity to implement CWB

Interviewees placed emphasis and value on changing how money and resources are actually used, and in whose interests.

*It's about just doing something different with what you've already got. But we all kind of know, really, if you do anything different more capacity is involved -to figure out what the different thing is before you start doing anything different [Local authority representative, Glasgow City].*

There was general consensus across the interviews that, in order to maximise the capacity of CWB to bring about meaningful positive transformation to the economy, additional funding and resources would be needed. In Scotland, this has already been demonstrated in Ayrshire, where the success of the CWB Commission has not simply been from organising anchors to come together and pursue a common set of goals and strategy for implementation, but in hiring new staff to facilitate coordinating this endeavour within the council. Austerity, was therefore widely cited within the cohort of interviewees as barrier to the implementation of CWB:

*Resource generally is a huge issue. And we've found that in some of our initial discussions with [NHS] boards there's a huge appetite for this; people are very keen on it and they can see the benefits of it. But in the current financial environment staff are really worried about what it means for them and their teams, it's like something else that they have to do when they're really stretched already. [Scottish Government representative]*

**Resource and capacity** of local authorities were repeatedly cited as barriers to implementation across the three case study areas. These were expressed in a number of ways. One area of concern for local authorities was understaffing:

*Some of the local authorities are tiny and their Procurement Department is one person so when you ask them to become accredited as a Living Wage Employer, you know, the whole due diligence exercise they have to go through, that's a big deal then, that takes somebody away from their everyday business, whereas in a bigger Council it's not such a tough ask [Local authority representative, Glasgow City].*

Likewise, in terms of successfully delivering CWB, many saw the need for **specialist officer roles within local authorities**:

*I think ultimately if Community Wealth Building is going to be a success in Scotland we will probably need to have officers with specific remit to instil that kind of thinking [Local authority representative, Western Isles].*

Many participants, therefore, envisaged challenging conversations in the future as they attempted to implement CWB. For example, in making the case for local procurement strategies where the cost to the local authority was likely to increase one respondent questioned:

*How do you convince the council, when we've got virtually no money at the best of times these days, that you're going to spend, on a procurement, 10%, 20%, 30%, 50% more than you actually need to, to get benefits, maybe five years down the line. You've got to be quite brave in doing that and when you've got no money, that is a really, really difficult thing to do. [Local authority representative, Western Isles]*

Other respondents described these decisions as a balancing of short-term and long-term benefits:

*A lot of authorities will be torn between investing in a community wealth building strategy, but having to cut other essential services, in order to fund it, it becomes a harder, a bit of a harder sell...There are benefits in the long run, but the situation in local government finance just now is so critical that it's hard to invest in those future benefits, when budgets are as tight as they are. [Key stakeholder, COSLA]*

### 3.3.2. Contradictory policy orientations and unclear direction

**Contradictory policy orientations** from the Scottish Government were seen by interviewees to give unclear direction for how local authorities should implement CWB. Participants were unsure what this meant for the future of CWB in Scotland. This was also apparent in the Scottish Government CWB consultation, where one consultation respondent commented, that there was '*a fundamental conflict*' [Climavore CIC, consultation response] between the proposed Community Wealth Building bill, and certain aspects of the Scottish 2022 National Strategy for Economic Transformation (NSET, 2022). In particular, the NSET vision of Scotland being '*a magnet for inward investment and global private capital*' runs against the CWB vision that '*more wealth is generated, circulated and retained in communities and localities*'. [Climavore CIC, consultation response]. However, for some interviewees there was potential to reconcile this conflict if the pursuit of inwards investment adhered to principles set out in the Scottish Government's Global Capital Investment Plan or the Vision for Trade that state that '*any investment has to follow, has to be values-led and responsible investment*.' [Local authority representative, North Ayrshire]

Some interviewees related this potential implementation gap to other Scottish Government policies, which fostered a degree of scepticism in the potential of CWB to be implemented in ways that could create real change:

*Scotland often has an implementation gap with these really great policies and then delivering them on the ground. Will community wealth building be any different? I don't know. [Key stakeholder, Community Land Scotland]*

Interviewees felt that if after the introduction of a CWB duty with legislation they are still either disinterested or unable to pursue it, then **CWB has the potential to be turned into a tick box exercise**. For some, this was also linked to how local authorities would connect with anchor institutions and anchor organisations, because those efforts *‘involve capacity building within communities, social enterprises, businesses. So that capacity building can look like a whole different thing. Sometimes it’s training courses, sometimes it is development officer time, quite a bit of handholding, whatever. All of that’s a revenue cost. What have we not got? A revenue budget’*. [HIE representative, Western Isles].

Related to these practical concerns around resources and capacity, many interviewees commented on the challenge of changing mentalities and processes of doing things within their organisations:

*It is always going to be easier, less resource-intensive, to just keep doing things the way that you do them at the moment...the main challenge is probably getting, around big clunky processes and systems in big organisations that takes a bit of time, effort, commitment, motivation to change [Local authority representative, Glasgow City].*

Therefore, the general feeling from interviewees was that the work required to change processes was a complex task that would require clear guidance from the Scottish Government.

### 3.3.2 Challenges with procurement

When discussing procurement, interviewees stressed that understanding supply chains can be a very complex task. Most notably, seeing where they can be changed to support local, democratic, community owned economies was difficult, especially when there are few/no alternative suppliers to large corporate firms, and the legal context for changing procurement contracts can be difficult to understand and apply. Relatedly, **understanding of procurement law and how it effects the implementation of CWB** was seen as a challenge, at least in the early stages of beginning to deliver CWB:

*Current procurement rules include aspects, such as compulsory competitive tendering, that could make delivering CWB outcomes legally more difficult – you are still always bound by procurement rules. Sometimes with the best of intentions, you might want to do something, but it’s actually very, very difficult to do so because you have to make sure you don’t land yourself in jail as a result of doing something that morally might feel right, but legally isn’t. [HIE representative, Western Isles].*

*We were a bit uncertain as to what was actually happening in procurement and whether we could make any changes to that. [Local authority representative, Glasgow City]*

It was seen by many that a strong third sector is a prerequisite to changing procurement practices to shift spending to the social economy. Those working in Scotland’s social economy stated that there are often gaps in the market:

*I think there’s a problem actually on the supply side -and what I mean by that is- if I take something like social procurement as being an example; we don’t necessarily have cooperative and social forms of enterprises that*

*can provide the majority of the goods and services that our economy currently consumes. [Key stakeholder, CEiS]*

For all its complexities, procurement was one area that had been discussed at length in CWB case-study areas and the questions raised reflected a growing knowledge of how to navigate these issues. There remained many unanswered questions however, as interviewees speculated on how Scottish Government legislation would standardise measurement criteria for success/failure of CWB. While clarity on this was expressed as something that was needed and welcomed, interviewees were keen to stress the requirement for flexibility and innovation, where local actors can define their own terms of success contingent on their own specific conditions.

### 3.4 Enablers of practising CWB

As North Ayrshire was the first region to implement CWB, interviewees from this area were able to comment on practices that they felt had been enabling for their local authority. Firstly, interviewees felt that **leadership**, at senior level, triggered some buy-in to CWB. Secondly, **collaboration and partnership working**, was felt to sustain the homogenisation of practices and co-designed strategies implementation. It was also felt that the collaboration between and within institutions that was epitomised in the CWB Anchor Charter created both a structure to facilitate proper functional partnership where different institutions can work together on an ongoing basis, as well as creating a mechanism of accountability by locking them into long-term commitments. As one of the interviewees noted:

*[We have an] Expert Advisory Panel, so officers just aren't reporting to a commission which is governed by their own Council Leader and other anchor organisations; they actually have to present progress and deal with feedback from experts [Local authority representative, North Ayrshire]*

It was also felt that the creation of reporting mechanisms for accountability in Ayrshire, allowed for collaboratively determined targets and means of measurement. As an example, North Ayrshire have provided CWB progress reports, with progress from 2021 being recorded and reported through the Council's Corporate Performance Monitoring frameworks.

Thirdly, interviewees from North Ayrshire reported that the advancement of a **shared framework of knowledge** was also beneficial to developing ownership of CWB, as noted by one of the interviewees:

*... it's the translation and the case studies I think are crucial, and that's how people will see how community wealth building is making an impact. [Local authority representative, North Ayrshire]*

Finally, North Ayrshire's funding of specific CWB officers within the council was seen as vitally important to enabling all of the previous points to actually succeed. Indeed, the presence of dedicated **resources** to fund specific posts (n=8) across North Ayrshire Council services was particularly valued, as indicated in the extract from the group interview below:

*Specifically, for North Ayrshire we have, as [our colleague] outlined, had a significant level of investment through our own internal resources, through Growth Deal funding etc., to support community wealth building.*

*And posts have been created across teams referencing that kind of broad council approach to the posts within our business development team supporting the business community. There are posts within the regeneration team supporting the delivery particularly in the assets pillar and that regeneration of strategic sites. [...]*

During interview, the team at North Ayrshire Council were keen to stress both the value of additional funding from the Ayrshire Growth Deal (which includes funding from the Scottish and UK Governments), in combination with internal resources which has facilitated the reorganisation of posts across several teams to initiate CWB.<sup>20</sup> Learning from this reorganisation and how it can be facilitated elsewhere is provides crucial learning for CWB implementation as it moves beyond the pilot study areas.

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<sup>20</sup> <https://www.ayrshiregrowthdeal.co.uk/about-the-deal/> [Accessed 4<sup>th</sup> November 2023]

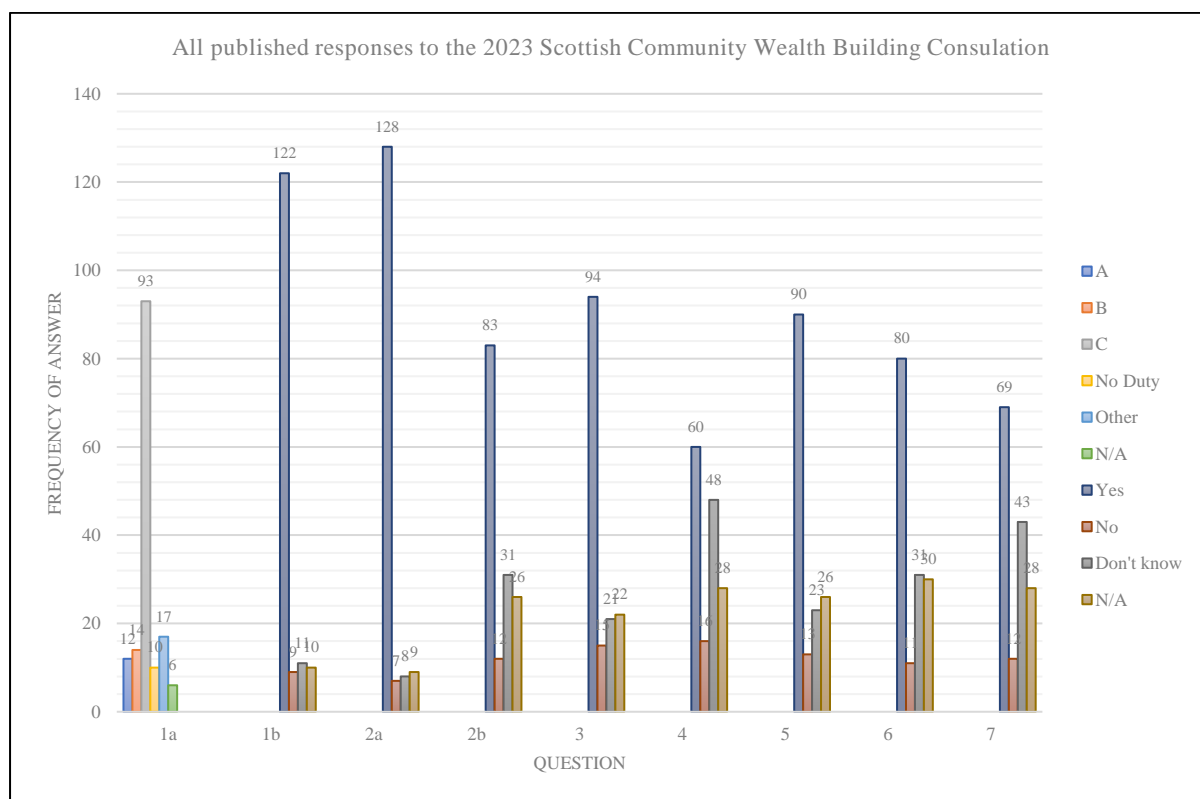
## 4 The way forward

### 4.1 Leadership

Both the interviews and consultation responses were clear that **leadership will be key in driving the development of CWB going forward**, and there are multiple leadership aspects to be considered. Firstly, there was a strong view that the **Scottish Government needs to lead** on CWB by setting the overarching direction of travel for economic development via a national policy framework. It was felt that this could come with the CWB Bill.

From the consultation responses, the most popular option for legislative change was Option C, a **combined duty**. This was shown both by our own quantitative analysis of the publicly available consultation responses (see question 1a in the bar chart below – 93 votes for C, which outweighs all the other options combined), as well as the analysis of the consultation commissioned by the Scottish Government of all the responses.

**Figure 1 -**



However, the interviews and consultation responses showed that introducing CWB legislation does not by itself resolve the issue of a contradictory policy direction raised in the previous section. In particular, where the CWB agenda is in tension with continued aspirations to be open to globalised inward investment, if it does not specify which orientation is to take priority in law.

It was felt by consultation responders that leadership must also be driven from within the anchor institutions that will be tasked with delivering CWB on the ground. In particular, the requirement for buy-in from organisational leaderships; local elected officials, public sector managements, and



anchor institution executives/boards of directors. As a respondent to the CWB consultation remarked:

*Senior leaders set the culture of public bodies, decide how internal resources are distributed and are responsible for ensuring their organisations meet their duties...We call for a specific accountability duty on senior leadership of organisations subject to the CWB duty as an essential step. [Engender and Close the Gap, consultation response]*

It was felt by many interviewees that carrying out the task of implementing CWB will fall not to organisational leaderships, but officers (local government, public sector, etc.), therefore leadership was required to push sectors in a CWB direction, and support them in making it possible to deliver. Interviewees also felt that leadership within and across anchor institutions will vary from place to place, so care must be taken not to impose a one size fits all approach from the top-down. Interviewees demonstrated their awareness of the need to get this balance right:

*I think who provides the real leadership and drive will vary from locality to locality, depending on who your anchor institutes are and which sector they're maybe based in, but it has to be a multi sector approach in my opinion" [Key stakeholder, COSLA]*

*We don't want community wealth being to be a top down approach, it's very much a bottom-up approach in many ways, an approach taken to community wealth building will depend on the assets of that place [Local authority representative, North Ayrshire]*

Several interviewees also considered how to accommodate leadership from community organisations, believing that it was not possible to deliver social value and community benefit if the community experiences CWB as something done *to* them rather than *with* them. Interviewees making this point also referenced how top-down approaches have been pursued in the past and failed:

*I think the lessons learned is that you don't do things to people. I think a number of the regeneration projects [in the past approached communities as] 'here comes the public sector, we're going to come in, we know what's best for you, we do it to you rather than with you' [Local authority representative, Glasgow City Region]*

Interviewees from the third sector highlighted that at times the voluntary and community sector appeared to amorphous for local authorities to deal with fairly and systematically, hence decision making tended to be retained within local authorities and the third sector was left feeling unvalued.

Likewise, in places where there is a strong and active community sector, interviewees reported an appetite to engage with CWB and for communities to lead on it themselves:

*When you say community, our community's saying they should be involved, immediately, which in a way, they should be. [Local authority representative, North Ayrshire]*

Building on the combination of top-down and bottom-up leadership, a key aspect of leading on CWB will be propagating understanding of it on a wider basis than at present. CWB may be an economic development strategy, but it is one predicated on democracy, and democratic participation requires citizens be aware of the policy. There is not yet a wide awareness and

understanding of CWB, especially with the public, but also within anchor institutions and community organisations. This would be helped by the introduction of statutory and non-statutory guidance by the Scottish Government, as the overwhelming majority of consultation respondents asked for (see question 1b in the bar chart above). This guidance could include case studies of CWB best practice, learning from the pilot areas current experiences. This could also be facilitated by the creation of practitioners' networks to share experiences and expertise, to learn from each other as CWB develops.

## 4.2 Governance

### 4.2.1 Collaboration

Previous studies have suggested that collaboration is a core requirement for the successful implementation of CWB. Interviewees were clear that **the implementation of CWB on the ground will require collaboration** within institutions, between institutions, and between anchors institutions and community organisations. Interviewees, perceived that the need for collaboration was generally well understood among stakeholders:

*I think there is an awareness of the fact that organisations [in the third sector] are actually specifically implementing different bits [of CWB] and if you can knit them together with other partners within public sector then you can start to build a more rounded picture of what Community Wealth Building looks like. [Key stakeholder, DTAS]*

Interviewees from local authorities likewise acknowledged that collaboration between anchors institutions and community organisations was a way to bring both the top-down and bottom-up drives to CWB together:

*I think actually just being prepared to rethink the way that we do things and a real push on that, [in terms of] bottom-up engagement too, was something that we found worked well both in a community development and a community engagement perspective. [Local authority representative, North Ayrshire]*

*I would like to see us trying to take a more bottom-up approach to this. So, I think we've got power; we can wield power in terms of how we purchase. But actually [we also need to consider], 'how do we nurture and support from the bottom up?' Rather than, 'how do we write a strategy that we then want to implement?' -that might not necessarily be the right one. [Local authority representative, Glasgow City]*

While this report has highlighted tensions concerns around the positioning of voluntary and community groups in the implementation of CWB, and instances where the expertise of the third sector has not felt valued, throughout the discussions with interviewees there was also an acknowledgement of the need to 'do things differently' and find new ways to organised and sustain cross-sector collaboration if CWB was going to provide meaningful change in local economic development. However, as will be discussed below, how to do this was less clear.

#### 4.2.2 Accountability

In attempting to form new pathways for cross-sector collaboration, many interviewees discussed the requirement for **mechanisms for accountability** to ensure delivery of CWB. This is both to measure success/failure of implementation, as previously discussed, and to ensure that institutions actually deliver CWB, rather than it being treated merely as a tick box exercise. This is particularly pertinent to legislative reforms and the proposed CWB duty, with one interviewee emphasising:

*A duty represents an important opportunity to bring those who are traditionally more reluctant to engage with this agenda to the table. [Key stakeholder, CLES]*

Interviewees and consultation responders who had experience of working both in local authorities, and the voluntary and community sector foresaw difficulties in identifying mechanisms for accountability, especially mechanisms that would seek to represent the impact of CWB on strengthening democracy at a community level, even though they agreed these mechanisms were desirable:

*...devolving decision-making down to these [local] municipalities, and actually empowering people in the community...that's where it gets difficult. [HIE representative, Western Isles]*

*We also need to involve local people in setting priorities and measuring success. Local Outcome Improvement Plans, where there is alignment with CWB principles, can be highlighted as drivers for CWB" [TSI Network, consultation response]*

The evidence from the interviews suggests a need for a broad range of input into developing targets and measurement criteria rather than imposing mechanisms for accountability upon community anchors and anchor institutions.

#### 4.3 Clarity of aims

Following on from leadership and governance, and particularly the need for a policy framework to set the agenda for economic development, interviewees and consultation responders viewed **the establishment of a common set of aims** to clearly articulate the end-goals of CWB as crucial in the implementation of the strategy. This was connected to the ability to measure success/failure, and enabling the creation of specific targets that can be actioned in practice:

*Clear, and measurable targets must be implemented to ensure meaningful actions are applied as well as allowing a method evaluation to ensure that progress is made. [Association of British Credit Unions, consultation response]*

*We strongly advocate the adoption of a national level CWB Framework, providing a clear set of commonly agreed upon metrics. [Climavore CIC, consultation response]*

The creation of targets in a **policy framework and measurements for tracking achievement** was identified by consultation responders as imperative to enabling accountability of delivery:

*Embedding CWB within corporate plans requires coordination across various services as well as ongoing monitoring and coordination of activities to ensure maximisation of the approach. [Ayrshire CWB Commission, consultation response]*

*Consideration should be given to requirements for public sector annual CWB reporting including development of a long list of KPIs to enable organisations to select those appropriate for their own context. CWB should be included as part of Scottish Government Health Board annual reviews and regular review sessions [NHS Ayrshire & Arran, consultation response]*

However, interviewees also highlighted how the development of CWB targets/measurements could be connected to other forms of reporting, such as the Wellbeing Economy:

*I was also interested to see Scottish Government's new wellbeing economy dashboard. I suppose I'm keen not to have a kind of regional community wealth-building strategy with a set of indicators next to it because that's sort of making it a separate thing with a separate set of measurements and I don't want that to happen, I think that's counterintuitive. So if we can kind of link the indicators that are in the Regional Economic Strategy to community wealth-building then I think that helps" [Local authority representative, Glasgow City]*

Responses highlighted that care must be taken when designing targets and measurements for CWB, to ensure alignment with existing indicators in the Regional Economic Strategy and the Wellbeing Economy Dashboard, and not to 'duplicate efforts' with other annual reporting. For example, one public authority respondent suggested widening the Procurement Annual Report to include a section on CWB, rather than have this recorded separately [Moray Council, consultation response]. A further challenge highlighted was to design targets and measurements that would facilitate the flexibility and innovative potential of CWB on a local level given the regional and local specificities elaborated in the previous sections of this report.

## 5 Conclusion and recommendations

In conclusion, this research sets out to investigate, how CWB is understood in Scotland, how local dynamics shape implementation and how effectively CWB can support community empowerment and a wellbeing economy. In exploring these questions with expert stakeholders in the case-study areas we gained a better understanding of how CWB as a national policy represented a potential new way to build an inclusive economy in Scotland.

In summary, our research showed three different understandings of CWB, as a *values-driven approach*, as a *practical tool to deliver economic development*, and finally, as a *deepening and broadening of the role of community organisations* in the economy. These understandings were often associated with the vantage point of the interviewee, including their particular experiences within their sector or regional area. While this illuminated important tensions between viewpoints that may impact on the successful implementation of CWB, there was also a general consensus with all interviewees broadly lending their support to CWB as an opportunity for change. Our research found that the breadth and depth of awareness of CWB remains low, especially in terms of the differences between *doing* CWB (or some parts of it) and actually *embedding* it as a whole-systems change approach. Further, challenges were seen in the understanding and interpretation of CWB related to terminology and language used in policy, in particular the use of 'community' and what exactly this means in terms of the actual role of communities or the community sector.

Generally, our research found that CWB was understood as a *journey or process* with different localities having a different starting point, priorities, and skills available to implement CWB. This was found to be very much determined by contextual factors, such as historical and cultural legacies, place-based dynamics, and existing CWB related practice. Further, CWB was seen by many as part of a journey to developing an inclusive economy. In this way CWB was seen to represent both a continuity and a break from with prior economic development practices.

In terms of key challenges and enablers in the practical implementation of CWB, resourcing and capacity were highlighted as key issues across all case study areas, especially for local authorities. This included the need for training and education on CWB to increase both capacity and buy in from those leading and delivering CWB on the ground. However, current policy orientation was found to be both contradictory and lacking a clear direction on how local authorities should practically implement CWB into their working. Nonetheless, interviewees were able to draw on experiences from North Ayrshire, where leadership, collaboration, partnership working and resourcing were seen as key enablers for successful implementation.

As a policy, and at times a movement, that has evolved in response to neoliberalism and austerity, CWB as currently defined in academic literature is 'new' in terms of breaking from current, mainstream economic development practice. Acknowledging this, is not to deny that CWB has historical antecedents, or that some features of current economic development practice are compatible with CWB. Setting the academic debate aside, newness was an important feature of discussions with interviewees both in how they articulated their understanding of CWB and what it meant for their localities and their role in implementing CWB. Generally, the potential of CWB to stimulate new and positive change in local economic development was embraced by interviewees in this study. Perhaps more interesting however, were instances where 'newness' was used to express caution and scepticism. In reference to the activities and responsibility of the Scottish

Government in national government policy, scepticism in the ability of CWB to deliver ‘new’ and meaningful change was most frequently expressed. In particular, there were concerns that unless robust mechanisms to measure and evaluate CWB were introduced then the policy would become an exercise in re-labelling current practice as CWB. This was linked to activity at a local authority level, where comparable concerns were raised that without the appropriate resources to implement CWB and really *embed* CWB across all five pillars, then implementation would become a ‘tick-box exercise’ where some local authorities could appear to *doing* CWB, without the policy realising its full potential. Meanwhile, at a community level, claims to be ‘doing CWB already’, with justification, are revealing of the expertise of the voluntary and community sector in community planning and developing community assets, but also a lack of clarity of how their expertise will be acknowledged and accommodated within the implementation of CWB as a national policy.

### 5.1. Key recommendations

Drawing on this research, we provide a number of key recommendations for policy and practice for the implementation of CWB as a national Scottish Policy:

- 1. Leadership is vital in driving the development of CWB:** the Scottish Government should lead on CWB by setting the overarching direction of travel for economic development via a national policy framework. However, CWB must also be driven from within the anchor institutions that will be tasked with delivering it on the ground. In particular, leadership is required to push sectors in a CWB direction, and support them in making it possible to deliver. Further, leadership (or ownership over CWB) from community organisations must also be accommodated to ensure that real social value and community benefit is realised. In general, leadership within and across anchor institutions will vary from place to place, so care must be taken not to impose a one size fits all approach from the top-down.
- 2. CWB needs to be underpinned by effective governance structures:** Firstly, the implementation requires *collaboration* within institutions, between institutions, and between anchor institutions and community organisations to bring both bottom up and top down approaches together. This includes finding new ways to organise and sustain cross sector collaboration to ensure that change is meaningful and specific to local economy contexts. Secondly, to form new pathways for cross-sector collaboration, there is a requirement for *mechanisms for accountability* to ensure successful and effective delivery of CWB. This is both to measure success/failure of implementation, and to ensure that institutions actually deliver CWB, rather than it being treated merely as a tick box exercise.
- 3. CWB implementation requires a common set of aims and a clear policy framework:** This includes both the setting of a clear agenda and pathway for stakeholders, but also the need for clear end goals for CWB. The creation of targets in a policy framework and measurements for tracking achievement was identified by interviewees as imperative to enabling accountability of delivery. Further, the importance of the Scottish Government introducing statutory and non-statutory guidance. Nonetheless, our research shows that aims and targets must be aligned with existing indicators for economic development so as not to duplicate efforts, and must be flexible and adaptive to regional contexts.

## 5.2 Limitations and opportunities for further research

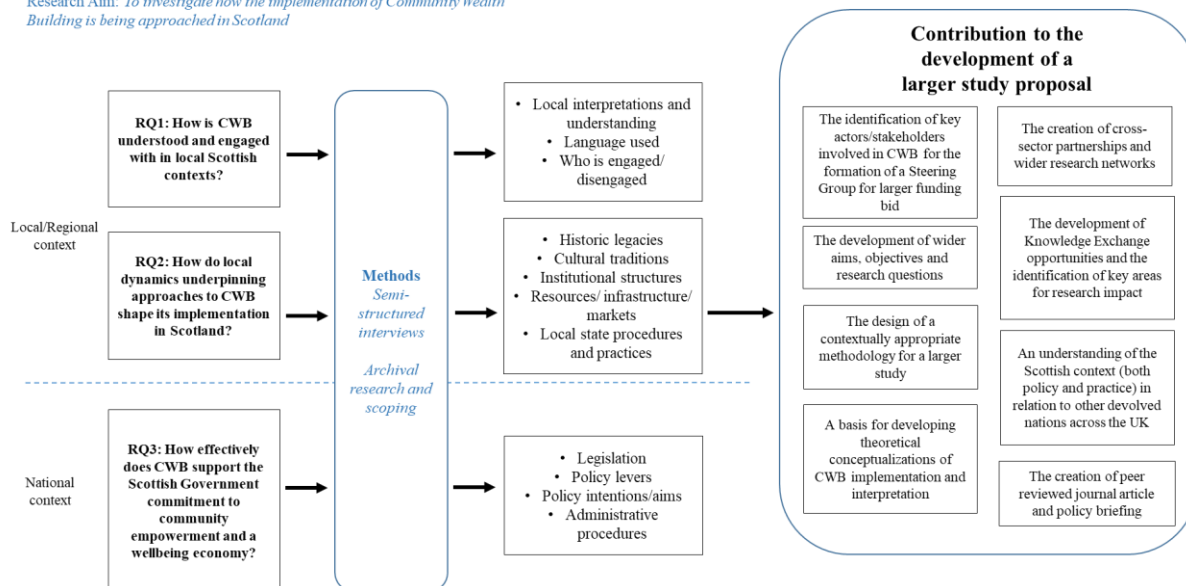
There are obvious methodological constraints in the results of this exploratory study. Mostly, we could only interview a relatively small number of people within the time constraints of the research, and though it could have been expanded to include all the pilot areas for more depth, this was not possible. Moreover, at the time of carrying out the research, a CWB was still in the making, therefore our findings are by and large based on opinions and assumptions of those who took part, rather than empirical evidence of successful implementation. Further research is therefore required to evaluate the findings of the CWB pilot areas, to understand the potential connections/disconnection between movement building (that is the provenance of CWB theoretically and historically), the practice work and policy development and implementation. Moreover, once CWB is enshrined in legislation, defining 'success', how it can be measured and therefore developing an evaluation framework that understands the practices of measuring the impact of this intervention will be required.

## 6 Appendices

### 6.1 Research design flow chart

#### RSE Study: Community Wealth Building

Research Aim: *To investigate how the implementation of Community Wealth Building is being approached in Scotland*



### 6.2 Topic guide of interview questions

As we conducted semi-structured interviews, the questions put to each individual interviewee varied in terms of exact phrasing, and follow up questions differed depending on the specific responses in each case. That said, the following underlying questions were asked to all interviewees, if in different ways:

#### What is community wealth building?

- When and where did you first hear about CWB?
- What is your understanding of CWB?
- Who do you see as being the main stakeholders/implementers of CWB (in general)?
- (Depending on the role of interviewee) How does CWB compare to other past economic development/regeneration programmes you are familiar with?

#### How does CWB feature in your current role/work?

- How long have you been working on this?
- What do you perceive as being the main challenges you may face in developing CWB in your current role/work?
- Is there anything that is currently not included (and should be) as not part of current CWB work?
- Who do you work more closely with in delivering CWB?

**Pillars** – these are the main pillars of CWB: shared ownership of the local economy; progressive procurement; fair employment and just labour; socially just use of land and property; and making financial power work for local places.



- What is your view about them?
- How do they reflect the need in your local area?
- How far has each of the five been advanced in your local area? (e.g. has a map of local procurement been done in your area? Is there local demand for progressive procurement?)

<b>Spending</b>	Maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains.
<b>Workforce</b>	Increasing fair work and developing local labour markets that support the wellbeing of communities.
<b>Land and Property</b>	Growing social, ecological, financial and economic value that local communities gain from land and property assets.
<b>Inclusive Ownership</b>	Developing more local and social enterprises which generate community wealth, including social enterprises, employee owned firms and cooperatives
<b>Finance</b>	Ensuring that flows of investment and financial institutions work for local people, communities and businesses.

#### **CWB in your local area?**

- Who is driving CWB in your area?
- Are all the stakeholders you mentioned above involved in delivering CWB in your areas?
  - Are they working inclusively?
- Have you worked with them before?
- What do you think are the opportunities the CWB offer to your local area?
- What about the challenges in implementing the CWB in your area?

#### **6.3 Full list of CWB consultation questions**

	<b>Question</b>	<b>Quantitative Answer</b>
1a	<p>Proposal: A duty to advance CWB</p> <p>The aim of the duty is to extend and deepen the implementation of CWB across Scotland, ensuring universal coverage and shared principles whilst allowing for local, regional and organisational flexibility.</p> <p>We would like respondents' views on three options for a CWB duty:</p> <ul style="list-style-type: none"> <li>• Option A) a duty requiring Scottish Ministers and prescribed public sector bodies to embed the CWB model of economic development into their corporate plans and wider strategies</li> <li>• Option B) a duty requiring those public sector bodies statutorily obliged to be involved in community planning to produce a collective CWB place-based strategy and action plan which contains</li> </ul>	<p>Option A</p> <p>Option B</p> <p>Option C</p> <p>Other</p> <p>No Duty</p>

	<p>specific actions across the five CWB pillars to advance the CWB model of economic development in their local authority area</p> <ul style="list-style-type: none"> <li>• This requirement could be taken forward at a regional level if neighbouring local authorities and their community planning partners have a preference for that approach</li> <li>• Option C) a combined option – featuring a union of both options set out above</li> </ul> <p>All of the options create different opportunities for ensuring the involvement of local communities. For <b>Option B</b> and <b>Option C</b>, there could be a statutory requirement to include business, third sector and communities in the development of a strategy and action plan.</p> <p>Which form do you think this duty should take?</p>	
1b	One way the Scottish Government could support the implementation of the proposed CWB duty is to provide statutory or non-statutory guidance. Would this be helpful to partners in meeting the proposed duty?	Yes No Don't know
2a	Are there other non-legislative measures that you believe are required to accelerate the implementation of the CWB approach in Scotland?	Yes No Don't know
2b	<p>Are there specific actions required to advance delivery of the items contained within the Shared Policy Programme outlined on page 11<sup>21</sup> of the consultation paper?</p> <ul style="list-style-type: none"> <li>• working within and developing procurement practices to support local economies, including Small and Medium sized Enterprises (SMEs) and micro-businesses, and improved access to training and labour markets for disadvantaged communities and individuals.</li> <li>• encouraging public kitchens, including school canteens, to source more food produced by local businesses and organic producers.</li> <li>• where possible, to base public sector capital and revenue funding decisions on targeted social, economic and environmental outcomes</li> </ul>	Yes No Don't know
3	Are there ways in which the law could be changed to advance the spending pillar of CWB?	Yes No

<sup>21</sup> Scottish Government. (2023). *Building Community Wealth in Scotland: Consultation Paper*. p. 11-15. [Online] Available from: <https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-paper/2023/01/building-community-wealth-scotland-consultation-paper/documents/building-community-wealth-scotland-consultation-paper/building-community-wealth-scotland-consultation-paper/govscot%3Adocument/building-community-wealth-scotland-consultation-paper.pdf> [Accessed 31 October 2023].

		Don't know
4	Employment law is reserved to the UK Parliament. Are there other devolved areas where the law could be changed to advance the workforce pillar of CWB?	Yes No Don't know
5	Are there ways in which the law could be changed which are not already covered in the proposals for the Land Reform Bill to advance the land and property pillar of CWB?	Yes No Don't know
6	Are there ways in which the law could be changed to advance the inclusive ownership pillar of CWB?	Yes No Don't know
7	Are there ways in which the law could be changed to advance the finance pillar of CWB?	Yes No Don't know

Question 1b in the consultation was phrased in a way made it more difficult to extrapolate the meaning of the responses. It poses a differentiation between statutory or non-statutory guidance, but the quantitative answer options are Yes/No/Don't know. A yes or no answer does not correspond to the content being asked about, and it should instead have been posed with the options 'Statutory/Non-statutory/Both/Neither/Don't know'.

The responses on behalf of organisations were ultimately written by a person. However, there were cases (e.g Moray Council) where two different responses were submitted on behalf of the council by separate individuals, with diverging answers to the quantitative questions and qualitative views.