

# Advancing community wealth building in West Lothian

A report for West Lothian Council



Centre for Local Economic Strategies (CLES)

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# Advancing community wealth building in West Lothian

A report for West Lothian Council

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Presented to West Lothian Council

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# 1. Introduction

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The Centre for Local Economic Strategies (CLES) is delighted to present this report to West Lothian Council (WLC). In November 2021, CLES was asked by WLC to support them to develop an action plan that would help drive a fairer and more just recovery from the Covid-19 pandemic. In this report, we have set out recommendations that will enable WLC and other stakeholders in West Lothian to shape this action plan, utilising community wealth building principles and drawing together and building on the good practice already taking place.

This section includes a short introduction to the theory of community wealth building and a summary of the growth of the movement in Scotland. We then go on to describe the West Lothian economic context and the work already underway by WLC to apply community wealth building ideas. Subsequent sections set out our methodology for this project and our key findings before concluding with our recommendations for action.

## Community wealth building

Community wealth building has been adopted by the Scottish Government as the delivery model of their aspirations to build a wellbeing economy. Community wealth building aims to reorganise the local economy so that wealth is not extracted but broadly held and generative, with local roots, so that income is recirculated, communities are put first, and people are provided with opportunity, dignity and wellbeing.

Anchor institutions are large organisations, rooted in place as a result of their mission, history and fixed assets. These are often public sector organisations but can include large social and commercial sector organisations. Community wealth building sees a crucial role for these organisations, seeking to harness their spending power, as well as their land, buildings and financial assets to redirect wealth and opportunity within their local economies. To be successful this requires partnership between all organisations with a stake in local economies, such as local authorities, other public bodies, health and educational institutions, socially-minded businesses and the third sector.

At the heart of the community wealth building approach are five principles for mobilising this approach in practice. The five principles are set out in Figure 1 below:

Figure 1: The five principles of community wealth building<sup>1</sup>



The five principles are most powerful when harnessed collectively by different actors in local economies. We have included a brief summary of each principle below.

- Spending – Public spending represents a significant proportion of the UK economy. Community wealth building promotes the sustainable procurement and commissioning of goods and services by anchor institutions and other actors in the economy. Careful deployment of public spending can strengthen and shorten supply chains benefitting local communities and respecting planetary boundaries. This power can be used to advance greater economic, social and environmental benefits by directing spending to where it can create the most positive outcomes.
- Workforce - The rise of in-work poverty and zero-hour contracts coupled with the erosion of job security mean that employment is increasingly precarious for many. This has been exacerbated by Covid-19 pandemic. Community wealth building focuses on the role that public institutions play in creating fair and decent employment conditions. This includes paying attention to direct recruitment from more deprived areas, as well as encouraging procurement of goods and services to suppliers who have

<sup>1</sup> Scotland Centre for Regional Inclusive Growth, 2021

exemplary employment policies and practice through the evaluation of Fair Work First criteria amongst other elements of procurement criteria.

- Land and Property – How land and property assets are owned and managed are key features of any local economy. Community wealth building asks anchor institutions to examine how the stewardship and ownership of local land and assets can be used to generate wealth for local citizens and enhance environmental wellbeing.
- Finance – The City of London sits at the heart of the world's finance system but there are significant challenges in getting finance to flow into businesses, communities and households across the UK. Community wealth building seeks to increase flows of investment within local economies, by harnessing existing wealth and making sure that inward investment creates benefits for local communities. This can include encouraging local authority pension funds to redirect investment to local projects, supporting mutually owned financial institutions, and deploying capital to support ethical, community or locally owned businesses.
- Inclusive Ownership - Local or more socially owned organisations and enterprises are more likely to employ and invest in local people and recirculate money back into the local economy. For this reason, community wealth building seeks to promote socially minded enterprises by promoting various models of ownership that are more inclusive. This includes public sector insourcing, municipal enterprises, worker ownership, cooperatives; community ownership and local businesses.

## Community wealth building in Scotland

Community wealth building was first adopted in Scotland by North Ayrshire Council as a progressive approach to economic development. Following North Ayrshire's lead, the Scottish Government funded five separate community wealth building pilots in Fife, Clackmannanshire, the Western Isles, the Glasgow City Region and the South of Scotland in 2020 and 2021. The success of these pilots sparked an interest in community wealth building across Scotland and we have seen councils of all political stripes as well as other organisations begin to pursue the approach.

At a national level, the Scottish Government is committed to advancing community wealth building, as indicated in the latest Programme for Government (PfG)<sup>2</sup>. To help Scotland's post Covid-19 recovery, the PfG focuses on creating new jobs, good jobs and green jobs, promoting lifelong health and wellbeing and promoting equality and helping young people fulfil their potential.

The theme of *locality* runs through PfG, with new commitments around local supply chain development, 20-minute neighbourhoods and community wealth building. It recognises that no one model will fit every part of Scotland and it is vital that communities, public services and businesses are involved in designing and building

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<sup>2</sup> [A Fairer, Greener Scotland: Programme for Government 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/programme-for-government-2021-22/pages/2-introduction-to-the-programme-for-government-2021-22.aspx)

their local economic and community wealth building solutions. The Scottish Government has demonstrated its commitment to this agenda through the appointment of a minister, Tom Arthur MSP, with responsibility for community wealth and a manifesto promise to introduce a Community Wealth Building Bill in this parliamentary term. Consultation on the proposed Bill is expected to start in late 2022 or 2023.

Building strength and empowerment in local economies and communities is key to Scotland's collective recovery and has the potential to bring tangible local benefits quickly. This has become even more urgent as the impact of Brexit, Covid-19 and the war in Ukraine is being felt on supply chains and the cost of living. Taking a community wealth building approach ensures that local people and businesses have a genuine stake in producing, owning and enjoying the wealth they create, and moves Scotland closer to the more just, equitable and sustainable society it aspires to become.

## The context in West Lothian

### History

West Lothian's history has shaped its landscape, economy and social fabric. In the nineteenth century extensive deep mining for ironstone, then coal and shale fuelled the industrial revolution and changed the face of the area. These industries provided mass employment and brought substantial investment to the area. However, in common with other areas, changing economies and technological advancement meant these industries went into terminal decline.

In the mid twentieth century the area was the focus for significant government intervention to reverse this decline. In 1962 Livingston was designated as one of five Scottish New Towns. These towns were intended to accommodate the post-war population overspill from Glasgow, attract new industry and provide thousands of people with a better quality of life. As part of this the British Motor Corporation (BMC) was incentivised to build a major new plant in Bathgate and by the 1970s it employed more than 7,000 people.

During the 1980s and 1990s BMC and other major industrial employers struggled to remain viable and ceased operations. These events had a devastating impact, leaving a legacy of high unemployment and deprivation in the communities which had powered their success. In the decades that followed West Lothian's economy has begun to successfully diversify. For example, in the 1990s inward investment associated with "Silicon Glen" brought new jobs and business opportunities to the area.

### An evolving energy economy

Fossil fuel mining and refinery have been key influences on the history of West Lothian. The Bathgate Oil Works was the world's first commercial-scale oil refinery which continued in operation until 1956. Today, however, West Lothian is now home to a multi-million pound research and development and manufacturing



facility which looks to meet increasing UK and European demand for low-carbon heat pumps<sup>3</sup>.

## Socio-economic context

Today, connectivity to the wider Edinburgh city region and beyond shapes the economic fortunes of West Lothian. It has a significant jobs base, but its connectivity means its labour market is not self-contained, with high levels of in and out commuting to neighbouring areas<sup>4</sup>. Its proximity to Edinburgh and the relatively affordability of housing in West Lothian has contributed to population growth of 20 percent over the last twenty years, which is set to continue<sup>5</sup>. Recent enterprise growth in sectors such as logistics and distribution and food and drink has brought significant multinational companies to the area<sup>6</sup>. These labour market dynamics and sectoral mix mean that West Lothian is a porous economy, with significant flows of wealth out of the area through wages, spending of residents in neighbouring areas and profit flows to companies owned out with the area.

Poverty is a significant issue for many households and communities. While employment rates are higher than the Scottish average, these poverty rates are largely driven by the prevalence of low pay in the area; average weekly wages are £519 compared to £547 for Scotland. Overall, a quarter of households earn under £16,000 and 38% less than £20,000<sup>7</sup>. However, poverty is not evenly spread. Several of the area's former mining villages experience severe and persistent disadvantage. The 2017 Local Outcomes Improvement Plan found that almost 9,000 people (5% of the population) live within the most deprived areas in Scotland – 13 out of the 211 data zones in West Lothian are in the 15% most deprived areas of Scotland. This translates into high levels of child poverty. Notably, Whitburn and Blackburn wards show a child poverty rate of 32% after housing costs are taken into account<sup>8</sup> and local population decline<sup>9</sup>.

## Covid 19 and the cost-of-living crisis

While we await detailed analysis of the economic impact of the Covid-19 pandemic and cost-of-living crisis on West Lothian, it is clear that these twin crises have worsened inequalities in general, and food and fuel poverty in particular. The

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<sup>3</sup> Reid, S. (2021). Major investment in West Lothian heat pump plant to generate 55 jobs amid green revolution. The Scotsman.

<sup>4</sup> 60% of Scotland's population live within one hour of West Lothian making for easy access to customers and suppliers. 61% of in work residents are employed in West Lothian, 39% commute to neighbouring areas, West Lothian Anti Poverty Strategy, (2018)

<sup>5</sup> Between 1998 and 2020, the population of West Lothian has increased by 20.0%. This is the 2nd highest percentage change out of the 32 council areas in Scotland. West Lothian Council Area Profile, National Records of Scotland

<sup>6</sup> Key Sectors, West Lothian Council [www.westlothian.gov.uk/article/34927/Key-Sectors](http://www.westlothian.gov.uk/article/34927/Key-Sectors)

<sup>7</sup> West Lothian Anti-Poverty Strategy 2018 – 2023

<sup>8</sup> West Lothian Community Planning Partnership. Taking Action for Change: Anti-Poverty Strategy 2018/19 to 2022/23.

<sup>9</sup> West Lothian Community Planning Partnership. Achieving Positive Outcomes: Local Outcomes Improvement Plan 2013-2023.

pandemic created significant pressure on household incomes with increases in unemployment and cuts to earnings due to furlough<sup>11</sup>. These were acutely felt in households already surviving on low wages. Data from the West Lothian Food Hub identified that more than 4,000 households per week are accessing its services<sup>12</sup>. Meanwhile, the number of Universal Credit claimants in West Lothian nearly doubled between March 2020 and 2021, from 8,800 to 16,100<sup>13</sup>.

Recent increases energy and commodities prices triggered by global events has further exacerbated these pressures. Deprived communities are particularly vulnerable to these price shocks for a number of reasons - households managing on low incomes spend a much higher proportion on food and fuel than more wealthy households and these categories of spend which are much harder to cut back on without detrimental effects on health. Furthermore, low-income households tend to live in less energy efficient homes meaning that rising fuel costs hit them harder.

## Community wealth building in West Lothian

In response the challenges set out above, WLC has committed to adopting community wealth building as a key strand of its new corporate plan. Through this it is keen to build close collaboration with local businesses, the third sector and the Community Planning Partnership. This project with CLES is a key element of this work. Below we describe the other activities which have been undertaken to support this agenda:

- Additional funding through the City Deal has provided funding for one dedicated post to progress community wealth building in West Lothian, linking in with wider City Region community wealth building activity.
- WLC has committed to using a portion of funding from the Place Based Investment Programme (announced by the Scottish Government in May 2021) to advance community wealth building. In February 2022, WLC allocated £566,000 of the 2022/23 funding<sup>15</sup> to support community wealth building capital projects. These projects should be projects worth more than £100,000 that can further local plans and aspirations and demonstrate collaboratively working between with local communities, business and the third and public sectors. In June 2022, WLC awarded funding to four Community Wealth Building projects<sup>16</sup>
- The West Lothian Jobs Task Force and the Economic Recovery and Growth Plan 2020-2023 is prioritising inclusive and sustainable economic growth and there is a commitment to enable local supply chain development, by bringing together local firms to create community and mutual benefit, and

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<sup>11</sup> Skills Development Scotland. (2021). Regional Skills Assessments: West Lothian. July 2021.

<sup>12</sup> West Lothian Food Network: <https://westlothianfoodnetwork.org/>

<sup>13</sup> Skills Development Scotland. (2021). Regional Skills Assessments: West Lothian. July 2021.

<sup>15</sup> West Lothian Council – Place Based Investment Programme [Read](#)

<sup>16</sup> West Lothian Council Executive. Report by Deputy Chief Executive, Education, Planning and Economic Development. [Read](#).

to increase the level of local procurement by WLC to 40% from 29% at present.

- WLC is already an accredited Living Wage employer and has committed to encouraging suppliers to pay the Living Wage. It provides a number of employability programmes to help support local people into work.
- WLC's procurement team is updating their community benefits action process which will include a community wish list programme. They are seeking to make the procurement process more streamlined with community benefits and the wish lists systemised. The review is in last stages of development. The procurement team has identified key contacts across WLC who will be critical to the implementing the process.
- WLC is taking forward 'Community Choices' a programme to develop participatory budgeting to ensure communities have a say in services being funded in their communities.
- Like many Scottish councils, WLC supports a community asset transfer process to ensure greater community ownership of land and assets through the locality although we have heard that there are concerns around the existing capacity of communities to take on responsibility for assets.
- WLC has declared a Climate Emergency and is looking to ensure a just transition to reach net zero ambitions. WLC has recently launched its Climate Change Strategy which identifies how the Community Planning Partners will work together and weave climate action throughout the new Corporate Plan. Communities in West Lothian have begun to embrace the Scottish Government's Community and Renewable Energy Scheme (CARES) with projects like the Linlith-Go-Solar project from the Linlithgow Community Development Trust<sup>17</sup>. The CARES scheme encourages local or community ownership of renewable energy and aims to meet the target of 2GW community and locally owned energy regeneration by 2030<sup>18</sup>.
- Scotland's Community Planning Partnership (CPP) architecture provides significant potential for collaboration by bringing together key stakeholders such as councils, the NHS, universities and colleges, as well as other partners such as Police Scotland, the Scottish Fire and Rescue Service and third sector infrastructure bodies. The West Lothian CPP brings together 21 organisations. The CPP committed to a ten-year (2013 – 2023) Local Outcomes Improvement Plan (LOIP) structured around the theme of Achieving Positive Outcomes. West Lothian's Anti-Poverty Strategy is key to the delivery of the plan. The LOIP is being refreshed and the community wealth building action plan should form a key aspect of delivery on the LOIP. This will lead to the refresh of the locality plans in line with the LOIP.

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<sup>17</sup> Linlithgow Community Development Trust. Our Town, Our Future, Our Choice: Linlith-Go-Solar.

[Read.](#)

<sup>18</sup> Energy Saving Trust: Local Energy Scotland Programme; CARES. [Read.](#)

This section has set out the context for the development of West Lothian's approach to community wealth building. The porous nature of the area's economy, rising levels of in-work poverty and persistent and deep deprivation in many former mining villages provide a distinctive set of challenges which this approach is well equipped to address.

## 2. Methodology

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In this section we set out the methodology we have followed to carry out this work.

We approached this work using an action research approach. We have worked through the following four steps to produce a community wealth building action plan for West Lothian:



### Discovery

In the discovery stage, we conducted a desk review of key documents and data sets to explore the barriers and enablers to community wealth building. We also attended The Third Sector Summit hosted by the Voluntary Sector Gateway West Lothian to understand the contributions of the third sector, as well as the challenges they face.

### Vision

In the Vision stage, we held three exploratory workshops with key officers of WLC, representatives of the CPP and the elected members of WLC. We supplemented these workshops with separate meetings with the Executive Management team of WLC, the Climate Change team, the Planning & Building and Environmental Health team and the Procurement team. Our goal was to understand the potential of West Lothian, the participants' vision of a wellbeing economy in West Lothian and the barriers preventing this.

### Design

In the Design stage, using the findings from the Discovery and Vision stages, we worked with a core group of participants from WLC, anchor institutions, the third sector and the Chamber of Commerce (the core group) to narrow the focus of the work to four outcomes and develop recommendations for action around three key themes of anchor collaboration, neighbourhoods and galvanising support.

### Destination

In the Destination stage, we brought together the recommendations into a draft action plan that we shared with a core group and solicited feedback before producing this final report.

# 3. Findings

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In this section we summarise the key findings and outputs of each stage of this project. We conclude by setting out a strategic framework for community wealth building in West Lothian, incorporating the outcomes, action themes and objectives developed through this project.

## Discovery

The context section of this report summarises the findings of our review of key documents and data sets in relation to the economic and social context for community wealth building in West Lothian as well as the policy context for this work.

## Vision

In the Vision stage, we held workshops with WLC's officers, elected members and members of the CPP to understand their vision for a wellbeing economy in West Lothian. The following key themes emerged from these discussions:

- **A cornerstone of transformation.** WLC is developing a new corporate plan which will guide the council's work in the coming years. In developing this plan, the council is seeking to embed the principles of collaboration, inclusion and environmental sustainability at the heart of its transformation approach. Community wealth building is a key delivery mechanism for these aspirations.
- **Fairly paid, secure jobs that enable people to live fulfilling lives.** Participants felt that a wellbeing economy would be underpinned by jobs with decent pay and conditions. This meant addressing low pay, in-work poverty and barriers that prevent people getting and keeping a job with fair pay and conditions. It also meant increasing opportunities for training and progression. While this may seem an uncontroversial view and is widely supported by the council and its partners, it was clear it would require a shift in approach to the type of inward investment which creates jobs paid below the real living wage.
- **Addressing the root causes of poverty and inequality, not just managing their impacts.** There was widespread concern that despite apparent economic success poverty has worsened in recent years and inequality has grown. The fact that 4,000 people are using the West Lothian Food Hub each week is a devastating statistic. Participants understood the need for emergency responses but they want to create a society where there is no need for foodbanks. They want to rewire the economy so that

people in West Lothian are resilient to economic shocks and can live full and healthy lives.

- **Empowering communities.** We heard a widely shared view that community wealth building should be rooted in the empowerment of communities. Participants felt that where communities play a greater role in developing solutions for the challenges they face, the solutions are better tailored to their needs, interests and wishes than ‘top-down’ solutions. This resonated with a desire from WLC to move away from a “paternalistic” approach to public service delivery. A community wealth building model positions ‘plural ownership’ as the antidote to these traditional paternalistic approaches. This means greater democratic participation in public service delivery but also citizen ownership and control in the commercial economy. In practice this means a greater diversity of business ownerships models (for example social enterprises, cooperatives, mutuals and municipal enterprise) but also maximising public participation in design and decision making in public services.
- **Building capacity in deprived communities.** Importantly there was widespread recognition of the risk that this approach could exacerbate rather than help tackle existing inequalities. Participants spoke about the fact that not all communities are at the same starting point in terms of financial resources, time and social capital. There was a view that capacity building activity and investment would be critical to ensuring that people living in more deprived communities are able to contribute to and share in the benefits of community wealth building.
- **Strengthening collaboration between the private, third and public sector.** We heard a widely shared conviction that community wealth building must involve not just public sector organisations but also the private and third sectors:
  - There was a recognition from many that the **third sector** plays a fundamental role in the day to day lives of people of West Lothian, including serving as a lifeline to the most deprived. This role has become increasingly apparent during the pandemic. The potential of community wealth building is to build on the relationships, insight and creativity of the sector to enable it not just to tend to the symptoms of a failing economic model but to transform it. The third sector is severely stretched though and must be properly funded. It cannot be the goodwill partner in the delivery of community wealth building.
  - In relation to the **private sector**, again we heard widespread support for involving businesses in developing a community wealth building approach. Participants emphasised that the sector is not homogenous, with key examples of highly generative, locally rooted enterprises with much to contribute both directly and to this agenda more broadly. The ambition here is to amplify their voice and leadership within the sector.

- The **public sector's** role is therefore to enable the contribution of the third and private sectors to community wealth building but also crucially to use its levers (such as procurement and regulatory powers) to influence behaviour and accelerate change.
- We also heard that whilst **action to tackle the climate emergency** is a priority for WLC, more needs to be done to engage the private sector and spur action around the transition to net zero carbon.

It was clear from our research on the challenges facing West Lothian in the Discovery phase and the ambitions expressed by key partners through the Vision workshops that there is a shared appetite to embrace community wealth building. We heard a shared understanding of the shortcomings of the economy that have become so starkly evident through the pandemic and now painfully exacerbated by the cost-of-living crisis. Community wealth building provides a powerful means to achieve this reset, tackling these challenges and building an economy that succeeds not just in conventional terms but as the kind of wellbeing economy described above. Crucial to bringing this about is the development of a shared vision for what this new approach will achieve. We therefore drew on the outcome of the Discovery and Vision phases to create three community wealth building outcomes as follows:

- **A reduction in poverty in West Lothian** through growth in the number of secure jobs paid at or above the real living wage, especially in those sectors where low pay is currently concentrated and an increased proportion of people in the most deprived areas of West Lothian in work in secure jobs paid at or above the real living wage.
- **Communities in West Lothian are empowered to own, manage and control economic assets**, including the most deprived areas, such as productive land, energy generation and foundational economy businesses.
- **West Lothian achieves a just transition to net zero carbon by 2030** with the creation of good jobs in green industries, improvement in home energy efficiency and a reduction in fuel poverty, investment in infrastructure that enables communities to be resilient to climate change and making sure the costs of transition do not burden those least able to pay.

## Design

### Action themes

Having identified the community wealth building outcomes above we worked with a group of WLC's officers and partners from the Third Sector Interface, Chamber of Commerce and Community Planning Partnership to identify the key routes to achieving these. These emerged as:

#### Galvanising support

There was a consensus that to have meaningful impact, the vision of community wealth building needs to be widely understood and owned beyond the sphere of



economic and social policy makers. Communicating the goals and approaches emerged as a key priority for stakeholders. There was a specific focus on ensuring that concepts are made relevant for community organisations, residents and businesses.

### Anchor collaboration

There was a recognition that local anchor institutions have a critical role to play in community wealth building and that strong relationships already exist between many of these organisations. However, there was some concern that there is a lot of collaborative activity already taking place (for example around employment support and community benefit policy and practice) and that there is a risk of adding further complexity to this through community wealth building. The key will therefore be to ensure that this work is focused in those areas where it can add the most value (i.e. where there isn't already significant activity taking place) and help cut through this complexity (i.e. by providing a shared framework for action).

### Communities and neighbourhoods

This theme reflected the twin commitments of partners to utilise community wealth building to:

- Tackle deep rooted and persistent deprivation in the area's most deprived neighbourhoods, and;
- Build the capacity of communities to own, manage and control more elements of the local economy themselves.

We then hosted three design workshops around these three themes. In these we examined how these outcomes could be achieved and who would be instrumental in delivering them. These are captured in Section 4 below.

## 4. Next steps for a wellbeing economy in West Lothian

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In this section we set out the recommendations for action that will help deliver the community wealth building outcomes. These are grouped into four themes and for each theme we provide a summary of the findings which have informed them (including related work which is already underway), set out objectives and specific actions. We have included an indicative timescale for each recommendation.

### West Lothian as a community wealth building place

WLC has already made a significant commitment to embed community wealth building as a cross cutting approach to delivering its vision for the area. The creation of a corporate community wealth building team provides a strong foundation for this work, enabling the harnessing of action from a wide range of council services and partner organisations. Realising this will require a supportive governance structure, effective partnership working and shared metrics of success. Below we outline a series of recommendations to move forward with this work.

### Objective 1: Establish effective governance and delivery architecture

The following actions are critical to the delivery of this action plan. We have set out below the different roles that are required to drive the strategy, maintain momentum and ensure delivery:

#### Short term

- 1) Leadership – Establish a West Lothian Community Wealth Building Leadership Group comprised of WLC and CPP strategic leaders along with representatives of the ‘organic leaders’ referenced below (see page 26). This group will bring together key leaders who can help ensure wider organisational commitment and buy-in this agenda along with people involved in mobilising this activity in their own communities. This combination of perspectives is crucial to achieving the participatory approach that underpins the vision for a wellbeing economy in West Lothian. We recommend setting out a short statement of intent for the group.
- 2) Operational delivery – A diversity of expertise is critical to translating the strategic intent into operational practice. We recommend establishing a

West Lothian Community Wealth Building Coordination Group comprised of operational and strategic officers who can work to embed and deliver community wealth building, from across the public, private and third sectors. Within WLC this should involve WLC colleagues in economic development, procurement, community benefits, employability, land and assets, communities and sustainability.

#### Medium term

- 3) Learning and knowledge sharing – In the mid-term, you may wish to set up a West Lothian Community Wealth Building Community of Practice bringing together people working on this agenda at all levels and across the full range of partners. This approach has been adopted by the [Northern Care Alliance](#) in Greater Manchester and involves bi-annual workshop sessions to share learning, surface and resolve issues and jointly plan activity.

### Objective 2: Embed community wealth building outcomes in strategic planning for WLC and wider partners

There is a great deal of activity taking place already in West Lothian but there is a risk that it is fragmented. This can present partners and residents with a confusing policy picture and risks diluting the impact of your actions.

#### Short-term

- 4) The Community Wealth Building Coordination Group collaborate to harmonise work to embed community wealth building into the refresh of the WLC corporate plan, LOIP and WLC Procurement Strategy and Community Benefits Procedure.

#### Medium term

- 5) Agree on metrics of success for progress towards a wellbeing economy. These could be based on the outcomes of community wealth building in West Lothian developed through this project (see page 16) and aim to reflect both qualitative wellbeing indicators as well as quantitative measures around job creation and improved energy efficiency for example.

### Objective 3: Commit to sustaining resources to deliver on community wealth building ambitions

Community wealth building is about mobilising resources (financial, human and physical) from across organisations and sectors. During this project we developed a strong cross organisational working group which has been critical to bringing together diverse insights and resources. More broadly it is clear that the dedicated WLC post has been highly effective in enabling progress to date. Sustaining this level of investment will be critical to maintaining momentum, energy and focus on this agenda and powerful basis for advancing this work.

## Medium term

- 6) Commit to sustaining investment in dedicated staffing resources to support the development and delivery of community wealth building over the medium to long term.

## Communities and neighbourhoods

This theme was focused on how to ensure that community wealth building activity is targeted towards the most deprived communities of West Lothian and the regeneration areas in particular. Exploring the issues of the areas of high multiple deprivation, we found relatively high rates of child poverty driven by low income from employment, low income from social security and benefits in kind as well as high costs of living in energy and food<sup>19</sup>. We also heard that while West Lothian has been successful in alleviating some of the worst impacts of the pandemic and cost-of-living crises with immediate emergency responses, the goal of community wealth building was to build resilience in these priority areas in the longer term.

The cost-of-living crisis is a vivid indication of the vulnerability of many people to economic shocks. Given this context our objectives focus upon food and fuel poverty and insecurity. While community wealth building will not solve these immediate symptoms it has a crucial role to play in tackling the causes of poverty and inequality, in effect building a more resilient, equitable economy in the medium to long term. This type of approach has the potential to bring about the transformation of the ownership of wealth in West Lothian. It could also provide the foundation for future activity in other key sectors where issues of low pay, insecure work and wealth extraction are present.

This theme relates to activity in these most deprived communities. It includes action to:

- In the short to medium term, redirect anchor resources (both direct employment opportunities and business opportunities for local suppliers to provide goods and services to anchor institutions) to these communities
- In the longer term, it seeks to build the foundations for a more resilient local economy

### Objective 4: Create a community wealth building approach to local renewable energy generation

The transition to renewable energy generation provides a key opportunity to secure economic and social benefits for local communities as well as build resilience to future shocks. To achieve this, it is critical that schemes are designed around the following criteria:

- They are owned and controlled by users – through a variety of organisational forms from municipally owned schemes to direct community ownership.

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<sup>19</sup> West Lothian Council (2021). West Lothian Local Child Poverty Action Report 2020-2021. P1.

- They deliver affordable energy for users.
- They generate financial investment in improved domestic energy efficiency.
- They accelerate the transition away from fossil fuels.

There are existing examples of these types of community energy schemes within West Lothian, such as Linlith-Go-Solar<sup>20</sup>. This enterprise aims to decarbonise the energy system through local renewable provision while redirecting revenue from surplus toward community initiatives. This is community wealth building in action and can show the frame of possibility for neighbourhoods and communities outside of the most affluent localities. However, we have heard that while some neighbourhoods and communities are well placed to engage with such projects, the most deprived communities, already struggling with poverty exacerbated by their increasing costs of living, would struggle to find capacity and resource to be able to take control of their local energy supply. This does not mean that we should shy away from the objective, but instead a change of approach.

Here we recommend the exploration of opportunities for municipally owned energy projects within areas of multiple deprivation whilst ringfencing revenue from any surplus generated for home improvements to reduce domestic energy demand and alleviate pressure from household bills. Meanwhile, local capacity and resource to take on community energy projects can be built over time through community engagement activities, in coordination with third sector and utilising funds from community benefits. Such engagement should be conducted with the dual purpose of building community confidence and buy-in, alongside harnessing community knowledge on opportunities and potential for energy generation in their neighbourhoods.

### Short term

- 7) Explore opportunities for municipally owned renewable energy schemes, with income used to support measures which address high levels of fuel poverty locally. [North Ayrshire's solar farm](#) provides an example of this type of approach.
- 8) Run community engagement activities aimed at generating community insight and ideas about community energy generation potential in their areas. [Oldham Energy Futures' community programme](#) is a key example of how this can be done in practice.

## Objective 5: Build a resilient and generative food sector

Within West Lothian, there is a rich network of organisations and initiatives working toward emergency food provision for families suffering from food poverty, from food pantries and the West Lothian Food Network to community growing schemes. Over recent months this emergency provision has fed, on average, 4,092 people

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<sup>20</sup> <https://trust-linlithgow.org.uk/projects/linlithgosolar/>

per week, with 72% of those individuals at financial risk due to unemployment or low income<sup>21</sup>.

An honest analysis of food banks and pantries gives us a Janus-faced image. On the one hand, they are symptoms of a broken food system based on the extraction of profits to the detriment of people, place and planet. Yet, on the other hand, they are also examples of spontaneous acts of social solidarity. Within this duality, how do we empower the latter while working toward a structural transformation to ensure the former is resolved in the long term? A community wealth building approach provides the tools to move from emergency food provision to active disruption of systemic food insecurity through stimulating a local, resilient, environmentally sustainable, and generative food sector based on fair employment and prices.

Recognising the scale of the challenge in disrupting an extractive food production and supply, we recommend recognising existing food bank and network infrastructure and working alongside key people and organisations within that to explore commercially viable models for food supply which are able to sustain good jobs and deliver affordable, good quality food to local people. This will clearly be a long journey, akin to the work described above in relation to community energy generation. A key element of this approach will be the effective combining of the insight, relationships and expertise of those involved in the charitable elements of the food sector into anchor activity based on the five principles of community wealth building: from utilising land, property and assets for food production and distribution hubs as well as encouraging procurement and spending power of anchors, such as the NHS, toward these emerging generative food suppliers to ensure a stability of demand for fledgling businesses. Here, existing food bank and network infrastructure can continue redirecting quality surplus while also connecting people with skills and fair employment opportunities within an emerging sustainable food sector.

Building on the current commitments for West Lothian's Food Growing Strategy<sup>22</sup>, we also recommend targeted business support to assist organisations in a transition from a focus on only voluntary emergency provision and towards a local generative supply and distribution system that works for local producers, communities who are experiencing food insecurity and the environment.

### Short term

- 9) Engage with the West Lothian Food Network to explore the appetite of members to develop commercially viable food supply businesses which both serve the needs of West Lothian communities and begin to sustain good quality jobs in the area.
- 10) Investigate current spending of anchor institutions on food and catering and identify opportunities to work towards redirecting this spending towards locally rooted, ethical and social providers.

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<sup>21</sup> Figures from West Lothian Food Network: <https://westlothianfoodnetwork.org/>

<sup>22</sup> West Lothian Council. West Lothian Food Growing Strategy 2020-2025.

### Medium term

- 11) Embed the goal of growing locally owned, generative social food businesses into plans for the food and drink sector in West Lothian.

### Objective 6: Increase development of land and assets by and for the community

Ownership and socially productive use of land and assets underpins how wealth flows in local economies. Therefore, the mobilisation of public land and assets can play a major role in the development of a resilient, equitable and environmentally sustainable communities. We have heard an ambition from WLC to increase community control over neighbourhood assets. With over 700 community and commercial assets in their portfolio this provides a substantial resource to support community wealth building. To unlock this potential, WLC has recently hired of a Community Asset Transfer (CAT) Officer. The new resource can prove to be an invaluable asset in ensuring the success of the above objectives.

In the section above we recommend an early focus on developing community ownership of the food and energy sectors in West Lothian. It is important to recognise that their success is dependent on securing appropriate land and buildings on which to develop activity. It is therefore crucial that strong strategic and operational links should be made between the goals of that work and the emerging CAT strategy.

### Short term

- 12) We recommend that this new resource is directed towards establishing a West Lothian peer-learning network for communities to support each other in their asset transfer journeys, particularly as it relates to community energy and the local generative food sector.
- 13) In addition, we recommend that the new resource revisit the CAT strategy, in order to focus on the pathways to CATs specifically for the most deprived communities where capacity and resource challenges are particularly prescient.

### Anchor collaboration

In our design workshop on anchor institution collaboration we explored how the combined resources of West Lothian's largest public organisations could be mobilised to achieve the community wealth building outcomes. Whilst there was shared enthusiasm for this endeavour, it was clear that there is already a complex array of work underway within and between partner organisations in relation to employment and public sector procurement. The impact of the pandemic both on workers and businesses has seen these issues come to the fore with new resources and partnerships mobilised at pace. In this context it became evident that the adoption of a community wealth building approach needs to assist with rather than add to the complexity of this policy and operating environment.

The power of anchor collaboration has been demonstrated through the approach taken by the Birmingham Anchor Network (facilitated by CLES) which comprises of seven of the city's largest institutions, with a combined workforce of over 50,000 people and budget of over £5bn. During the first wave of the Covid-19 pandemic, the "Hospitality to Health" employment programme was developed to support people, who had been furloughed in the hospitality industry, into new jobs in the health sector. The housing association members of the network had large numbers of tenants facing redundancy, while the health sector partners had a huge number of vacancies that needed filling. Here, the network worked together to explore how the mismatch in HR and job requirements could be overcome to support people into roles in the health sector, with many non-healthcare focused roles available. Today, the early work is evolving as more anchor partners participate, directing entry level jobs across the public sector toward unemployed people from typically hard to reach communities. Another example of a similar approach has been taken in Wigan where staff from leisure services were redeployed into care homes during the pandemic. This was a successful intervention which resulted in improvements in physical activity among residents and increased job satisfaction from leisure services staff. On the back of this the council has moved the leisure service in house and is working with further education partners to devise a leisure to care learning pathway<sup>23</sup>.

### Objective 7: Utilise anchor institution spending on goods and services as a key tool for tackling priority social, economic and environmental challenges in West Lothian

In relation to public sector procurement, we identified that across large public bodies, community benefit requirements are understood and applied in different ways. Participants referenced multiple frameworks which operate across different sectors and geographies (including the NHS Community Benefits Gateway and WLC's own community benefits framework). This lack of clarity creates confusion for suppliers and represents a missed opportunity to harness their contribution to tackling key social, economic and environmental challenges. It was therefore felt that the adoption of a shared community wealth building ambition by CPP members could provide a valuable opportunity to identify shared community benefit priorities and simplify mechanisms for delivery of these.

#### Short term

- 14) Bring CPP partner procurement leads together to map existing community benefit priorities and frameworks.
- 15) Share this work with the Community Wealth Building Leadership Group and work with them to identify a core set of community benefit priorities to be embedded across the CPP.
- 16) Explore anchor institution spending to identify categories of spending where there are opportunities to encourage locally rooted generative suppliers to be involved in tendering for contracts. Food and catering spend

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<sup>23</sup> This is an example of an innovation which CLES is aware of from work with Wigan. There has not yet been a published account of this work.



could be a useful starting point for this work, linking to wider work to develop locally generative food organisations (see objective 5 above, page 21-22).

### Objective 8: Linking third sector up with anchors suppliers to achieve community benefit realisation

As the procurement team at WLC are undergoing a reform of their community benefits and community wish list related processes, in a drive to systematise a community wealth building approach into procurement decision-making, it will be important to build in mechanisms to facilitate conversations between the third sector and suppliers within the framing of the broader community wealth building strategy. There are two elements to this:

- The first is that in some cases the community benefits may involve direct support of the third sector by suppliers (for example, a building contractor may offer to repair or enhance buildings utilised by community organisations). In this situation a platform for third sector organisations to post requests for support would enable the targeting of resources.
- The second is that in some cases suppliers will commit to delivering community benefits for which they would be unable to deliver without support from locally embedded third sector organisations (for example, pre-employment training for people from priority groups or communities). In this case third sector groups could not only support the realisation of these benefits, but this activity could provide a much-needed income stream if properly funded by suppliers. Again, a shared platform to match suppliers with prospective third sector platforms would be a key element of this approach.

#### Short term

- 17) Work with the third sector interface, WLC, wider CPP procurement teams and West Lothian Chamber of Commerce to scope out a potential model for a platform to link third sector partners with prospective anchor institution suppliers.

### Objective 9: Increase recruitment by anchor institutions from the most deprived neighbourhoods and communities

In relation to anchor institution employment, the group felt that there is already significant activity already taking place to tackle the parallel issues of labour market shortages and rising rates of economic inactivity coming out of the pandemic. The opportunity here is to recognise the role of anchor institutions as large local employers and generators of indirect jobs through their supply chains. This gives them unique opportunities to pioneer new forms of recruitment practice (for example around tailored support for the significant numbers of people who have left the labour market during the pandemic due to ill health).

In view of the concentration of deprivation in the regeneration areas of West Lothian, our proposal is that this strand of activity focus on increasing anchor

institution recruitment of people from these neighbourhoods. These areas have above average levels of both low pay (with 16 data zones in the top 15% in Scotland) and worklessness. Increasing access to secure jobs with pay at or above the real living wage is a powerful way of directing flows of wealth into these communities. Learning from other areas which have developed this type of approach have shown that the involvement of well established, locally rooted third sector partners is critical to unlocking this potential as described in the 'Hospitality to Health' model above (see page 23).

### Short term

- 18) Establish the baseline position in relation to CPP partner recruitment from the regeneration areas, establishing the number of people currently employed and their pay grade.
- 19) Identify third sector partners active in these regeneration areas and working on providing employment support.
- 20) Work with them to identify opportunities to test out new approaches for engaging with and providing pre-employment support for prospective candidates.

## Galvanising support

For any community wealth building strategy to be successful, it needs to maximise buy in from the range of agents involved: from practice and delivery right down to the beneficiaries themselves. In fact, from our workshop, while anchor, third sector and private sector support was discussed, it was widely agreed that "community buy-in underpins the whole agenda". For this to happen, support must be stimulated through engagement, co-production, strategic synergy and effective communications.

### Objective 10: Build private sector engagement in community wealth building

Throughout this work we heard that there is a need for a deeper understanding of the diversity of private sector enterprises in West Lothian. It is clear that there are many locally rooted, generative businesses which contribute economically, socially and environmentally to the wellbeing of West Lothian. At the same time, we heard examples of business models which see the wealth created locally flow out of the area leaving only low paid work and environmental damage. This objective is about encouraging shifts towards more generative business models and practices. In this we recommend a twin track approach. Firstly, through engagement with the private sector to co-develop communications in order for organisations to "see themselves in the messaging" and appeal to their diverse interests and behaviours. Secondly, through use of wider anchor institutions levers to enforce baseline standards in key areas such as employment practices.

### Short to medium term

- 21) Work closely with the Chamber of Commerce and wider private sector to develop a West Lothian community wealth building charter for business

which identifies the key elements of ethical business and employment practice and the steps businesses can take to adopt these. The [Wigan Deal for Business](#) is one example of this type of business-led approach.

- 22) Build on Real Living Wage commitments amongst anchor institutions to deliver on your community wealth building outcomes, for example by incorporating progressive employment and environmental standards into contractual requirements (see page 19). The example of Greater Manchester's Employment Charter described below is an example of the factors that could be incorporated into this type of approach.



## Greater Manchester Good Employment Charter

An approach to raising employment standards

The Greater Manchester Employment Charter is a voluntary membership and assessment scheme created by Greater Manchester Combined Authority to improve employment standards across all Greater Manchester employers, regardless of size, sector or geography. The Charter spans seven areas:

- Secure work
- Flexible work
- Pay
- Engagement and voice
- Recruitment
- People management
- Health and wellbeing

Organisations can sign up as supporters (making a commitment to work towards the Charter criteria) or as members (organisations who can evidence that they meet all the criteria of the Charter). Support and resources are available to support organisations on their journey.

### Objective 11: Galvanise active support of communities for this approach

To maximise buy-in and impact of community wealth building, support must be mustered from the very communities that are to be the beneficiaries. In the context of the cost-of-living crisis, we recognise that engaging some of the most deprived

communities may not be an easy task. Therefore, routes to engagement and content of messaging are crucial to achieve community buy-in.

In our workshops, we discovered that the third sector are well-equipped with knowledge and insights about routes to engagement and there are existing networks, institutions and relationships that could be tapped into to garner support. More specifically, we heard about rich social infrastructure that ranged from community centres, civic trusts and regeneration steering groups to the more grassroots communities of interest and religious groups.

### Short term

- 23) Within this social infrastructure, we recommend that the local authority work with the third sector who are already involved in working with such groups to locate 'organic leaders' in order to disseminate messaging and galvanise support. These community representatives may hold no elected position, title or professional roles in community engagement but are well placed within the broader social infrastructure, having the confidence and trust of others in their communities. In short, 'organic leaders' are the individuals who have the ability or tendency to muster a following.
- 24) The content of community wealth building messaging should be co-designed with the 'organic leaders', drawing on their understanding of the targeted communities and speak to 'what is in it for them' (see page 18). Here, a clear destination must be agreed upon and communicated and framed within a short, medium and long term. For example, showing what community energy assets could mean in terms of taking control and ownership of energy supply, alongside the financial rewards to be reaped as a result of the potential home improvement investment, or what a generative local food system could mean for employment and wellbeing. This content and destination can be co-developed with the 'organic leaders' who would disseminate the message.



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