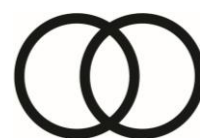


# Embedding community wealth building into ESES City Deal projects and programmes

Pledging your commitment



**CLES**  
the national organisation  
for local economies

The Edinburgh and South East Scotland City Region Deal is a source of financial power to develop an economy that is inclusive, sustainable and prosperous for all.

Where feasible, we are asking all projects and programmes to use a community wealth building approach to make this a reality and to sign-up to the pledges outlined below. (See appendix for an explanation of community wealth building).

While each project is different the priority here should be on supporting the growth and development of local SMEs, as well as other forms of socially productive business, and promoting employment and skills opportunities across the region.

## Pledge one - support the growth and development of SMEs

Projects can maximise the use of community benefit by looking for opportunities to encourage more local supply chains through their spending requirements.

- Projects will make use of the Capital City Partnership's employer engagement network that operates across all six of the region's local authorities, with a view to promoting supply chain opportunities. (The network has good relationship with Business Gateway, chambers of commerce, and the Federation of Small Businesses).
- Projects will work with their local authority partners and local economic development teams to make them aware of their spending needs. This will enable local authorities to help local SMEs grow and diversify with a view to them delivering more goods and services for the deal's projects.
- Where tier one contractors are a necessity, projects will use community benefit clauses to stipulate that local sub-contractors should be used.

## Pledge two – support other progressive forms of ownership

Support for SMEs and helping them to develop with greater social and environmental purpose is important, but there are a range of different pathways by which people can be enterprising and entrepreneurial.

- Projects will work with the Regional Enterprise council to promote supply chain opportunities towards other forms of ownership such as social enterprises.
- Where the principle of supporting local enterprise is built into projects, there will be a particular focus on diversifying models of ownership and encouraging enterprises to develop with greater social and environmental purpose, such as commitments to living wage and net-zero.
- Where projects are focused on providing business premises, this will be targeted towards local SMEs with a view to encouraging greater social and environmental purpose – again living wage and net-zero. Projects will also look to encourage and promote business space towards social enterprises and employee-owned businesses.

## Pledge three – support progressive employment practice

With its dedicated regional integrated skills and employment accelerator programme (IRES), ESES is well placed to ensure that skills improvement, employment and career enhancement opportunities are delivered as broadly as possible across the region and are particularly linked to areas of disadvantage.

- Projects will use community benefit clauses to stipulate employment opportunities for local residents, as part of large contracts.
- Where feasible and relevant, projects will work with the IRES team to maximise the impact of any other potential employment opportunities that form part of their project.

Project: .....

.....

Name: .....

Signature: ..... Date: .....

# Appendix – what is community wealth building?

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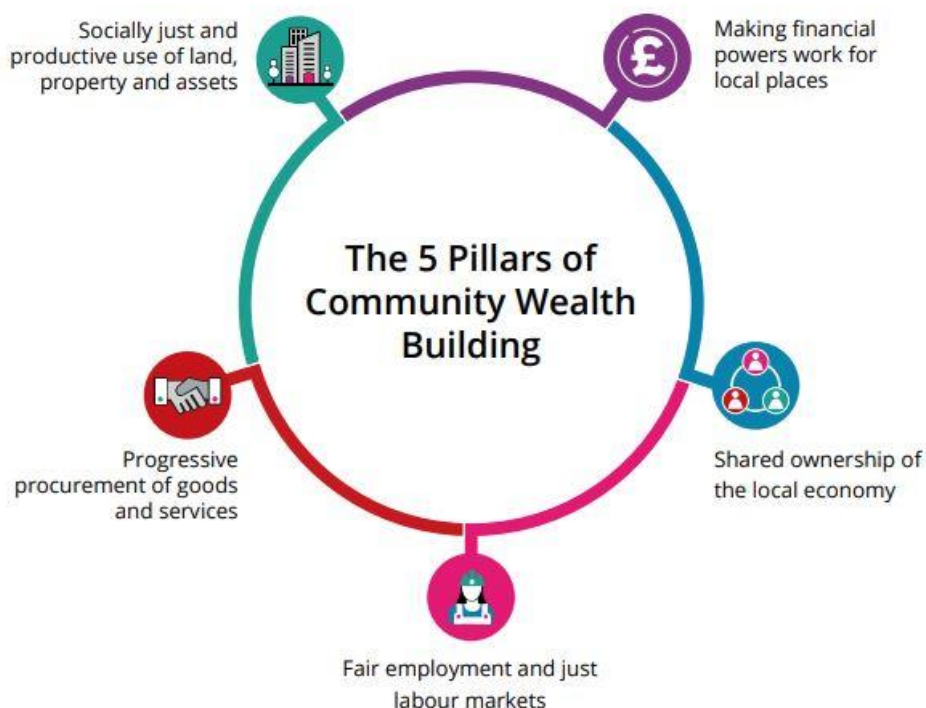
Community wealth building is a progressive approach to economic development. It seeks to change the way that our economies have come to function by aiming to increase the flow of wealth and opportunity for the benefit of local people. This is in contrast to the predominant economic model, where growth is exclusive, regeneration is based on speculative property development and large companies extract wealth for the benefit of distant shareholders.

Community wealth building achieves its aims by harnessing the economic and social power of locally rooted institutions. These are commonly referred to as anchor institutions. Typically, this means local councils, hospitals, universities, colleges and housing associations, and potentially, the private sector too. Community wealth building also requires the input of the VCSE sector, who's local intelligence and influence can in many instances provide the conduit for change.

## How is impact delivered?

Minimising the extraction of wealth and building prosperity for all should be the aim of all local economic strategies. It is time to reject the idea that the sole measure of economic success is GDP growth and supplement it with metrics for wellbeing, happiness, the reduction of poverty and carbon emissions. While economic strategy and planning has traditionally fallen under the jurisdiction of local governments, other anchor institutions, communities and the VCSE sector should play a key role in establishing these priorities.

There are five pillars to community wealth building which are key to building this approach.



1. *Shared ownership of the economy* - To challenge the predominant economic model, we must populate our places with businesses that share their profits and surplus more fairly with workers, owners and communities. We call these generative businesses. This requires economic development practice to be directed towards growing and supporting more of these businesses. Local governments will take the lead here, but we are increasingly seeing other anchor institutions taking steps to develop their role in this approach.
2. *Progressive procurement of goods and services* - closely linked to the ownership pillars is the spending or procurement pillar. Large anchors spend potentially billions of pounds in the local economy. More of this resource should be directed towards more locally productive forms of business, enabling more wealth and resource to be kept within the confines of the local economy.
3. *Socially just and productive use of land and property* - anchors often have surplus land – this should be used to support local generative business activity or to support the building affordable housing.
4. *Making financial power work for local places* - sources of finance should be used to support local more socially productive forms of business. Other assets like anchor pension fund should divest from fossils fuel industries and where feasible be used to invest in local priorities – again such as affordable housing.
5. *Fair employment and just labour markets* - anchor institutions employ thousands of people. Fair pay, good terms and conditions and ensuring that job vacancies and progression routes are directed towards people and communities who need them most has a tangible impact on local people, helping to address poverty deprivation and inequality. In conjunction with the VCSE sector, anchors should work collectively to design and support these principles.



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