



Community Wealth Building in Orkney



Community Wealth Building (CWB) would support the generation of more wealth in Orkney and ensure that local people benefit. It would do this by utilising the resources and people in our community to best affect through the circular economy.

CWB has been described as an approach that does not redistribute wealth but pre distributes wealth.

CWB was first developed in Cleveland, Ohio, before crossing the Atlantic. Preston is one of the first councils in the UK to adopt this approach and it is often cited as it is further down the journey than others. In 2013, Preston City Council and five other local public bodies spent £38m in Preston, by 2017, despite a cut in the Council's budget, it was spending £111m, a massive amount to remain in the local economy.

North Ayrshire was the first council in Scotland to adopt this approach, followed by the rest of Ayrshire (South and East Ayrshire), Glasgow City Region, South of Scotland (Borders and Dunbartonshire), Clackmannanshire, Tay cities and the Western Isles. It has now been adopted by the Scottish Government who is encouraging Community Planning Partnerships to follow suit.

CWB would unlock local public sector spending, customer spending and savings to reinvest that money in Orkney's economy. It would build on the existing work done in the county, including the Sustainable Procurement Policy adopted by the Council and the Kirkwall BID to encourage spending in the high street. A good example of how the Sustainable Procurement Policy works is how the Council separates the contracts to supply food for school dinners into smaller lots. This means local suppliers can provide most of the food our school children eat.

CWB involves:

- Building on the work already done to support local small and medium businesses to be able to do more
- Support the creation of new business, including those with different forms of ownership such as co-operatives.
- Promotes fairer employment practices, including the payment of the Scottish Real Living Wage which benefits the whole county through increased spend and less poverty.
- Skilling up local people to be able to benefit for the opportunities that arise.
- Lower carbon emissions because of shorter supply chains.

This is not a strategy to replace the need to attract external investment. It works in parallel, ensuring Orkney is better placed to make the most of opportunities that arise.

Anchor Institutions

Anchor Institutions are at the centre of the CWB approach. They are institutions that are 'not going anywhere' and have a commitment to the local area.

These include:

1. **Public bodies** – the council, NHS, higher education institutes etc.
2. **Social institutions** - e.g., Registered Social Landlords (RSL) and the voluntary sector
3. **The voluntary sector** – led by the local Third Sector Interface.
4. **Private institutions** - rooted in the locality.

The Anchor Agencies must be economic agents who can affect change in the economy, e.g.:

- They invest locally, they employ people locally who spend in the local economy and their own spending is local where that is economical.
- They drive the development of skills which can address problems of inequality such as the gender pay gap.
- Shift land use to Net Zero Carbon Emissions.

There are five core Pillars to Community Wealth Building:

1. **Progressive procurement** – developing local supply chains of businesses likely to support local employment and keep wealth within communities.
2. **Fair employment and just labour markets** – Using anchor institutions to improve prospects of local people.
3. **Shared ownership of the local economy** – supporting and growing business models that are more financially generative for the local economy.
4. **Socially just use of land and property** – developing the function and ownership of local assets held by anchor organisations, so local communities benefit from financial and social gain.
5. **Making financial power work for local places** – increase flows of investment within local economies by harnessing and recirculating the wealth that exists.

Community Wealth Building in action

Preston:

At the start of the last decade Preston was a city with significant economic and social issues. Population had begun to stagnate; retail floor space had increased by only 2 percent since between 1998 and 2009; and 22 percent of children living in Preston were classified as living below the poverty line.

In 2011, Preston reached out to six key “anchor institutions” which included the local college, council, Constabulary and Community Gateway Association. These anchors had a collective spend over £1bn per year, employing thousands of local people, and exerting a large influence over city life. The scale and local roots of these institutions made them ideally placed to affect a progressive change in the city’s economy.

- Locally retained spending has gone from 5% to 18.2% in Preston and from 39% to 72.2% for the wider Lancashire area.
- Between 2013 and 2018 there was an increase of 4,000 employees in Preston earning the Real Living Wage.
- Reduction in unemployment from 6.5% in 2014 to 3.1% in 2017 compared to the British average of 4.6%.
- Preston moved out of the top 20% most deprived local authority areas in the UK.

North Ayrshire:

In 2019, North Ayrshire Council become the first in Scotland to adopt a ‘Community Wealth Building’ approach to economic development.

A report by the Centre for Progressive Policy (CPP) in 2017 identified North Ayrshire as having very high levels of poverty, unemployment, and low levels of wellbeing. Following this report, the North Ayrshire Council decided that it needed to try something very different at local and regional level to stimulate a change.

Their mission is to enhance local wealth and the creation of fair jobs, maximising the potential of all our places through working in partnership with our communities and businesses.

In a short time, there have already been several gains:

1. Procurement: Their Micro Hydro Project provides renewable energy to Riverside Buildings. The Energy Agency is a local charity which reinvests the surpluses into projects to alleviate local fuel poverty. This included working with local business so that they had the capacity to supply goods and services to the Anchors that delivered community benefit, quality, and price.

2. Land and Assets: This has included the transfer of land from North Ayrshire Council to the College to develop the Willie Mackie Future Skills Hub and supports the widening the curriculum to cover green technology, renewables, modern apprenticeships, and upskilling/reskilling for businesses.

3. Fair Employment: Working with Anchors to recruit locally and from priority groups where possible, addressing gender pay in-balances, developing strategies for in-work progression, ensuring workers are respected, become Real Living Wage employers, and have access to Trade Union membership.

Community wealth building must be unique to place

Every area in the UK that has adopted CWB has had to assess local needs and how the CWB Five Pillars can be adapted to meet their own challenges.

George Vickers, Community Planning Business Manager, 12 May 2022.

(Updated 24 May 2023)

Further Reading

[EDAS: Implementing Community Wealth Building: A Guide](#)

[CLES: What is Community Wealth Building?](#)

[EDAS: Recordings of Community Wealth Building Seminars](#)

[Scottish Government web page on Community Wealth Building](#)

[Case Studies from the Scottish Hub for Regional Economic Development](#)

[Community Wealth Building Other Key Reading](#)