

Item No. 6	Classification: Open	Date: 19 July 2023	Decision Maker: Education and Local Economy Scrutiny Commission
Report title:		An initial review of Community Wealth Building in Southwark	
Ward(s) or groups affected:		All	
From:		Danny Edwards, Head of Economy	

RECOMMENDATION

1. That the Education and Local Economy Scrutiny Commission note the contents of this report.

BACKGROUND INFORMATION

2. Community Wealth Building is a place-based approach to economic development that puts local communities at its heart; an approach which seeks to ensure that those communities are beneficiaries of wealth generated in the local area, including where possible extending their influence over, ownership and control of local assets.
3. It requires that local institutions use their spending power and assets for these purposes and that those institutions reconfigure their actions, practices and behaviours to that end.
4. The Centre for Local Economic Strategies (CLES), an economic think tank and charity, has identified five key principles, or “pillars” of Community Wealth Building, as follows:
 - Plural ownership of the economy
 - Making financial power work for local places
 - Fair employment and just labour markets
 - Progressive procurement of goods
 - Socially productive use of land and property
5. If it is to be implemented successfully, Community Wealth Building requires a whole council and borough-wide approach, with local authorities working strategically with key anchor partners, including hospitals, colleges and universities, housing associations and cultural institutions.

6. Several local authorities have applied Community Wealth Building to varying degrees as a principle across council strategies and work programmes, and to guide engagement with local strategic partners.
7. The city of Preston provides one of the earliest and most well-known examples of Community Wealth Building as an organising principle for place-based economic development. “The Preston Model” is often referenced as a leading example of Community Wealth Building in the UK, due to the successes seen there through its implementation.
8. Other local authorities have since developed their own Community Wealth Building models to fit the needs and priorities of their local area. While place-based approaches differ in details, CLES have published analysis of the work in Preston, setting out the factors they see as necessary to facilitate implementation of the model elsewhere.
 - Places must understand the types of outcomes they want to achieve
 - There must be “buy-in” to Community Wealth Building principles among both Chief Officers and political leadership
 - Places must understand the existing scale of activity – including procurement spend, the impact of suppliers and business, and the scale and potential of initiatives
 - Places need clear governance structures for both strategy and delivery

KEY ISSUES FOR CONSIDERATION

Community Wealth Building in Southwark

9. The emerging Southwark 2030 vision and plan will set out priorities for Southwark as a place, and set clear ambitions to align strategies across the council and influence our key partners towards achieving better outcomes for our borough.
10. The principles of Community Wealth Building are well aligned with this vision, reflecting the council’s developing approach to Community Wealth Building in recent years. While no single over-arching Community Wealth Building policy framework has been adopted, many council policies and programmes nonetheless have been developed to support its aims and principles, as defined by CLES.
11. This report sets out three such examples where Community Wealth Building principles are being applied across Southwark’s approach to local economic development. The first illustrates the integration of the principles into the development of a new Economic Strategy for 2023-2030; the second and third provide examples of practical implementation of ‘progressive procurement’ and fair employment and just labour markets’ principles across our work with local partners through the Southwark Anchor Network.

Southwark Economic Strategy 2023-30

12. Southwark's emerging Economic Strategy will set out our approach to building a fairer, greener and more resilient local economy in support of the Southwark 2030 vision and ambitions for the borough.
13. The strategy has been developed with the aim of continuing to encourage local growth in sectors that generate good jobs and wider value for our community, and redoubling our efforts to support local people and businesses to benefit from our growing economy. It also acknowledges that we cannot rely on growth alone to close the gaps in prosperity within the borough. In line with the principles of Community Wealth Building, at the centre of the strategy sits the ambition to shape a more inclusive local economy, working with business and other stakeholders to meet the challenges of the climate emergency, and building economic fairness and resilience across the whole economy.
14. The Economic Strategy vision for 2030 is of a fairer, greener and more resilient Southwark economy that benefits everyone.
15. This will mean -
 - **A high growth, low emission economy** - attracting investment and growth across the borough, with a focus on strategic growth opportunities in low-carbon and life sciences sectors, and reinforcing our existing strengths. Securing investment in town centres that supports our existing businesses and strengthens neighbourhood economies. Significant reductions in climate change emissions and improved air quality, promoting healthier lives.
 - **An economy with opportunity for all** - Residents and businesses alike benefiting from a more inclusive economy that works for everyone and where communities hold a bigger stake. Narrowing inequalities so that the great diversity of our borough is reflected across all parts of the economy. Providing the best start in life, as well as removing unequal barriers to success for people of all ages. Encouraging large employers and anchors to invest in our communities, talent and businesses. Our neighbourhoods being places that promote health and wellbeing, where people can find connection, security and support.
 - **An economy of good work** - higher incomes, better job security and more opportunities to progress in work. More opportunities to secure good jobs paying at least London Living Wage with leading employers and fewer barriers for the most disadvantaged. Better pay and employment standards and reduced gender, ethnicity and disability pay gaps. A first-class local skills offer supporting people of all ages to progress in their careers of choice.
16. The vision will be achieved through eight delivery themes:
 - Investment and growth
 - A greener economy

- Thriving high streets
- Inclusive neighbourhoods
- Extending local ownership
- Southwark’s Youth Deal
- Good work for all
- Skills for now and the future

17. Community Wealth Building principles have guided the development of the strategy and are integral to its vision and delivery. The table below illustrates how the five pillars of Community Wealth Building are reflected in examples of commitments drawn from these delivery themes within the draft Economic Strategy.

Community Wealth Building Pillars	Commitments in draft Southwark Economic Strategy 2023-30
Plural ownership of the economy	<ul style="list-style-type: none"> • Grow the role of co-operatives, community and social enterprises in the economy.
Fair employment and just labour markets	<ul style="list-style-type: none"> • Raise standards, pay and conditions, promote healthier workplaces and address discrimination in the workplace in partnership with employers and trade unions.
Socially productive use of land and property	<ul style="list-style-type: none"> • Build on the Southwark Land Commission to explore new models for management, ownership and use of land and property to open up economic opportunities for local people.
Making financial power work for local places	<ul style="list-style-type: none"> • Develop a targeted approach to securing social value for residents through our investment and procurement.
Progressive procurement of goods	<ul style="list-style-type: none"> • Increase our spend in the local economy and work with anchor institutions and other large organisations to do the same.

Southwark Anchor Network

18. The Southwark Anchor Network was established by the Leader of the Council in 2021 as part of a wider Community Wealth Building agenda. The network is a strategic leadership group of key organisations in Southwark.

19. The network was set up to harness the power of our local anchor institutions to work together to deliver impactful activity, which benefits

Southwark residents by delivering against the network's strategic priorities of reducing inequality, building an inclusive economy that works for everyone, and creating a greener future for Southwark.

20. Members of the network include Guys and St Thomas's Hospital, South London and Maudsley Hospital, Partnership Southwark, University of the Arts London, King's College London, London South Bank University, Peabody Housing Association, Community Southwark, The Tate, Vodafone UK and The Charter Schools Educational Trust.
21. The Southwark Anchor Network has focused on delivering practical solutions to address these priorities via two task and finish groups, on procurement and recruitment.

Procurement

22. Working with CLES, the Procurement task and finish group produced an analysis of contract spend across the Southwark Anchor Network. The analysis found that collectively the network spent 10% of their annual contracting budgets with Southwark-based businesses, significantly less with local SMEs, which are more likely to be locally-owned.
23. The final CLES report (Appendix 1) made a series of recommendations, both for the anchor network collectively and for individual anchors to consider. The report was presented to the procurement specialists on procurement task and finish group who responded positively to the recommendations.
24. To consider how to take forward the report's recommendations, the group has since met with the Birmingham anchor network to discuss best practice. The group has since discussed looking at sub-£25k procurements (following Birmingham's approach) and at ways of extending support for small businesses seeking contracting opportunities with anchors.

Recruitment

25. The Recruitment task and finish group was set up to address specific barriers faced by anchor partners in opening up their opportunities to be more accessible to local residents, and to see how the council could help with the practicalities of local recruitment through Southwark Works.
26. The main takeaways have been that while large anchor organisations provide a great deal of opportunity to Southwark residents, there are challenges in both practically and perception with regards to applying to them. Large local organisations such as the hospitals and universities are not automatically seen by residents as a potential place of employment, even though there is a strong desire from the organisations to recruit

locally and significant scope to progress internally. There is also a difficulty in the application process for more entry-level roles including areas such as catering and security, which often follow a similar complexity to academic or clinical roles, and there has been widespread acknowledgement among the anchors that this needs to change.

27. With the support of the council, anchor partners are taking a series of practical steps to begin to address these issues.
 - King's College London have worked with Southwark Works to host two specialised recruitment days. Southwark Works selected candidates who would seem to be a good fit for the roles that Kings were offering, and allowed King's to directly address and present to candidates over a half day. There have been 13 job offers made to residents from the two days.
 - The council co-hosted an employer-led jobs fair on 29th June at London College of Communication, to present the opportunities available from six large local employers. The event was at capacity with 100 residents attending. Positive feedback was received from both jobseekers and those exhibiting. The event is currently being evaluated for outcomes
 - London South Bank University and University of the Arts London, having heard the positive feedback from these events event are planning focused recruitment day similar to the King's event in early 2024, also at Southwark Works.
 - In partnership with Guy's and St Thomas' NHS Trust, the council is funding a pilot Pathways into Healthcare project with Southwark Works, providing additional application support for residents applying for entry-level healthcare roles.

Next Steps

28. The Economic Strategy 2023-30 is scheduled to be adopted by Cabinet in October 2023, alongside the Southwark 2030 vision and plan. Following adoption, a delivery plan will set out whole-council measures and partnership programmes to deliver Community Wealth Building outcomes in line with the 2030 vision for Southwark's economy.
29. Following the CLES report for the Procurement task and finish group, the council will consider its recommendations and where opportunities exist for local authority procurement to better secure social value and support Southwark's local economy. The council will also continue to seek opportunities to engage anchor partners at senior levels with the report's recommendations and explore the potential for collective action in response.
30. The Recruitment task and finish group has highlighted the clear benefits of a focused programme of engagement with Southwark's largest local employers to increase employment opportunities for residents. In response, the council intends to commission a dedicated employer

engagement service, attached to our Southwark Works employment support service. This new resource is due to be in place by the end of 2023.

APPENDICES

No.	Title
Appendix 1	Deepening community wealth building in Southwark - CLES

AUDIT TRAIL

Lead Officer	Danny Edward, Head of Economy	
Report Author	Nick Wolff, Principal Strategy Officer	
Version	Final	
Dated	12 July 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team / Scrutiny Team		14 July 2023