



Council Offices, Almada Street
Hamilton, ML3 0AA

Friday, 28 January 2022

Dear Member

Community Wealth Building Commission

The Members listed below are requested to attend a meeting of the above Board to be held as follows:-

Date: Monday, 07 February 2022

Time: 10:30

Venue: By Microsoft Teams,

The business to be considered at the meeting is listed overleaf.

Yours sincerely

Cleland Sneddon
Chief Executive

South Lanarkshire Council

Councillor Alex Allison

Councillor John Bradley

Councillor Robert Brown

Councillor Maureen Chalmers

Councillor Margaret Cooper

Councillor Joe Fagan

Councillor John Ross (Chair)

Cleland Sneddon, Chief Executive

Paul Manning, Executive Director (Finance and Corporate Resources)

Soumen Sengupta, Director, Health and Social Care

Heather Knox, Chief Executive, **NHS Lanarkshire**

Andy Aird, **Federation of Small Businesses**

Steven Sweeney, Chief Executive, **VASLan**

Elizabeth O'Reilly, Head of Campus Services, **University of the West of Scotland (UWS)**

BUSINESS

1 Declaration of Interests

- 2 **Minutes of Previous Meeting** 3 - 8
Minutes of the meeting of the Community Wealth Building Commission held on 27 October 2021 submitted for approval as a correct record. (Copy attached)

Item(s) for Consideration

- 3 **Membership of the Community Wealth Building Commission Progress Group** 9 - 12
Report dated 6 January 2022 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 4 **Community Wealth Building - Local Spend** 13 - 16
Report dated 5 January 2022 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 5 **South Lanarkshire Tourism Cooperative and Strategy Update** 17 - 24
Report dated 6 January 2022 by the Head of Planning and Economic Development. (Copy attached)
- 6 **Community Wealth Building Annual Report Proposal** 25 - 28
Report dated 13 January 2022 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 7 **Date of Next Meeting**

Any Other Competent Business

- 8 **Any Other Competent Business**
Any other items of business which the Chair decides are competent.

For further information, please contact:-

Clerk Name:	Susan Somerville
Clerk Telephone:	01698 454197
Clerk Email:	susan.somerville@southlanarkshire.gov.uk

COMMUNITY WEALTH BUILDING COMMISSION

2

Minutes of meeting held via Microsoft Teams on 27 October 2021

Chair:

Councillor John Ross

Present:

South Lanarkshire Council

Councillors Alex Allison, John Bradley, Robert Brown, Maureen Chalmers; C Sneddon, Chief Executive; P Manning, Executive Director (Finance and Corporate Resources)

Federation of Small Businesses

A Aird, Group Chair

University of the West of Scotland

E O'Reilly, Head of Campus Services

VASLan

S Sweeney, Chief Executive Officer

Also Attending:

South Lanarkshire Council

S Dunsmore, Insurance and Risk Manager; C Fergusson, Head of Finance (Transactions); S Keating, Property Development Manager; R Leith, Community, Participation and Development Manager; T Little, Head of Communications and Strategy; G McCann; Head of Administration and Legal Services; N Reid, Improvement and Community Planning Manager; S Somerville, Administration Manager; L Wyllie, Administration Assistant

Apologies:

South Lanarkshire Council

Councillors Margaret Cooper and Joe Fagan; S Sengupta, Director, Health and Social Care

NHS Lanarkshire

H Knox, Chief Executive

1 Introductions

The Chair welcomed everyone to the meeting and appropriate introductions were made.

2 Declaration of Interests

No interests were declared.

3 Minutes of Previous Meeting

The minutes of the meeting of the Community Wealth Building Commission held on 31 August 2021 were submitted for approval as a correct record.

The Commission decided: that the minutes be approved as a correct record.

4 Community Wealth Building - Risk Register

A report dated 30 July 2021 by the Executive Director (Finance and Corporate Resources) was submitted on a draft Community Wealth Building (CWB) risk register and proposed risk monitoring and reporting arrangements.

A detailed action plan had been developed to support the delivery of the aspirations in relation to CWB, as set out in the CWB Strategy. In recognition that CWB might lead to a fundamental shift in the Council's approach across a number of services, it was agreed that a risk register would be developed to accompany the detailed action plan.

Following a consultation with the Council's CWB lead officers, a risk register was established detailing risks which impacted on the 5 pillars noted within the Strategy. The proposed risk register, including the recorded controls and actions, was attached as Appendix 1 to the report. It was highlighted that it would be a live document as CWB work progressed over the forthcoming years and it was proposed that the CWB Group review and update the risk register as required, progress actions and provide an annual risk report to the CWB Commission.

Councillor Brown referred to Strathclyde Pension Fund (SPF) limitations and Town Centre spend issues and requested that those be subject to a report at a future date. In relation to SPF, C Sneddon highlighted that the public sector pension fund belonged to members and that the use of its funds for investment was not a decision for central or local government, however, advised that a request would be submitted to SPF on what their anticipated priorities for investment were.

Councillor Allison referred to the spend profile and considered that the description for review of procurement risk should highlight what the Council was doing to make it easier for SMEs (small and medium enterprises) to be awarded contracts. In response, C Fergusson advised that procurement procedures were subject to Scottish Government regulations/legislation, however, there was some degree of flexibility for lower value awards. P Manning further confirmed that, while the risk register outlined risks and actions to mitigate those risks, not all actions would be in the risk register but within the action plan.

In terms of local spend and how it was measured, C Fergusson confirmed that performance information was contained in the annual procurement performance report.

The Commission decided:

- (1) that the Community Wealth Building Risk Register be approved; and
- (2) that the risk reporting and monitoring arrangements be approved.

E O'Reilly joined the meeting during this item of business

5 Community Wealth Commission Progress Group

A report dated 12 October 2021 by the Executive Director (Finance and Corporate Resources) was submitted on the proposed formation and membership of a Community Wealth Building (CWB) Commission Progress Group.

In order to progress the delivery of action plans which covered the 5 pillars of CWB, it was proposed that a CWB Progress Group, at officer level, be established. This Group would make recommendations to the Commission, as appropriate, on further actions to meet the objectives of the Strategy.

The Terms of Reference of the CWB Progress Group were set out in the appendix to the report.

Offers from S Sweeney and A Aird to act as Chair and Vice Chair respectively of the Progress Group were accepted by the Commission. Further membership nominations from Commission members and Community Planning partners were to be submitted to C Sneddon by 24 November 2021. It was also noted that the Progress Group could co-opt members as appropriate.

The Commission decided:

- (1) that a Community Wealth Building (CWB) Commission Progress Group be established to ensure that the Commission's initial workplan and actions to meet the objectives of the CWB Strategy were progressed and delivered in order to contribute to the priorities of the South Lanarkshire Community Plan;
- (2) that the draft Terms of Reference for the CWB Progress Group, attached as Appendix 1 to the report, be approved;
- (3) that S Sweeney and A Aird be appointed as Chair and Vice Chair respectively of the CWB Progress Group;
- (4) that nominations for the membership of the CWB Progress Group from Commission members and Community Planning partners to be submitted to the Council's Chief Executive by 24 November 2021 to allow him to finalise memberships, with a report being submitted to the next meeting of the Commission for noting.

6 Community Wealth Building Action Plan Quarter 2 Update

A report dated 19 October 2021 by the Executive Director (Finance and Corporate Resources) was submitted providing the Quarter 2 progress update on the Community Wealth Building (CWB) Strategy action plan.

There were 89 actions within the CWB action plan. Of those, 66 were 'Year 1' actions, that is due to be started or progressed in 2021/2022. Progress to date against those 66 actions was shown in the CWB Quarter 2 Performance Report 2021/2022, attached as Appendix 1 to the report.

The report used a traffic light format, as outlined in paragraph 4.3 of the report, with the overall summary of progress to date as follows:-

Status	Measures	
	Number	%
Blue	4	6
Green	58	88
Amber	2	3
Red	0	0
Report later	2	3
Totals	66	100

A Quarter 4 report on the progress of the 2021/2022 actions and measures would be brought to a future meeting of the Commission.

In response to comments in terms of providing more detailed analysis, P Manning confirmed that this was a high level, dashboard report and more content was provided in the Strategy in terms of the 5 pillars and associated actions. He further advised that most of the areas would form the basis of a separate progress report which would provide more detailed information.

C Sneddon advised that there had been a presentation from Grant Thornton to the Glasgow City Region Cabinet in respect of retrofit improvements/investments to existing properties which was the biggest scale change programme, involving 880,000 residential properties. He intimated that the outcome of COP was likely to inform Government priorities. This might lead to retraining opportunities and perhaps re-establishing manufacturing opportunities, as well as within the renewable sector. He confirmed the Council's Corporate Management Team was undertaking some work in relation to this.

Further to Councillor Brown's comments in terms of potential opportunities for community control of windfarms, A Aird referred to Banks Renewables and advised that Fintry had devolved control of their one single turbine to develop community facilities by setting up a Trust locally. He referred to the land and property element of the performance report and asked why no particular assets were to be marketed to communities. The Chair undertook to establish the reason behind that particular comment. In general terms, C Sneddon confirmed that the Council did support community asset transfer, via sales or leases, and there had been 3 applications approved by Committee this financial year, with a further 3 being recommended for approval that would be considered by the Council's Housing and Technical Resources Committee on 8 December. A further 2 formal applications were currently being considered and there were approximately 10 other enquiries at various stages. He advised that it was a statutory process and not all would succeed, however, many would be supported by lease agreements.

The Commission decided: that the Quarter 2 progress update on the Community Wealth Building Strategy action plan be noted.

7 Community Wealth Building - Quick Quotes

A report dated 8 October 2021 by the Executive Director (Finance and Corporate Resources) was submitted on changes to the Council's Quick Quote procurement arrangements and outlining the potential benefits for Community Wealth Building (CWB).

The Council's Standing Orders on Contracts set out the requirements for tendering and contract award covering areas such as advertising and reporting, authorisation and use of various procurement routes. Quick Quote was a simplified quotation process used by the Council for procuring works, supplies and services up to a value of £50,000.

Amendments to the Council's Standing Orders on Contracts for Quick Quotes had been approved by the Council at its meeting on 22 September 2021. The changes focused on increasing the current limit for procuring works contracts using the Quick Quote process from £50,000 to £2 million to allow for simplified procurement exercises and to give greater scope to award higher value contracts locally. A change was also agreed to increase the requirement to seek quotes from local small and medium sized enterprises (SMEs) to 4 out of 5 potential bidders (previously it had been 2 out of 5) for all Quick Quotes, including works to £2 million and goods and services to £50,000.

It was considered that the increased threshold for procuring work contracts would allow for a greater number of works contracts to be put to the market in a shorter period, with a quicker turnaround for subsequent evaluation and award. This approach should enable higher value tender opportunities to be available to South Lanarkshire businesses, where available. The increase in the minimum number of quotes from local SMEs should also allow more local companies to be invited to bid for contracts with the Council.

The Council's Economic Development Service, supported by the Supplier Development Programme, was working with local SMEs, and particularly the construction sector, to increase awareness of contract opportunities and capacity. This included issuing a questionnaire to South Lanarkshire construction companies to help shape the support that could be provided to the sector to increase participation in tendering opportunities. In addition, the 'Meet the Real Buyer' event, scheduled for 30 November 2021, would provide an opportunity to promote future construction contracts and the changes to the Quick Quote process.

The Commission decided: that the changes made to the Council's Quick Quote process and the anticipated benefits for Community Wealth Building be noted.

8 Social Enterprise Sector Support in South Lanarkshire

A report dated 12 October 2021 by the Executive Director (Community and Enterprise Resources) was submitted providing an update on the proposed support for the social enterprise sector following the allocation of resources under the 'Get South Lanarkshire Working' theme in the 2021/2022 Revenue Budget.

As part of the Council's 2021/2022 Revenue Budget, it was agreed that £3 million be put towards economic recovery under the umbrella heading 'Get South Lanarkshire Working'. High level ambitions for investment were broken down into the following 3 headings:-

- ◆ Social Enterprise and Business Support
- ◆ Locate in South Lanarkshire
- ◆ Tourism Co-operative and Strategy

The report focused on the Social Enterprise and Business Support element.

It was proposed that funding of up to £1.5 million be used to support social enterprises to ensure they were receiving targeted assistance to start up and grow. This would supplement the Council's business programme. To support this sector, it was planned to augment the Economic Development Team with an additional economic development adviser whose remit would be to support social enterprises. The postholder would promote the social enterprise business model and would take the lead on developing a social enterprise strategy and action plan for South Lanarkshire which would link the sector with the range of support available not only from the Council directly but also from Business Gateway and other business support organisations and social enterprise networks.

The funding would also be used to:-

- ◆ support targeted training programmes for the social enterprise sector
- ◆ deliver and facilitate networking events
- ◆ produce, consult on and monitor a Social Enterprise Strategy
- ◆ provide a match-funding pot for funding bids aimed at supporting third sector activity
- ◆ establish a Social Enterprise Steering Group
- ◆ expand capacity of social enterprises to bid for public sector contracts
- ◆ maximise community benefits
- ◆ repurpose neglected town centre assets

This new approach would enable the Council to strengthen its participation in the Lanarkshire Social Economy Partnership.

In response to Councillor Allison's question in respect of progress with the Tourism Co-operative Strategy, C Sneddon advised that officers from the Council's Community and Enterprise Resources had engaged with businesses involved in tourism over the summer period and would run focused engagement with those businesses between November and January to gauge interest. He undertook to bring a report to the meeting of the Commission based on the briefing note officers had produced on the subject.

A Aird referred to the Lanarkshire Business Partnership, which involved New College Lanarkshire, Federation of Small Businesses, Business Gateway, North Lanarkshire Council and the Business Chamber, and advised that a meeting was being held the following day where an expert on employment was doing a talk on hybrid working and retraining staff. He advised that the Partnership met on a quarterly basis and would assist should South Lanarkshire Council wish to be involved. S Keating advised that he would attend the event.

The Commission decided: that the report be noted.

9 Date of Next Meeting

It was agreed that the next meeting of the Commission be held on Monday 7 February 2022 at 10.30am.

10 Any Other Competent Business

There were no other items of competent business.

Report

3

Report to:	Community Wealth Building Commission
Date of Meeting:	7 February 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Membership of the Community Wealth Building Commission Progress Group
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the membership of the Community Wealth Building (CWB) Commission Progress Group.

2. Recommendation(s)

2.1. The Commission is asked to approve the following recommendation(s):-

- (1) that the membership of the CWB Commission Progress Group, as detailed in Appendix 1 of this report, be noted.

3. Background

- 3.1. At its meeting on 27 October 2021, the Commission agreed to the establishment of a progress group to ensure the Commission's initial workplan and actions, to meet the objectives of the CWB Strategy, were progressed and delivered in order to contribute to the priorities of the South Lanarkshire Community Plan.
- 3.2. The Terms of Reference of the CWB Commission Progress Group were approved by the Commission at the same meeting.
- 3.3. It was agreed that S Sweeney and A Aird be appointed as Chair and Vice Chair respectively of the CWB Commission Progress Group and partners were invited to submit nominations to the Council's Chief Executive. Finalised membership details are provided in Appendix 1 to the report. It should be noted, however, that the membership will be flexible to allow others to attend, as required, depending on the topics/areas of work to be progressed.

4. Employee Implications

4.1. There are no direct employee implications.

5. Financial Implications

5.1. There are no direct financial implications.

6. Climate Change, Sustainability and Environmental Implications

6.1. There are no climate change implications in terms of the information contained in this report.

7. Other Implications

7.1. None at this stage.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. There was no requirement for an Equality Impact Assessment in terms of the information contained in this report.
- 8.2. Consultation on the development of the CWB approach will be integrated with planned consultation and engagement activities through 2022 and beyond.

Paul Manning
Executive Director Finance and Corporate Resources)

6 January 2022

Link(s) to Council Values/Ambitions/Objectives

- ◆ Ensure communities are safe, strong and sustainable.
- ◆ Promote sustainable and inclusive economic growth and tackle disadvantage.

Previous References

Community Wealth Building Commission of 27 October 2021

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Geraldine McCann, Head of Administration and Legal Services Ext: 4658 (Tel: 01698 454658)

Email: geraldine.mccann@southlanarkshire.gov.uk

Membership of Community Wealth Building Commission Progress Group

Steven Sweeney, VASLan (Chair)
Andy Aird, Federation of Small Businesses (Vice Chair)
Stephen Balfour, Project Officer, South Lanarkshire Council (SLC)
Tom Barbour, Director of Thermal Image UK and Chair of Climate Action Strathaven
Tracy Blake, Team Leader, SLC
Helen Calley, Administration Officer, SLC
Nicola Docherty, Administration Assistant, SLC
Charlie Duffin, VASLan
Bill Duncan, Business Gateway (Elevator Local Manager)
Craig Fergusson, Head of Finance (Transactions), SLC
Stephen Keating, Property Development Manager, SLC
Rhonda Leith, Community Engagement Manager, SLC
Gillian Lindsay, Health Improvement Lead, Health and Social Care Partnership
Tom Little, Head of Communications and Strategy, SLC
John McCafferty, Development Officer, SLC
Geraldine McCann, Head of Administration and Legal Services, SLC
Niall McShannon, Third Sector Chief Officers Group
Kay McVeigh, Head of Personnel Services, SLC
Jonathan Read, Strategy Co-ordinator, SLC
Neil Reid, Research and Improvement Manager, SLC
Elspeth Russell, Head of Improvement, NHS Lanarkshire
Susan Somerville, Administration Manager, SLC
Jackie Taylor, Head of Finance (Strategy), SLC
Michelle Wilkie, Performance and Policy Development Manager, SLC

Report

4

Report to: **Community Wealth Building Commission**
 Date of Meeting: **7 February 2022**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Community Wealth Building – Local Spend**

1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ Update the Community Wealth Building Commission on the Council's current position on local spend to support the Community Wealth Building strategy.

2. Recommendation(s)

2.1. The Community Wealth Building Commission is asked to approve the following recommendations: -

- (1) note the analysis of local spend and the wider context to interpret spend outlined in the report; and
- (2) note the next steps to progress further understanding of the factors that influence the level of local spend and the identification of further opportunities for local spend.

3. Background

3.1. Five pillars support the delivery of the Community Wealth Building Strategy with the spend pillar focussing on how more can be spent locally to support wealth creation and employment.

3.2. The Council is currently monitored on local spend performance through the Local Government Benchmarking Framework although a wider contextual analysis of the Council's spend profile can inform the impact of the Community Wealth Building Strategy.

4. Definition of local spend

4.1. The Local Government Benchmarking Framework (LGBF) reports annually on the measure of local spend through the Economic Development indicator "What proportion of my council's procurement is spend on local enterprises". The Council's total annual "core" spend on trade works, goods and services, was £346.5m in 2020/2021, of which £58.6m (17%) was spent with enterprises registered with a South Lanarkshire Council address. This measure is not limited to Small and Medium Enterprises (SMEs) but all enterprises, including large companies, registered in South Lanarkshire.

4.2. The Council's performance in recent years, compared to the average position across Scotland is summarised below.

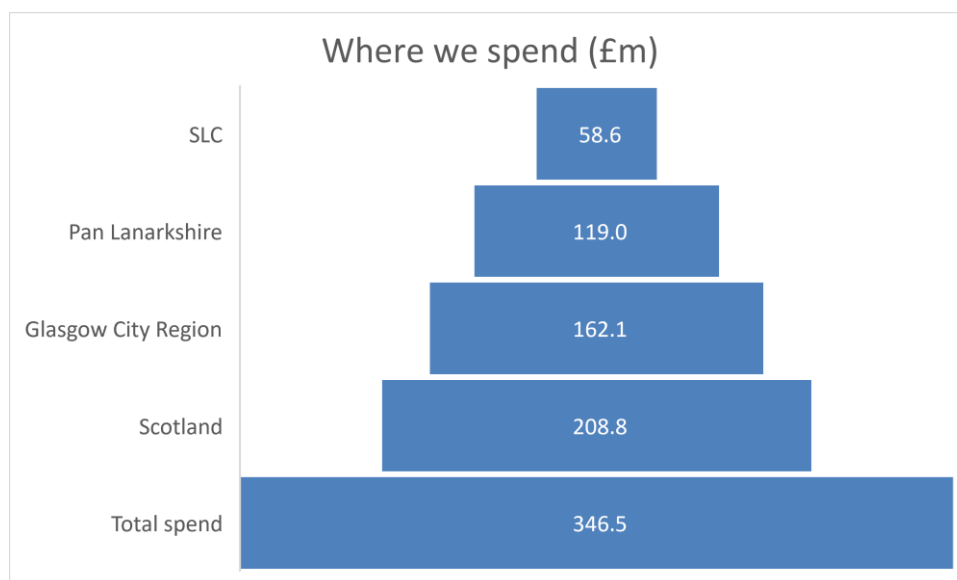
Year	SLC performance	Scottish average
2016/2017	13.3%	26.5%
2017/2018	15.5%	27.4%

2018/2019	18.1%	28.7%
2019/2020	18.0%	28.5%
2020/2021	17.0%	Not yet reported

- 4.3. 2019/2020 performance for this measure, which is the most recent year reported to date, ranges from 47.3% for Highland Council (who source many goods and services locally due to geographical constraints) to 8.2% in West Dunbartonshire. North Lanarkshire Council's local spend performance was 28.3%, in line with the Scottish average.

5. Geographical spend analysis

- 5.1 The Council has analysed 2020/2021 expenditure and the following diagram indicates the geographical profile of our core trade expenditure within South Lanarkshire, across Lanarkshire as a whole, Glasgow City Region and Scotland.
- 5.2. Spend with Lanarkshire enterprises totals £119m, representing 34% of spend. Spend in North Lanarkshire in 2020/2021 totalled £60m, £2m more than spend in South Lanarkshire due to several key suppliers being based in North Lanarkshire. 47% of spend was with companies within the Glasgow City Region and 60% retained in Scotland.



- 5.3. The Community Wealth Building Strategy sets out the commitment to increase local spend and this will prioritise the identification of opportunities to increase the level of spend within the South Lanarkshire boundary. However, council spend can also bring significant benefits to other local economies. The same can also be said of other councils who spend with South Lanarkshire based companies. It is therefore important to recognise inter authority spend is a necessary and valuable economic activity.
- 5.4. Future reporting on spend will include detail on the levels outwith South Lanarkshire. This will ensure changes in spend levels are tracked over time. Residents of South Lanarkshire will be employees of businesses in neighbouring authorities and therefore spend within the City Region will contribute indirectly to job retention and ultimately community wealth outcomes in South Lanarkshire.

6. Wider analysis of spend

- 6.1. The limited definition of local spend in the performance measure means that the following aspects of council spend are not categorised as local, although there are quantifiable economic benefits.
- 6.2. For the purposes of local spend, only companies registered within South Lanarkshire are included as local spend and this will not include companies who have a production or service base in South Lanarkshire but who are registered or owned elsewhere. Spend with these organisations is not included in the measure of local spend although this expenditure is supporting local economic activity and creating local employment opportunities. Examples include:
- Residential Care Homes: annual spend on care homes within the council boundary is £40m, although only £22.8m (57%) of this spend is qualified as local due to the registration address of the owning companies. Given that approximately 80% of our spend with social care providers relates to employee costs, this spend supports a significant investment in local employment (at Real Living Wage level)
 - The Council's PPE contract with Bunzl Greenham (annual spend £2m) is serviced from the company base in Uddingston but the company are registered in England: this spend is not defined as local.
 - The Council's milk contract with Muller (annual spend £0.2m) is serviced from the company base in East Kilbride but Muller are registered in West Lothian: this spend is not defined as local.
- 6.3. The Council's spend with Scotland Excel frameworks in 2020/2021 totalled £35.4m, of which £4.9m (14%) was spent locally. However, spend across all organisations accessing Scotland Excel frameworks with South Lanarkshire based suppliers totalled £40m, a significant contribution to the South Lanarkshire economy resulting from collaborative procurement.
- 6.4. In 2020/2021, the Council spent £20.8m on construction projects through Hub South West, the Scottish Futures Trust construction alliance. Hub South West are registered in North Lanarkshire, so this spend does not qualify as local: however, £8.4m (40%) of our spend with Hub was sub-contracted to South Lanarkshire based contractors. Sub-contracted spend is not included in local spend analysis.
- 6.5. Finally, it should be noted that there are several commodities where there is very limited scope to source goods or services from South Lanarkshire enterprises, including financing and leasing contracts (annual spend £40m), much of our Information Technology spend (£20m) and Utility contracts (annual spend £9.3m).

7. Economic Backdrop

- 7.1. Procurement practices and engagement with local businesses can influence local spend levels and a wide range of actions have already been identified, and are being progressed, in the Spend pillar action plan to deliver improvements in these areas. However, the level of local spend is determined to a large extent by the availability of local businesses capable of meeting the procurement requirements of council services and those willing to participate in tendering opportunities.
- 7.2. From the analysis done to date, there are more businesses within North Lanarkshire that can secure high value contracts tendered by the council such as Wills Brothers and Hub SW. Both companies have benefitted from significant capital investment projects tendered by the council.

8. Next Steps

8.1. Set out below are the further actions that will be taken to progress further understanding of the factors that influence the level of local spend and the identification of further opportunities for local spend:

- Analysis of the mix of South Lanarkshire businesses and how it compares to those in North Lanarkshire.
- Further analysis of council spend across the 5 levels comprising:
 - SLC
 - Pan-Lanarkshire
 - Glasgow City Region
 - Scotland
 - Outwith Scotland
- Analysis of the spend leakage report provided by Grow Local (a Scottish Government reporting tool). This details the areas where spend takes place outwith South Lanarkshire, highlights the availability of potential suppliers in South Lanarkshire and therefore where opportunities may exist to increase local spend with these businesses.
- Put in place the appropriate arrangements to be able quantify the level of sub-contracting spend with South Lanarkshire businesses.

8.2. An update report on progress with the above actions will be provided to a future meeting of the Commission.

9. Employee Implications

9.1. There are no employee implications arising from the recommendations of this report.

10. Financial Implications

10.1. There are no financial implications arising from the recommendations of this report.

11. Climate Change, Sustainability and Environmental Implications

11.1. An increase in local procurement should support the Council's sustainability aims.

12. Other Implications

12.1. There are no other implications arising from the recommendations of this report.

13. Equality Impact Assessment and Consultation Arrangements

13.1. There are no Equality Impact Assessment or consultation arrangement implications associated with this report.

Paul Manning

Executive Director (Finance and Corporate Resources)
South Lanarkshire Council

5 January 2021

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Craig Fergusson, Head of Finance (Transactions)

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E-mail: craig.fergusson@southlanarkshire.gov.uk

Report

5

Report to:	Community Wealth Building Commission
Date of Meeting:	February 2022
Report by:	Head of Planning and Economic Development

Subject:	South Lanarkshire Tourism Cooperative and Strategy Update
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1. Purpose of Report

1.1 The purpose of the report is to:

- Provide an update on work undertaken to facilitate a wide-ranging consultation on the potential development of a South Lanarkshire tourism membership organisation and to create a new tourism strategy following the allocation of additional resources under the “Get South Lanarkshire Working” theme in the 2021/22 Revenue Budget.

2. Recommendation(s)

2.1 The Commission is asked to approve the following recommendation(s):-

(1) that the contents of the report be noted:

3. Background

- 3.1 As part of the 2021/2022 Revenue Budget, members approved a sum of £3 million towards economic recovery under the heading “Get South Lanarkshire Working”. Members’ high-level ambitions for the £3 million were broken down into three headings – “Social Enterprise and Business Support”, “Locate in South Lanarkshire” and “Tourism Cooperative and Strategy”.
- 3.2 Members are very keen to support and nurture growth in the Tourism sector, taking advantage of South Lanarkshire’s natural environment, heritage, and culture, not only to attract tourists from Scotland/UK and abroad but also to encourage local people to spend their recreational time and money closer to home. £0.5m of the funding was allocated to the potential creation of a Tourism Cooperative and development of a South Lanarkshire Tourism Strategy.
- 3.4 One of the principal themes of the first-ever Lanarkshire Tourism Action Plan, launched in 2005, was to develop a tourism network structure in Lanarkshire. The Lanarkshire Area Tourism Partnership was created to oversee the action plan and agree strategic ambitions.
- 3.4 Two independent associations were also created – the Lanarkshire Visitor Attractions Association and the Lanarkshire Accommodation Association. To obtain better synergies and organisation efficiencies these groups were later merged to create the Lanarkshire Tourism Association (LTA). Interest and membership in the LTA tailed off in recent years and when the longstanding chair stepped down in 2020, the LTA struggled to find volunteers who were willing to become office bearers and the decision was made by its members to wind down the group. Consequently, there is currently

no active tourism membership group that represents the South Lanarkshire tourism sector as a whole.

- 3.5 It was proposed the allocated funding would be used to recruit two members of staff, with the remainder of the £0.5m funding, after staff costs, to be spent on technical support and advice needed to set up a new body as well as promoting and marketing it to the industry to maximise numbers of local tourism businesses signing up.

4. Tourism's role in Community Wealth Building

Tourism offers an opportunity to contribute towards Community Wealth Building (CWB) ambitions. Tourism is a key employer in the region and pre-COVID (2019-20) was responsible for employing 3,013 full-time equivalent (FTE) jobs (Scottish Tourism Economic Activity Monitor STEAM). The re-purposing of land and property to create new tourism assets not only offers the potential to create new attractions to entice visitors to visit the region to spend money, but it can also create facilities that local communities can use and benefit from and can make facilities more viable than if they were just relying on local custom, protecting, and enhancing jobs and communities.

5. Business engagement and other work undertaken to inform the tourism cooperative and strategy work

- 5.1. The additional funding was announced in February 2021. South Lanarkshire tourism businesses were issued with a survey in May 2021 to gather information and their views on current challenges, opportunities and their priorities for the sector moving forward.
- 5.2. Informal discussions with individual businesses have informed our strategic approach. Economic Development officers are in frequent dialogue with businesses regarding a wide variety of topics – planning applications, grant applications, COVID support etc., and this has provided officers with an opportunity to gather from businesses their views on opportunities and challenges for promoting tourism in South Lanarkshire and their views regarding whether they would like to see a new tourism membership body set up in South Lanarkshire.
- 5.3. An example of this approach includes engagement with the Clydesdale Tourism Group. Officers have attended meetings to advise on support for the sector and where local businesses and stakeholders have expressed their views and have provided feedback. Officers have strived to reflect the needs and aspirations of the group within the draft tourism strategy.
- 5.4. The council's Economic Development team often receive feedback and comments from residents and visitors about a wide variety of tourism issues. This feedback has informed and been reflected in the draft tourism strategy.
- 5.5. Discussions with the former Chair of the Lanarkshire Area Tourism Partnership and Lanarkshire Tourism Association (LTA) and former members of both organisations have taken place to learn lessons from the past.
- 5.6. The Scottish Tourism Emergency Response Group (STERG) was created in March 2020 to respond to the COVID-19 crisis and their work has included wide ranging industry surveys and engagement across the Scottish tourism sector. STERG data and intelligence has been considered to inform a strategic approach.

- 5.7 Officers have had discussions with a wide variety of external organisations to inform work regarding the potential development of a tourism membership organisation in South Lanarkshire. Individual discussions have taken place with South of Scotland Destination Alliance, Ayrshire and Arran Destination Alliance, Argyll and the Isles Tourism Cooperative, Visit Inverness, Loch Ness Improvement District, Breadablane Tourism Cooperative, Cooperative Scotland, the Scottish Tourism Alliance, and Scottish Enterprise.

6 Destination Management Organisation Model Options including Tourism Cooperatives

- 6.1 There are scores of tourism destination management organisations (DMOs) in existence in Scotland. Some DMOs are structured as cooperatives but other operating models exist. Since the announcement of additional funding, council officers have undertaken extensive research to gather intelligence on DMO model options.
- 6.2 From the research undertaken and feedback received to date, the potential benefits of establishing a South Lanarkshire DMO have been identified as follows:
- A new DMO would be self-governing, give tourism businesses a voice and allow them to shape tourism activity.
 - A new DMO could help facilitate improved communication amongst key stakeholders in the South Lanarkshire tourism sector.
 - Creating an independent/arms-length body, separate from the council, could make a new group more appealing to businesses.
 - If an arms-length organisation is created the group may be able to access funding opportunities and, in turn, deliver more projects.
 - Despite the recent experience of the Lanarkshire Tourism Association no longer operating, this does not mean that the creation of a new organisation, which is properly resourced and facilitated, could not be successful, however, industry buy-in and their continued active commitment is crucial to sustaining a functioning representative organisation.
 - Recruitment of new staff will provide additional resource to establish relationships with the tourism sector.
- 6.3 The potential risks of establishing a South Lanarkshire DMO are:
- There does not appear to be clear evidence that the creation of a new organisation is seen as a priority by South Lanarkshire tourism businesses. This is based upon recent experience leading to the winding up of the Lanarkshire Tourism Association and discussions with tourism businesses indicating that their focus and attention would be better directed internally within their own business rather on supporting a new tourism organisation.
 - A South Lanarkshire only DMO, as opposed to a Lanarkshire-wide organisation, may find it difficult to achieve a 'critical mass' of tourism businesses. Recent DMOs – the South of Scotland Destination Alliance and the Ayrshire and Arran Destination Alliance, cover far larger geographical areas.
 - Considerable work will need to take place to build commitment, support and shape the new organisation – most DMOs take, on average, at least two-years to set-up and become fully operational so there will be limited outcomes for the first 12-24 months.
 - Participants will need to be convinced that if they invest time in the cooperative that it will be worthwhile. We would need to identify a strong offering that attracts members, why should they give up their time to join any new body? Any new organisation will need to have direct access to a budget to develop projects.

- No existing DMOs in Scotland are self-financing. Membership fees are typically supplemented by council and other public support, so the council may need to expect to provide additional funding indefinitely.

6.4 Should the decision be made to establish a new membership organisation research would indicate that there are three DMO models which may work in South Lanarkshire which are:

- Option One: Setting up a tourism cooperative.
- Option Two: Establishing a tourism improvement district.
- Option Three: Establishing a not-for-profit tourism membership company limited by guarantee.

6.5 There are specific pros and cons associated with each of the different delivery models.

6.6 Tourism cooperatives

There are only a few tourism cooperatives operating in Scotland with the largest being the Argyll, the Isles and Tourism Cooperative Ltd (AITC).

Pros of the tourism cooperative model

- The term cooperative is associated with a shared ownership model and therefore aligns well with the council's Community Wealth Building aspirations.
- The AITC model has worked well in Argyll where it brought together 11 existing area marketing groups under an umbrella organisation – the AITC. This has given the region's tourism sector a more unified approach and a bigger impact than would have been possible had all the groups remained disconnected. The approach has enabled the group to access external funding and deliver some high-profile marketing campaigns.

Cons of the tourism cooperative model

- New DMOs are now tending to adopt the improvement district model or set-up a not-for-profit company limited by guarantee. Feedback indicates that these models are less complex to set-up than the tourism cooperative model.
- The cooperative model, typically, is not widely understood by tourism businesses. This will need to be factored into any communications plan should the decision be made to proceed with setting one up in South Lanarkshire.

6.7 Tourism Improvement Districts

Formerly known as Business Improvement Districts (BIDs), there are approximately 40 Improvement Districts currently working in cities and towns right across Scotland with more in development. The Loch Ness and Inverness Tourism BID, Visit Moray Speyside BID and Go Tweed Valley BID are all tourism-specific BIDs.

Pros of the improvement district model

- Setting up a tourism improvement district requires a commitment for five years and therefore would provide guaranteed support for five-years which the new organisation may need to become properly established.
- There is experience in South Lanarkshire in setting-up successful BIDs.

Cons of the improvement district model

- Writing a five-year business plan could be challenging in the current environment when flexibility may be required to adapt to changing market conditions.
- The existence of the Hamilton and Lanark town centre BIDs could complicate matters, with businesses perhaps perceiving/fearing duplication of service and increased financial contributions to two separate organisations. This could

potentially make it more difficult to gather support for a South Lanarkshire area wide Tourism Improvement District.

6.8 Not-For-Profit Companies Limited by Guarantee

Several DMOS have been established as limited companies, these include VisitArran, Edinburgh Tourism Action Group (ETAG), the South of Scotland Destination Alliance (SSDA), and the recently established Ayrshire and Arran Destination Alliance (AADA).

Pros of setting-up a tourism membership organisation as a not-for-profit company limited by guarantee

- This model has been adopted by two of the most recent, high-profile DMOs. It may be possible to tap into learning from recent developments in the South of Scotland and Ayrshire.
- Feedback from those that have chosen this model have indicated that it is less bureaucratic to set-up compared to other models.

Cons of setting-up a tourism membership organisation as a not-for-profit company limited by guarantee

- The South of Scotland and Ayrshire examples are very different from the South Lanarkshire situation. The SSDA came about because of wider economic activity taking place in the South of Scotland, principally the South of Scotland Enterprise Agency, and merged two relatively strong existing DMOs - Scottish Borders Tourism Partnership and Visit South West Scotland. Whereas the AADA is very much being driven by the private sector.
- Feedback suggests that it will take time to build the trust for industry representatives to sign up as directors for a new limited company.

7. South Lanarkshire Tourism Strategy Development

7.1 Previous tourism strategies have been pan-Lanarkshire strategies, this therefore will be first-ever South Lanarkshire area specific tourism strategy.

7.2 Work has taken place to review best-practice from round Scotland, gather evidence of the current challenges the sector is facing and to identify potential current and future opportunities. A draft strategy has been prepared with input from key partners such as VisitScotland and Skills Development Scotland which has identified six priority areas which are:

- People
- Place
- Business
- Marketing
- Responsible tourism
- Partnership Working and the possible creation of a new South Lanarkshire DMO.

7.3 In addition to inviting Council departments to contribute actions that will positively impact the South Lanarkshire visitor economy, strategic partners such as VisitScotland, Skills Development Scotland and local further education establishments have also been invited to feed in related activity they will be leading on. These have been included in the draft strategy. It is common practice that tourism action plans are 'live' documents that are regularly updated and should evolve over the lifetime of the strategy.

8. Next steps

- 8.1 Officers have partnered with VisitScotland to hold an industry event on Tuesday 1st February 2022. Other partners represented will include the Scottish Tourism Alliance while Elevator will provide details on the Business Gateway service and on a new South Lanarkshire Tourism Leadership programme. Officers will introduce the main themes in the tourism strategy, invite feedback and comments on the strategy and try to stimulate thinking and debate regarding industry's views on the opportunity to create a new DMO in South Lanarkshire. Feedback will be gathered during breakout sessions.
- 8.2 The draft tourism strategy is open for consultation and is live on the council's website. The webpage also contains a survey inviting feedback on a draft strategy and asking industry their views on whether they wish to proceed with creating a new tourism organisation for the area, their preferred operating model, what a new organisation should do and what role would they be willing to fulfil in any new structure. The survey also asks respondents that if they do not see the creation of a membership organisation to be a priority at this time how would they like the council to support the tourism sector with available resources?
- 8.3 The consultation period will close on the 22 February after which time the survey responses and feedback from the tourism symposium event will be collated, analysed and a draft tourism strategy updated.
- 8.4 It is proposed a draft strategy would subsequently be reported to committee for Council endorsement early in the new administration, perhaps in June 2022.

9. Employee Implications

Funding has been allocated towards recruiting 2 new officers. Recruitment plans will be finalised once a decision has been made whether we should create a new South Lanarkshire Council DMO and a preferred model type has been determined.

10. Financial Implications

- 10.1 The budget available for the tourism sector support is £0.5million.

11. Other Implications

- 11.1 None.

Pauline Elliott

**Head of Planning and Economic Development
(Community and Enterprise Resources)**

6 January 2022

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact: -

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Report

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Report to:	Community Wealth Building Commission
Date of Meeting:	7 February 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Community Wealth Building Annual Report Proposal
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Present a proposal for an annual report on the progress of Community Wealth Building in South Lanarkshire.

2. Recommendation(s)

2.1. The Commission is asked to approve the following recommendation(s):-

- (1) that work commence on an annual report as set out in section 4; and
- (2) that a draft annual report be brought to the Commission in early summer 2022 for approval.

3. Background

- 3.1. The council approved a Community Wealth Building Strategy on 10 March 2021. Subsequently, the Community Wealth Building Commission was set up to engage a wide range of partners and stakeholders in the CWB agenda.
- 3.2. In August 2021 the Commission approved an action plan for delivery of the CWB strategy. The action plan contained a range of actions over a three- to five-year timeframe setting out how the aspirations of the strategy could be progressed for each of the 5 pillars of CWB.
- 3.3. This report presents a proposal for an annual report to highlight progress over the first year of the strategy, showcase examples of significant work under the 5 pillars, and further explain the importance of CWB and why the council and partners believe CWB is an important way of working in South Lanarkshire.

4. Annual Report Proposal

- 4.1. The Commission agreed in August 2021 to monitor the CWB action plan through progress reports at Q2 and Q4, covering the periods April to September and April to March respectively. The Q2 report was presented to the Commission in October 2021.
- 4.2. While the performance reports provide an update on the progress of the action plan, there is scope to reach a wider audience – and to enhance communications around the CWB agenda – by presenting progress in a more accessible format. An annual report offers the opportunity to take stock of what has been achieved in the first year of the strategy and to restate the aspirations of the council and partners to champion CWB across all aspects of service planning and delivery.

- 4.3. The annual report would not replace the formal reporting of Q2 and Q4 progress, but would be a more public-facing and accessible presentation of information, using graphics, case studies and design elements to convey key messages. The report would cover the period April 2021 to the end of March 2022. Branding developed for the CWB strategy would be applied to the final document and a communications plan developed to ensure the report is widely disseminated to appropriate audiences.
- 4.4. This following table offers a suggestion as to the structure and content of the annual report

Contents	What this will contain
Introduction	Written by the Chair of the CWB Commission, this will look back over the year and note key milestones as well as point to the continuing work of the Commission going forward
What is CWB	What is CWB and why are we doing it. This would revisit the background to CWB within the CWB strategy and update as appropriate.
Progress	This section of the annual report would take each pillar in turn and: <ul style="list-style-type: none"> • review the objectives and high level actions • highlight progress • provide case studies to illustrate the work of the council and partners under this pillar • indicate the key next steps
What next	This section will look at what next for CWB in South Lanarkshire
How to find out more/get involved	This will provide information on where to find out more about CWB and options for getting involved locally

- 4.5. If the Commission agrees to this proposal, the CWB Progress Group will begin work on the annual report with a view to drafting the document by May 2022. The draft annual report would be brought to the next meeting of the Commission for approval.

5. Employee Implications

- 5.1. There are no direct employee implications.

6. Financial Implications

- 6.1. There are no direct financial implications.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no climate change implications as a result of this report.

8. Other Implications

- 8.1. None.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

Paul Manning
Executive Director (Finance and Corporate Resources)

13 January 2022

Link(s) to Council Objectives/Values/Ambitions

- Achieve results through leadership, good governance and organisational effectiveness

Previous References

- None

List of Background Papers

- None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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