

Participation of people with experience of poverty in the development of Scottish Government's Community Wealth Building Legislation

Executive Summary

July 2023

The Scottish Government have committed to the Community Wealth Building (CWB) approach to economic development as a means of achieving their wellbeing economy objectives. As part of the consultation on CWB legislation, the Poverty Alliance were commissioned to recruit, support and facilitate a citizen's panel of people with experience of poverty to share their views on CWB, and their priorities for action.

During the process, the majority of participants moved from having little to no understanding of CWB, to being supportive advocates for the approach. Participants latterly demonstrated a clear understanding that CWB was about economic transformation and system change, and they recognised the potential of this model in tackling poverty and inequality. The process was developmental for all involved.

What we did

12 people with experience of poverty were recruited from across Scotland to take part in discussions to help shape the new CWB legislation. The process was primarily focused on how CWB could best address poverty.

The four sessions covered an introduction to the concept of CWB; issues of ownership in our communities and how CWB could tackle this; the actions needed to ensure CWB addresses poverty; and the language we use to talk about CWB. The final session was utilised to finalise participant's key messages for the Scottish Government.

We then held a session with community organisations and representatives from the third sector, focused on testing the key messages developed during the citizen's panel. This session covered the seven key messages, outlined below, and provided an opportunity for organisations to provide feedback and relevant context to the key messages.

Who took part

12 participants were recruited and engaged with the process throughout. Participants included eight women and four men; nine were white and three were Black and minority ethnic; nine lived in urban areas and three lived in rural areas; and four identified as disabled.

10 organisations participated in the community organisations session. There was a focus on recruiting representatives from membership organisations to increase the

reach of our engagement. The organisations represented at this session were: Volunteer Scotland; Fife Gingerbread; Community Enterprise in Scotland; Scottish Communities Alliance; Engender; The Ayrshire Community Trust; Ayrshire Rural and Islands Ambition Fund; SURF – Scotland’s Regeneration Forum; Scottish Council for Voluntary Organisations and Edinburgh Voluntary Organisations' Council.

Key messages from our citizen’s panel

Seven key recommendations emerged from our citizen’s panel, focused on how the Scottish Government can ensure CWB tackles poverty and inequality; empowers communities; and promotes positive change in people’s lives. The key messages were:

1. Participants are positive about the idea of CWB, and sought reassurance that the accompanying resources and support means it will work in practice

People were initially positive about CWB and became increasingly positive about the concept as they learned more about it. However, there were some reservations around how CWB will work in practice. People are clear that CWB must tackle, rather than entrench, inequality.

2. How we speak about CWB matters

As a relatively new and innovative concept, CWB could be seen as complex. People felt that it needs to be brought to life via tangible examples and real-life case studies. Scottish Government and other public bodies need to make it clear how CWB relates to people’s lives. This requires consideration of our message; the messenger; and innovative means of communication.

3. What do we mean by ‘community’ in CWB?

There are multiple definitions of community, and this word means different things to different people. We need to have a clear collective understanding about what ‘community’ we are referring to in CWB, including considering how this is reflected in the legislation. Our definition of community must be suitable for both rural and urban areas and be based on the principle of collaboration.

4. Our communities need to be involved in the earliest stages of CWB

People have questions about who in the community will be supported to become involved in CWB, and how they will receive this support. People living on low incomes are reliant on people in a position of power to set up new ways of working, which requires public bodies and anchor organisations to know the communities they are engaging with; to be proactive; and approachable. There cannot be any gatekeeping of the process.

5. Capacity building for both communities and anchor organisations is critical

Capacity building on economic development is critical to enabling people in communities and community organisations to take part in CWB. However, capacity building activities should not be solely focused on communities themselves. Capacity building should be a two-way street, with activities also designed to improve the understanding of decision makers on the needs and preferences of their community, alongside best practice engagement processes. This is critical, as CWB should be focused on anchor organisations giving preference to the type of economy the community wants.

6. CWB legislation cannot also fall victim to the implementation gap

It was perceived by some participants that pieces of existing legislation that will support CWB, including the Community Empowerment Act and community land buy outs, have not had the transformational impact that was intended. We need to reassess the effectiveness of these foundational pieces of legislation for CWB to be effective. Legislative changes should ensure communities are given preference in CWB processes.

7. Legislation needs to be combined with resources if we are to make CWB work for everyone

Helping communities and community organisations to become more involved in economic development requires them to have access to sustainable support and resources. It also requires economic development professionals to work harder to engage communities. This must involve embedding the structures that work for communities, rather than asking communities to change to fit pre-existing structures.

Key messages from community organisations session

- **Equalities considerations must be explicit and embedded in CWB legislation**

Attendees highlighted that discussion on equalities within policy design is often too-high level, with equalities incorporated as a headline, rather than considering the specific needs of particular groups. Within the context of CWB, and to ensure the approach tackles inequalities, there must be explicit reference to specific seldom heard groups and those who experience economic inequality.

- **Community organisations will need support to access the resources to implement CWB**

CWB cannot work in a system where power is centralised, and there should be action to devolve more power to offset this. Part of this is ensuring that community organisations are supported to access resources such as finance, staffing and advice. These resources are critical to facilitating meaningful engagement and action to create and sustain alternative service models that work for the local community.

- **The adopted CWB model must be shaped by lived experience.**

It was noted amongst attendees that CWB was not designed by people with experience of poverty and thus the model itself should be carefully analysed to ensure it is fit for purpose and able to alleviate poverty. For example, attendees questioned why the five pillars (ownership, workforce, procurement, land, finance) had been chosen, noting the absence of pillars related to wellbeing, social capital and cultural heritage.

- **We need accountability for all organisations involved to ensure that CWB is implemented meaningfully.**

There were concerns that any gap in accountability could lead to CWB becoming another tick-box exercise, rather than a tool for structural change. Attendees highlighted that there is a need to embed accountability into legislation to ensure CWB happens in a way that actively tackles poverty and disadvantage. This should include transparency from local authorities, anchor organisations and businesses through mechanisms such as audits.

For more information, please contact:

Ruth Boyle, Policy and Campaigns Manager
Ruth.Boyle@povertyalliance.org

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Full Report

July 2023

Introduction

The Scottish Government have committed to the Community Wealth Building (CWB) approach to economic development as a means of achieving their wellbeing economy objectives. The Scottish Government have consulted on CWB legislation, as per the commitment in the Programme for Government 2021/22.

In December 2022, the Poverty Alliance were commissioned to recruit, support and facilitate a citizen's panel of people with experience of poverty to share their views on CWB, and their priorities for action. During the process, the majority of participants moved from having little to no understanding of CWB, to being supportive advocates for the approach. Participants latterly demonstrated a clear understanding that CWB was about economic transformation and system change, and they recognised the potential of this model in tackling poverty and inequality. The Process was developmental for all involved.

We were also commissioned to hold an additional session with community organisations to 'test' the emerging priorities for action.

What we did

12 people with experience of poverty were recruited from across Scotland to take part in discussions to help shape the new CWB legislation. Participants took part in four workshops designed and facilitated by the Poverty Alliance. Participants were supported to share their opinions and their lived experience. The process was primarily focused on how CWB could best address poverty.

In the first session, participants were provided an opportunity to learn about CWB from Scottish Government Officials and to ask questions to deepen their understanding. The following sessions were developed by the Poverty Alliance in an iterative way, prioritising addressing issues that Scottish Government Officials felt were important, but also being responsive to areas of interest that emerged from the group's discussions.

Key discussion areas were:

- The issues of ownership in Scotland as a whole and in local communities.
- How CWB could address these issues.
- What actions can support CWB to make a difference to poverty in Scotland.

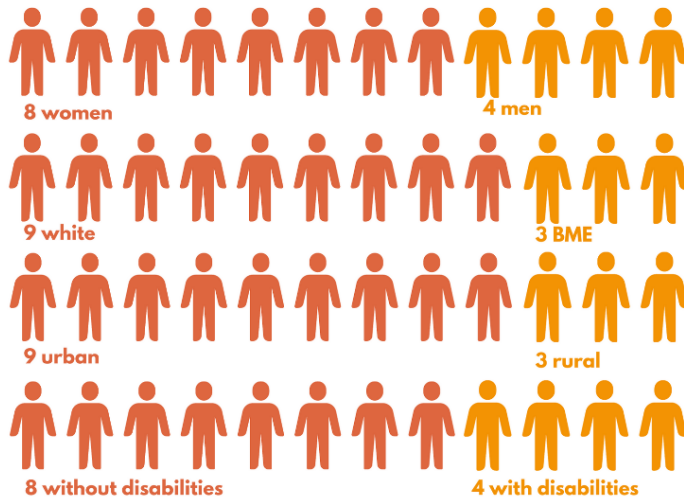
- How Scottish Government and others can talk to ‘real people’ about CWB in a way that makes sense and connects to people’s lives.

Key messages were collated from these discussions. The group discussed, amended, and voted on these key messages. These are the messages which are outlined in the following report. Scottish Government Officials attended all four sessions to observe the discussions and shared information and reflections where appropriate.

We then held a session with community organisations and representatives from the third sector, focused on testing the key messages developed during the citizen’s panel. This session covered the seven key messages, outlined below, and provided an opportunity for organisations to provide feedback and relevant context. Key areas of discussion were:

- Equalities considerations
- Access to resources
- Lived experience of poverty
- Embedding accountability.

Who took part



Community Wealth Building Citizen's Panel



12 participants were recruited and engaged with the process throughout. Participants included eight women and four men; nine were white and three were Black and minority ethnic; nine lived in urban areas and three lived in rural areas; and four identified as disabled.

10 organisations participated in the community organisations session. There was a focus on recruiting representatives from membership organisations to increase the

reach of our engagement. The organisations represented at this session were: Volunteer Scotland; Fife Gingerbread; Community Enterprise in Scotland; Scottish Communities Alliance; Engender; The Ayrshire Community Trust; Ayrshire Rural and Islands Ambition Fund; Scotland's Regeneration Forum (SURF); Scottish Council for Voluntary Organisations and Edinburgh Voluntary Organisations' Council.

Key messages from our citizen's panel

Over the course of the sessions, participants discussed the concept of CWB; the pillars that underpin the concept; the language used to talk about CWB; and how this approach could tackle inequality. Seven key messages emerged from these discussions, focused on how the Scottish Government can ensure CWB tackles poverty and inequality; empowers communities; and promotes positive change in people's lives.

The key messages were:

1. Participants are positive about the idea of CWB and sought reassurance that accompanying resources and support means it will work in practice

- Our economy is not working for everyone. People are initially positive about CWB, seeing it as a way of running our economy differently. The idea of organising our economy in a way that is focused on tackling poverty and inequality was welcomed:
 - *"We need to clearly define Community Wealth Building, we need to learn from community empowerment, but there's a real opportunity here."*
 - *"The political will to change ownership structures is an opportunity."*
 - *"I have very high hopes for Community Wealth Building."*
 - *"When we talk about Community Wealth Building it's about a reimagining of the economy"*
- CWB is about changing the way in which our economy functions and putting people at the heart of economic decision making. People felt that the potential benefits of CWB were broader than just monetary gain, but also allowing people to be more involved in the decisions that impact their local community and having our voices heard.
- Despite this positivity, there were some reservations about how CWB will work in practice and whether it will mean real change:
 - *"How will this be put into practice and not be a tick-box exercise?"*
 - *"How does Community Wealth Building differ from trickle-down economics?"*

- *“It’s a bit of a buzz word right now, I see it on a lot of funding applications, and people tend to mention it ‘willy nilly’ which diminishes what it really is”*
- People are also clear that CWB must tackle, rather than entrench, inequality. This means that CWB can’t be about public bodies stepping back from essential services. Whether CWB tackles inequality will be determined by our CWB model:
 - *“How will Community Wealth Building impact poverty if the jobs created don’t increase wages?”*
 - *“It’s about economy for the community, not just community community community.”*
 - *“It’s not just about wages, it’s about ownership”*
- Over the course of our citizen’s panel, and as understanding of the concept grew, people became increasingly positive and enthusiastic about CWB as they learnt more about how it works in practice.
 - *“We need to know what is and isn’t Community Wealth Building when people say they are doing this.”*
 - *“I actually find this quite exciting.”*
 - *“If it’s approached right and uses the right framework... I can see it working”*
- As highlighted above, the majority of participants moved from having little to no knowledge of CWB to demonstrating understanding that CWB was focused on system change and economic transformation.

2. How we speak about CWB matters

- CWB is a relatively new, and alternative, way of developing our economy to tackle poverty and inequality. It is a mechanism to achieve economic system change, with a focus on ownership, wealth and assets. Perhaps in reflection of the embedded nature of current approaches to our economy, CWB was initially viewed as a complex concept. People noted that when you hear the term, it’s not immediately clear what it means in practice:
 - *“People might switch off ‘this is about wealth, and I don’t have any.’”*
 - *“Important one for me is language, you won’t get communities to engage if it’s not written simply.”*
- People feel that CWB needs to be brought to life via tangible examples and real life case studies. Scottish Government and other public bodies need to make it clear how CWB relates to people’s lives, and how it could improve our lives:

- *“Context is important: some communities will understand some pillars more than others due to what’s around them. We need to show real examples based on what’s in the local area.”*
- People felt that the five pillars are helpful in making the concept more digestible. However, people also cautioned against relying on individual pillars in our definition of CWB, because we can make it too simple and lose the inter-connected nature of the pillars:
 - *“It can be difficult to communicate how they [the pillars] are connected. The pillars can impede communicating the overall message that this is all connected: this is about the economy.”*
- There were discussions about the innovative ways we can use to communicate these ideas and concepts:
 - *“It’s about education at all levels, it’s about people understanding what Community Wealth Building means and how they can play a part in it.”*
- In addition to the message, the messenger is also very important to getting buy-in from communities:
 - *“The messenger is sometimes a barrier- local people introducing these concepts stops it becoming us and them.”*
 - [If a politician] *“is standing up preaching to us about Community Wealth Building, I’m switching off. I’m thinking they know nothing about me, they know nothing about my community, the struggles... it’s not just about the message, but the messenger. Who and how the message is delivered”*
- During our third panel, participants discussed how they would explain CWB to their neighbour. Many participants still faced challenges in explaining CWB in an accessible way. This highlighted that many participants found CWB complicated, perhaps because it is a reflectively new approach which sits outside the current economic orthodoxy.
- We need to develop resources which make the concept more accessible, beginning with removing jargon and simplifying the language around CWB.

3. What do we mean by ‘community’ in CWB?

- CWB is an approach to economic system change, focused on directing more ownership and resources, primarily the fruits of economic production, towards people and communities. While people recognised that this approach went beyond community development models, they

were also keen to understand what was meant by “community”.

- There are multiple definitions of community, and this word means different things to different people. There were discussions about communities being ‘real’ or virtual; and communities existing at various levels of locality E.G. Aberdeen or Seaton; and Edinburgh or Leith.
- We need to have a clear collective understanding about what ‘community’ we are referring to in CWB, including considering how this is reflected in the legislation:
 - *“This is critical to ensuring we don’t widen the gap between the haves and the have nots.”*
 - *“It can’t just be about certain communities within a local area”*
- There is no one-size-fits all definition of community, and this might differ across areas of Scotland. How ‘community’ is defined within the context of CWB can’t only be applicable to urban areas and ignore rural communities.
- People were keen to participate in CWB as they felt it could benefit their community. They believed the funding processes for CWB must encourage collaboration, rather than competition, between different parts of a community. We need a collaborative approach between the public, private and third sectors, and it can’t be about our local authorities passing on responsibility for what is happening in their local area.

4. Our communities need to be involved in the earliest stages of CWB

- People have questions about who in the community (individuals and organisations) will be supported to become involved in CWB, and how they will receive this support.
- CWB processes should engage with people who are often ignored in decision-making processes such as asylum seekers, people on low incomes or social security, homeless people, older people and young people.
- There were some concerns that there would be “gatekeeping” from organisations and Third Sector Interfaces, which would make it challenging for “real people” in the community to get involved:
 - *“Making sure everything isn’t just a tick box. The council have to engage with real folk.”*
 - *“Bottom-up approach and working with communities – working with communities, not for them.”*

- *“It’s about community organisations coming together a little bit more... and genuine partnership working rather than empire building.”*
- *“It’s about finding the right vehicle to take this forward. The only way you can do this is to go right down to grassroots organisations and working back up, because they know the community.”*
- Successful CWB requires public bodies and anchor organisations to know the communities that they are engaging with; to be proactive in being involved in the community; and be approachable.
 - *“They [public bodies and anchor organisations] need to be really proactive in the community and approachable, not having to fight through hoops to be able to contact the relevant parties.”*
 - *“It has to be about meaningful engagement, not tokenistic. The community must be viewed as an equal partner around that Community Wealth Building table.”*
- People living on low incomes are reliant on people in position of power to set up new ways of working. CWB should be about giving preference to communities and the legislation should be giving communities a “leg-up”:
 - *“It’s getting those who have the power to get this started- they have to really know the communities and the people they represent in order to implement it properly. Local people of power, like councillors, MSPs, they’re the one who need to buy into this first to allow us little people into bigger people.”*
 - *“It’s not just about building capacity in the community, but thinking how the system can change to make it work better for communities”*

5. Capacity building for both communities and anchor organisations is critical

- Capacity building on economic development is critical to enabling people in communities and community organisations to take part in CWB. Each community will be at different stages in their understanding of CWB and support needs to recognise and respond to this.
- However, capacity building activities should not be solely focused on communities and the third sector. It’s also important that decision makers have improved capacity and understanding of the needs, preferences and priorities of their community. This is particularly

important as CWB should be focused on anchor organisations giving preference to the type of economy the community wants.

- Capacity building and relationship building therefore needs to be a two-way street:
 - *“Process needs to work for people, not making people work for a process.”*
 - *“Are we checking what skills communities need?”*
 - *“Need to work with the community assets that exist already – go with the grain, rather than creating a whole new thing”*
- People were clear that it cannot just be about one person in a public body, anchor organisation or community organisation learning about CWB, because when/if they move on, you lose that expertise. This was the experience for organisations trying to do community land buy outs when personnel changed.
- People had questions about how the Scottish Government will ensure that communities can access expertise when filling out funding applications or trying to engage in CWB. Where can people go to get assistance and access expertise once this citizen’s panel has ended?
 - *“In every local authority, to really get this off the ground, there has to be a Community Wealth Building team, or at least an engagement officer that can really give one-to-one support to those who want to get involved...It has to have a direct and engaging team that are active in the community and encouraging Community Wealth Building”*
- If Scottish Government only look to improve capacity among communities, rather than decision makers and anchor organisations, the impact of CWB will be limited.

6. CWB legislation can’t also fall victim to the implementation gap

- It was perceived by some participants that pieces of existing legislation that will support CWB, including the Community Empowerment Act and community land buy outs, have not had the transformational impact that was intended.
- For CWB to work, we need to reassess the impact of existing foundational legislation and make sure it works for communities. For example, participants felt we needed to simplify the community buy out processes to maximise the ownership pillar of the CWB:
 - On community benefit agreements: *“there is a lot of tokenism, box-ticking rather than bringing meaningful and genuine wealth*

to a community, sending 500 selection boxes to a community group at Christmas when you've just sustained a quarter of a million pound contract, I'm not sure that benefit is commensurate."

- On community land buyouts: *"There were many barriers that were put in front of us... it got to the stage where we thought 'oh god, we have another meeting about this, do we have to talk about it again?' It just bogged everyone down and it shouldn't have been like that"*
- People appreciate the ambition of CWB and believe in the potential of this approach to tackle poverty and inequality. However, they noted that this requires tangible action to ensure this approach helps to tackle inequality.
 - *"How are you going to keep this wealth in the community, and the second part of that is how will you distribute more fairly? It's the nuts and bolts..."*
- We need to ensure that the legislation is as strong as our ambition. Part of this must be about giving preference to communities in the processes of CWB and preference to the type of economy people want to see:
 - *"Is there some sort of token... that would prioritise these projects for the communities. Simplifying the procedures, yes, but also how we prioritise communities in the system and cut the red tape. Some sort of passport for communities"*
 - *"It is for the anchor organisation to change- not the community."*

7. Legislation needs to be combined with resources if we are to make CWB work for everyone

- People became increasingly optimistic and enthusiastic about CWB over the course of the process. As a result, they urged the Scottish Government to ensure that support and resources were sufficient to match the ambition of CWB.
- Helping communities and community organisations to become more involved in economic development requires them to have access to sustainable support and resources. It also requires economic development professionals to work harder to engage communities:
 - *"There is a lack of adequate funding and pay for roles that support CWB and community ownership; and jobs that support planning; supporting people to apply for funding; and project coordinators."*

- *“It all comes back to funding...”*
- People were clear that the onus to make CWB work can't be on communities themselves. The emphasis must be on people in a position of power to make structures that work for communities.
- Financial support is critical for changing the ownership model (E.G. owner cooperatives and starting businesses). However, it is not yet clear how people on low incomes will get access to the resources to allow them to do this:
 - *“People don't have access to credit to own things, there is a lack of long-term funding to support this”*
- As part of CWB, we need to consider how people in communities access funding; how they are told what funding opportunities are available; and where they can go for support to apply for this funding.
- Without increased access to support and resources, there are concerns that CWB will widen inequalities in Scotland.

Key messages from the community organisations session

Overall, community organisations considered the key messages from the citizen's panel to be strong. Attendees noted that the key messages aligned with many of the concerns held by their organisations. However, they also felt the key messages provided additional detail on these concerns which may not have been considered at organisational level including, for example, de-jargoning the language around CWB. Attendees also noted some additional key messages they believed to be central to the implementation of CWB.

Equalities

- Attendees highlighted that discussion on equalities within policy design is often too-high level, with equalities incorporated as a headline, rather than considering the particular needs of certain groups. Within the context of CWB, and to ensure the approach tackles inequalities, there must be explicit reference to specific seldom heard groups.
- There remains a need to name the economic inequalities that exist in Scotland to ensure this inequality is not entrenched through CWB processes. Without supporting specific groups to get involved, CWB will ultimately become another forum where only those who have the resources and time are able to engage, thus widening inequalities:
 - *“It's not through a lack of want that people aren't able to access wealth and process; they're structurally locked out.”*

Access to resources

- While the key messages from the citizen's panel makes reference to access to resources, some attendees in the community organisations session felt there was a need for more detail.
- In particular, attendees highlighted that CWB cannot work in a system where power is centralised, and there should be action to devolve more power to offset this.
- Attendees also highlighted that widening access to resources may require more than just tweaking existing processes. To-date, there has been no emphasis on supporting community organisations to create alternative service models with lots of different services coming together.
- Attendees gave the example that waste management could be run by local communities in a way that worked for the people that lived there. However, there is a significant lack of support to manage those processes including a lack of financial support; a lack of guidance on how to establish these services; and how to manage staff and services.
- Financial support and advice processes must be tightened up to ensure that local communities are empowered to take part in CWB and implement meaningful changes.

CWB must be built by lived experience

- It was noted amongst attendees that CWB was not designed by people with experience of poverty and thus the model itself should be carefully analysed to ensure it is fit for purpose and able to alleviate poverty.
- For example, attendees questioned why the five pillars of CWB (ownership, workforce, procurement, land, finance) had been chosen; noting the absence of pillars related to wellbeing, social capital and cultural heritage.

Lack of accountability

- In alignment with the participants in the citizen's panel, attendees were positive about the model and want CWB to be successful. However, they also shared the concerns of the citizen's panel that there was a gap in accountability and this could lead to CWB becoming another tick-box exercise, rather than a tool for structural economic change.
- To combat this, attendees highlighted that there is a need to embed accountability into legislation to ensure CWB happens in a way that tackles poverty and disadvantage. For example, there is currently no statutory requirement for anchor organisations to look at who is the most disadvantaged in their community and take action to address poverty for these groups.
- Relatedly, CWB must be delivered locally and with support and investment by local authorities. It was therefore important to attendees that there was transparency from local authorities, anchor organisations and businesses around how they are utilising public money to fund CWB projects.

- Within this theme, attendees recommended the use of audits. Attendees stated that if an organisation is claiming to be taking part in CWB, auditing should take place to ensure new projects are happening rather than organisations taking credit for pre-existing pieces of work. For example, who is being awarded contracts; what was the process; and when did it take place?
- Lastly, attendees believed that CWB should be easily accessible. For example, attendees were clear that CWB must not become bogged down in excessive paperwork and bureaucracy.

For more information, please contact:

Ruth Boyle, Policy and Campaigns Manager
Ruth.Boyle@povertyalliance.org