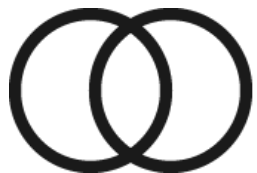


# Introduction to community wealth building

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Frances Jones & Victoria Bettany



**CLES**

progressive economics  
for people and place



@CLEStinkdo



# About us



**We are a think and do tank.**

**Through our work we aim to achieve social justice, good local economies and effective public services for everyone everywhere.**



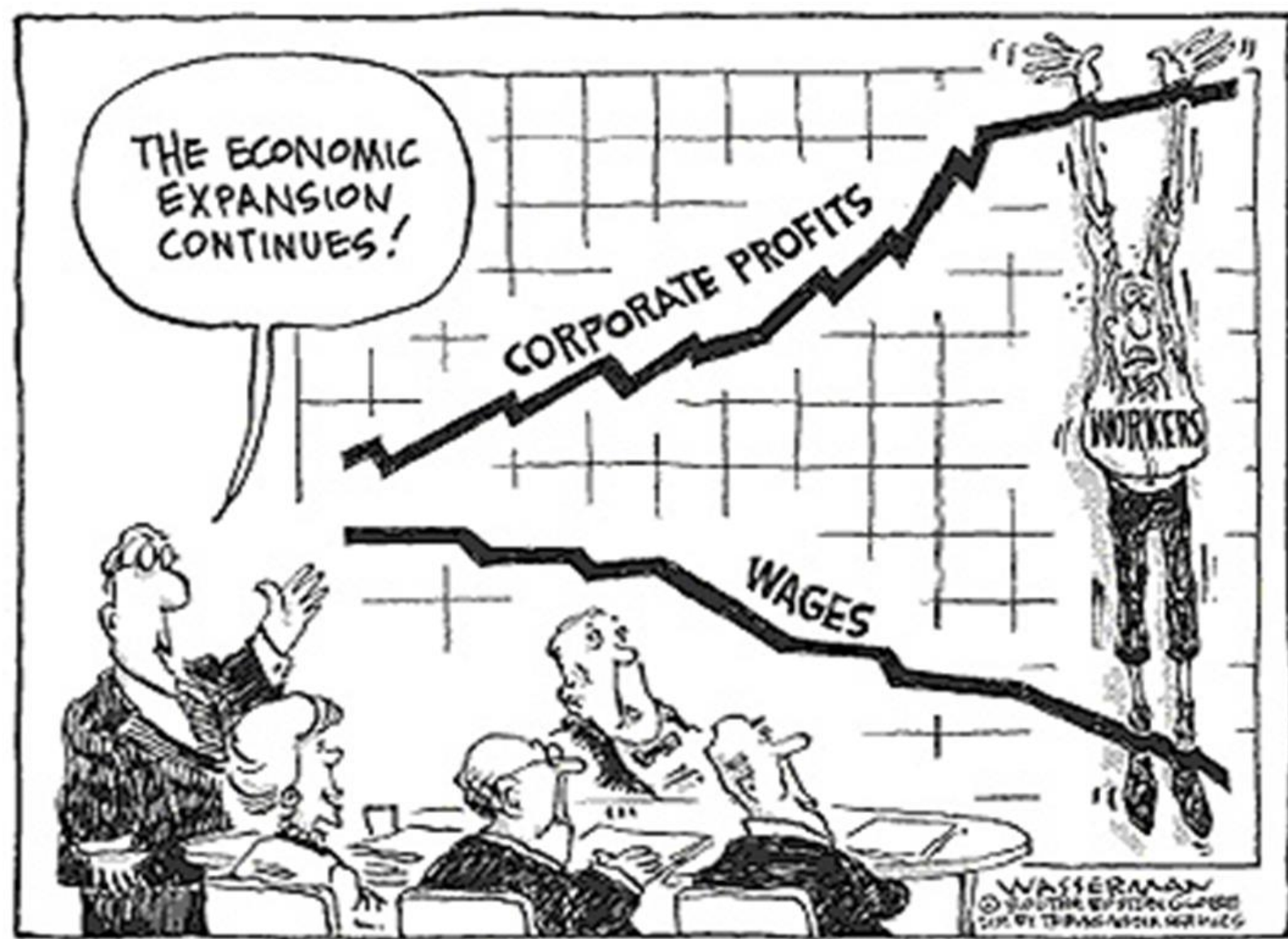
# Plan for today

1. Introductions (15 mins)
2. Community Wealth Building – the theory: (30 mins)
  - *What problem does CWB address?*
  - *What is CWB? Overview of principles, actors and explanation of need for intentionality*
3. Community Wealth Building – the practice (45 mins)
  - *The pillars*
  - *Examples from around the world*
4. BREAK (20 mins)
5. Community Wealth Building in your place/sector (45 mins)
6. Advancing CWB in your place/sector (45 mins)
7. Wrap up (15 mins)

A large, solid dark teal circle is centered on a white background. Inside the circle, the text "Our failing economic model" is written in a white, sans-serif font. Below the text, a thin white horizontal line spans the width of the text.

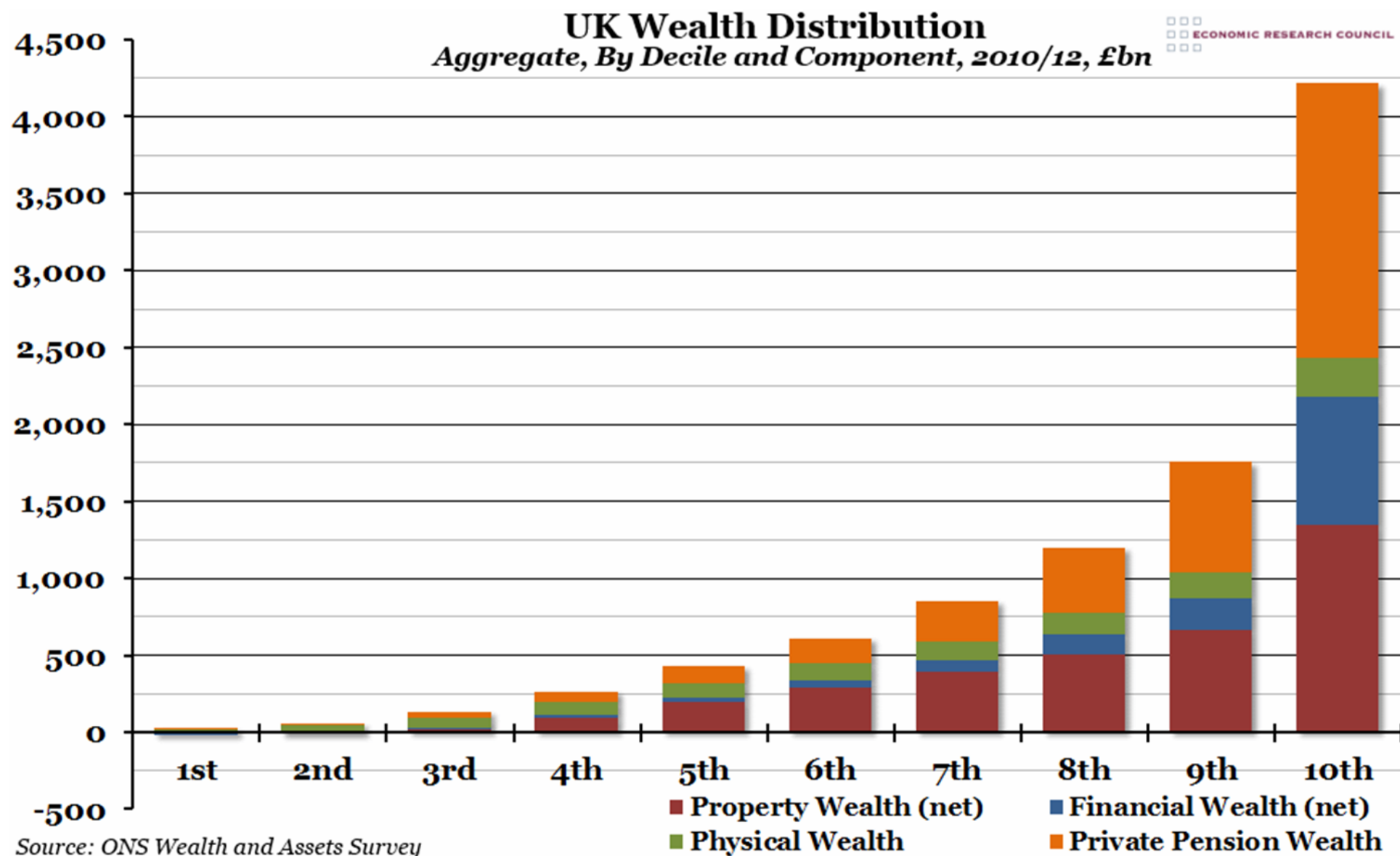
# Our failing economic model

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## Corporate profits and wages as shares of GDP










# What does this mean for local economies?





A large, solid dark teal circle is centered on a white background. Inside the circle, the text "An Inclusive Economy" is written in a white, sans-serif font. Below the text, a thin white horizontal line spans the width of the text.

# An Inclusive Economy

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# Inclusive economy

- Economic model is flawed, as it creates unacceptable inequality. It should serve inclusive social goals.
- Inclusion is important in its own right
- Widening ownership of economy
- Extracted wealth needs to be curbed and made more locally generative

A large, solid dark teal circle is centered on a white background. Inside the circle, the text "Community Wealth Building" is written in a white, sans-serif font. The text is arranged in two lines, with "Community" on the top line and "Wealth Building" on the bottom line. A thin white horizontal line is positioned directly below the text.

# Community Wealth Building

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# The power of anchor institutions



Housing  
providers



The police



Private  
Businesses



Education  
providers



Local government



Hospitals

# Community wealth building

## Five principles



### Fair employment and just labour markets

Anchor institutions have a defining impact on the prospects of local people. Recruitment from lower incomes areas, paying the living wage and building progression routes all improve local economies.

### Progressive procurement of goods and services

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: SMEs; employee-owned businesses; social enterprises, cooperatives and community business.

### Plural ownership of the economy

Developing and growing small enterprises, community organisations, cooperatives and municipal ownership is important because they are more financially generative for the local economy – locking wealth in place.

### Socially just use of land and property

Deepening the function and ownership of local assets held by anchor institutions, so that financial and social gain is harnessed by citizens. Develop and extend community use – public sector land and facilities as part of “the commons”.

### Making financial power work for local places

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists, as opposed to attracting capital. This includes redirecting local authority pension funds, supporting mutually owned banks.



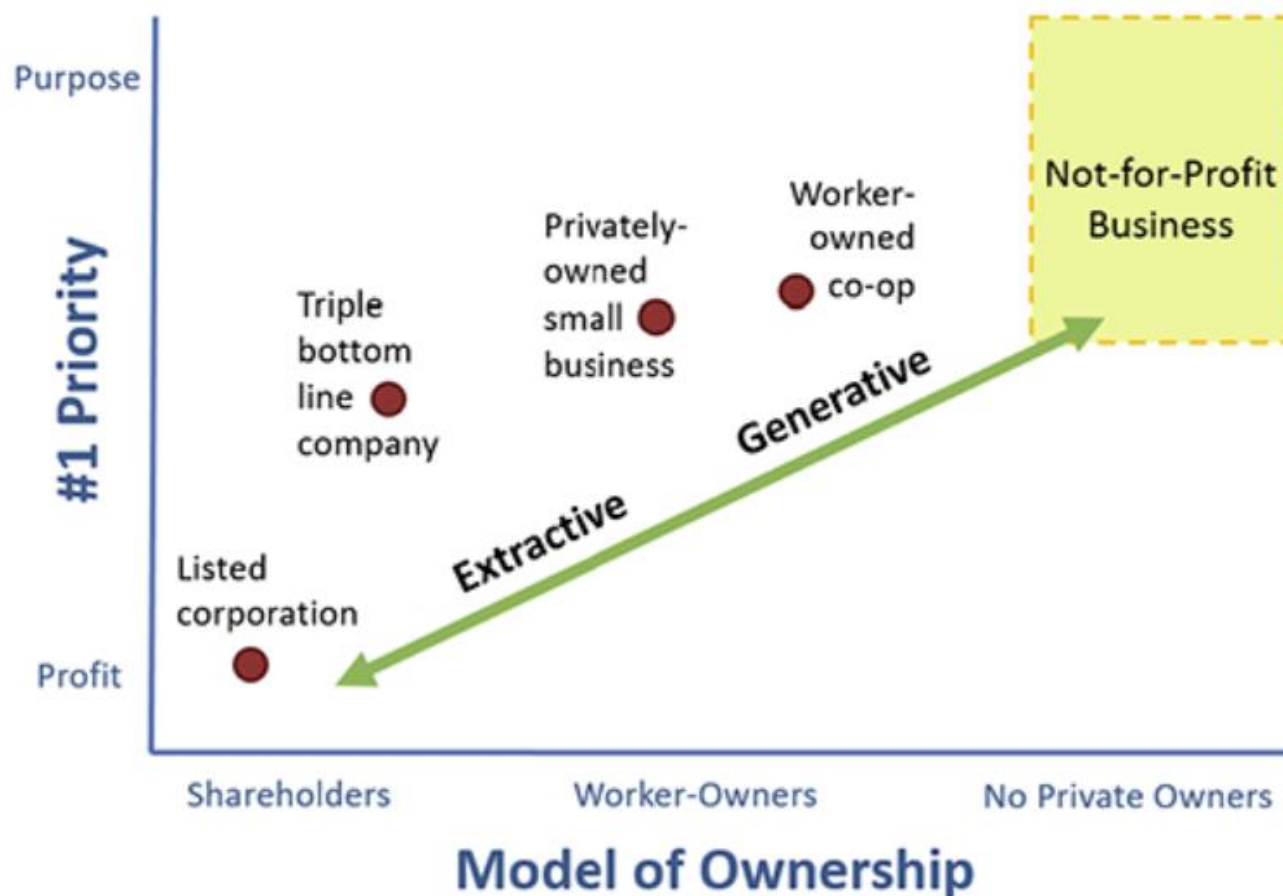


# Plural ownership of economy

- Many municipalities now insourcing
  - **APSE collaborating on this in many instances**
- Cooperative development (**i.e Tech coop: Islington, workers coops around home care: LCR, Tameside, Wigan**)
  - **Support from Coops UK and others**
- Growth of 'social and solidarity economy unit to democratise economy (**i.e Barcelona, Wirral, Maybe North Ayrshire**)
- Conversion local small business to workers coops



# Extractive / generative spectrum





# Making financial power work for local places

- Community banks (**i.e Lancashire, Wales**)
- Using more pension funds for local investment (**i.e Strathclyde Pension Fund** )
- Beefed up Credit Unions
- New forms of personal financial support (**i.e Salford**)



# Socially just use of land and property

- Municipally owned development vehicles (**i.e Sunderland ended partnership with private sector**)
- New social value assessment and process for municipality land and property assets (**i.e Wirral**)
- Hardwiring social value justice into planning frameworks (**i.e Islington**)
- Thinking around Public-Commons Partnerships (**i.e Lancaster**)



# Fair employment and just labour markets

- Development of local labour markets to grow workforce from poorer areas, underserved sections of population (**i.e some hospital trusts across England**)
- Huge update in Living wage (**i.e support from living wage foundation**)
- New Intermediate Labour Markets



# Progressive procurement of goods and services

- Hundreds of municipalities now have progressive purchasing plans and policies.
- Many now linking this to market development, with joint purchasing across anchors **(i.e Wales)**
- Starting to link purchasing with economic development



# Working in collaboration: Anchor network

- Collective focus on how they can work together across all pillars of CWB
- Also networks across sectors (Greater Manchester Health Social Care Partnership)
- Roll out across all Public Service Boards in Wales.





# Community wealth building

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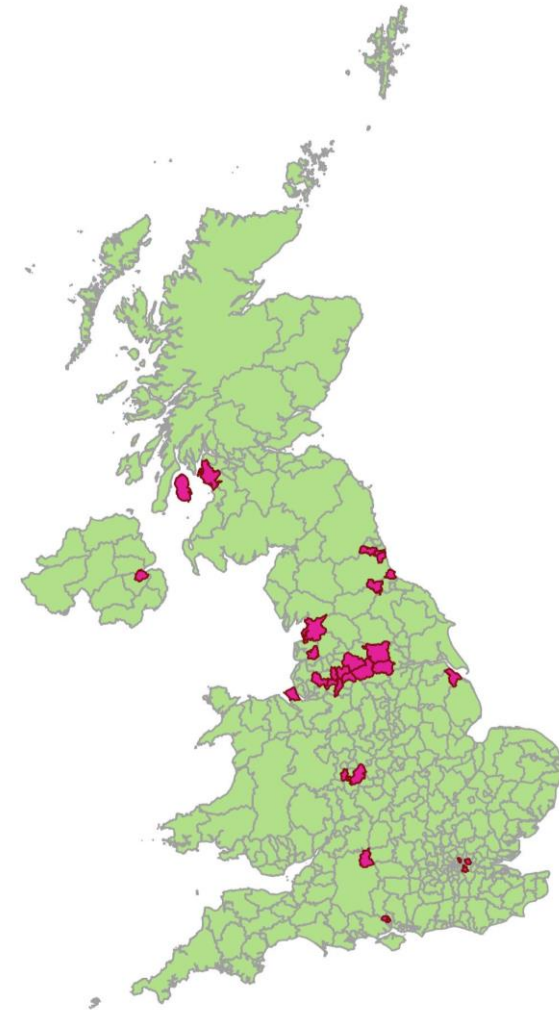
Case studies



# Community wealth building: Practice















Belfast  
Birmingham  
Bury  
Darlington  
Dudley  
Gateshead  
Hartlepool  
Islington  
Kirklees  
Lancaster  
Leeds  
Lewisham  
Manchester

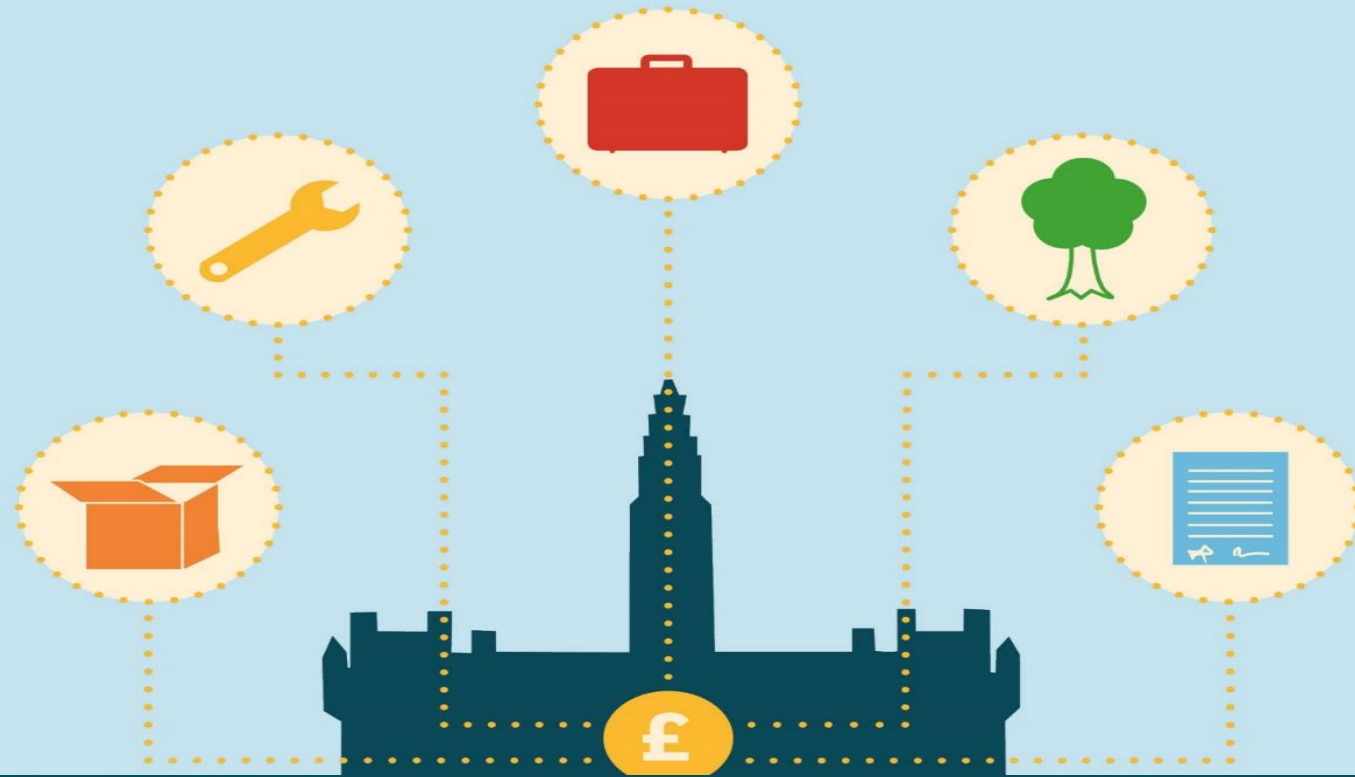
Newham  
North Ayrshire  
North East Lincs  
Oldham  
Preston  
Rochdale  
Salford  
Southampton  
Sunderland  
Swindon  
Wakefield  
Wigan  
Wirral





# Community wealth building: Practice

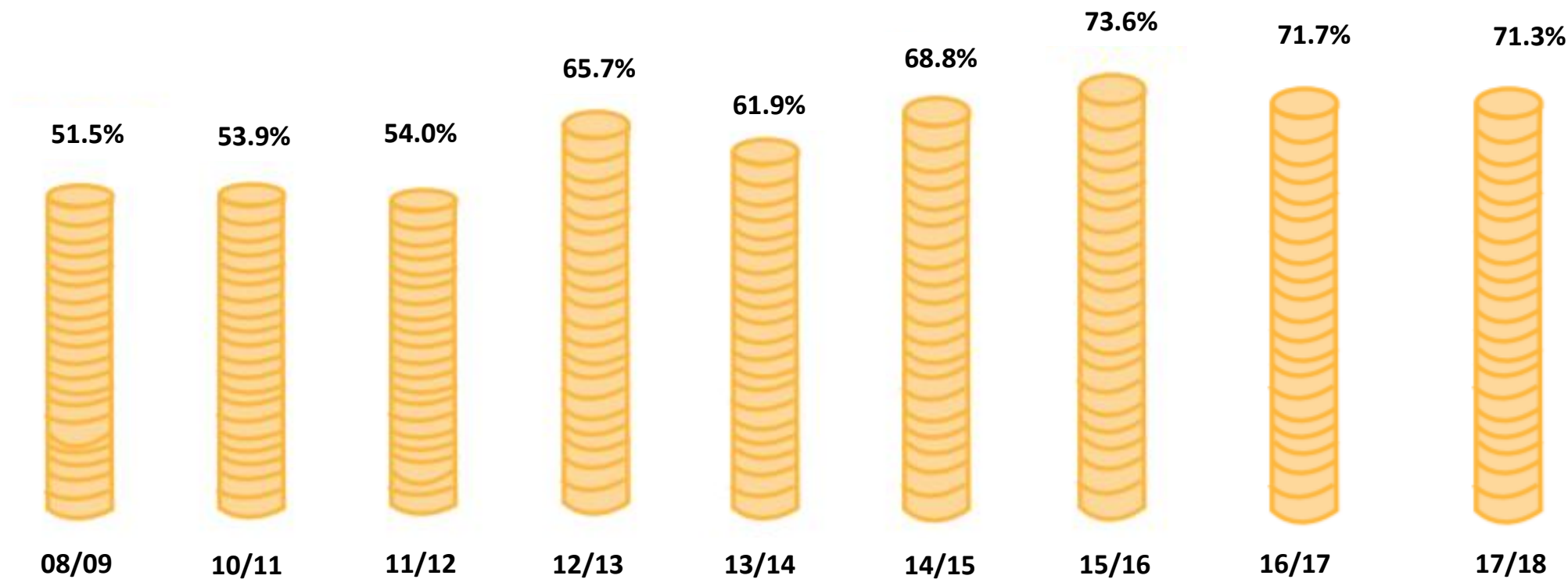
	Spend	Employment	Land and property	Local finance	Ownership of the economy	Anchor approach
Preston	 <b>CLÉS</b> progressive economics for people and place	 <b>CLÉS</b> progressive economics for people and place	Started	Started	 <b>CLÉS</b> progressive economics for people and place	 <b>CLÉS</b> progressive economics for people and place
Islington	 <b>CLÉS</b> progressive economics for people and place	 <b>CLÉS</b> progressive economics for people and place	 <b>CLÉS</b> progressive economics for people and place		 <b>CLÉS</b> progressive economics for people and place	
Wirral	 <b>CLÉS</b> progressive economics for people and place	 <b>CLÉS</b> progressive economics for people and place	 <b>CLÉS</b> progressive economics for people and place			 <b>CLÉS</b> progressive economics for people and place
Manchester	 <b>CLÉS</b> progressive economics for people and place					
Gateshead	 <b>CLÉS</b> progressive economics for people and place					 <b>CLÉS</b> progressive economics for people and place
Oldham	 <b>CLÉS</b> progressive economics for people and place					 <b>CLÉS</b> progressive economics for people and place



# Manchester – an 11 year journey



# Manchester: an 11 year journey





# Manchester: an 11 year journey



## **1,302 jobs**

Suppliers to Manchester City Council created an estimated 1,302 jobs in Manchester in 2017/18.



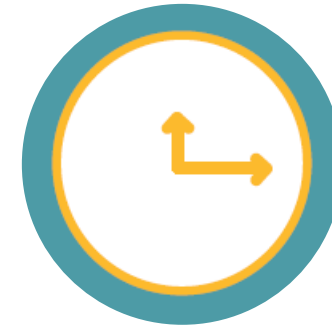
## **665 apprenticeships**

Suppliers to Manchester City Council created an estimated 665 apprenticeships in Manchester in 2017/18.



## **1,788 opportunities**

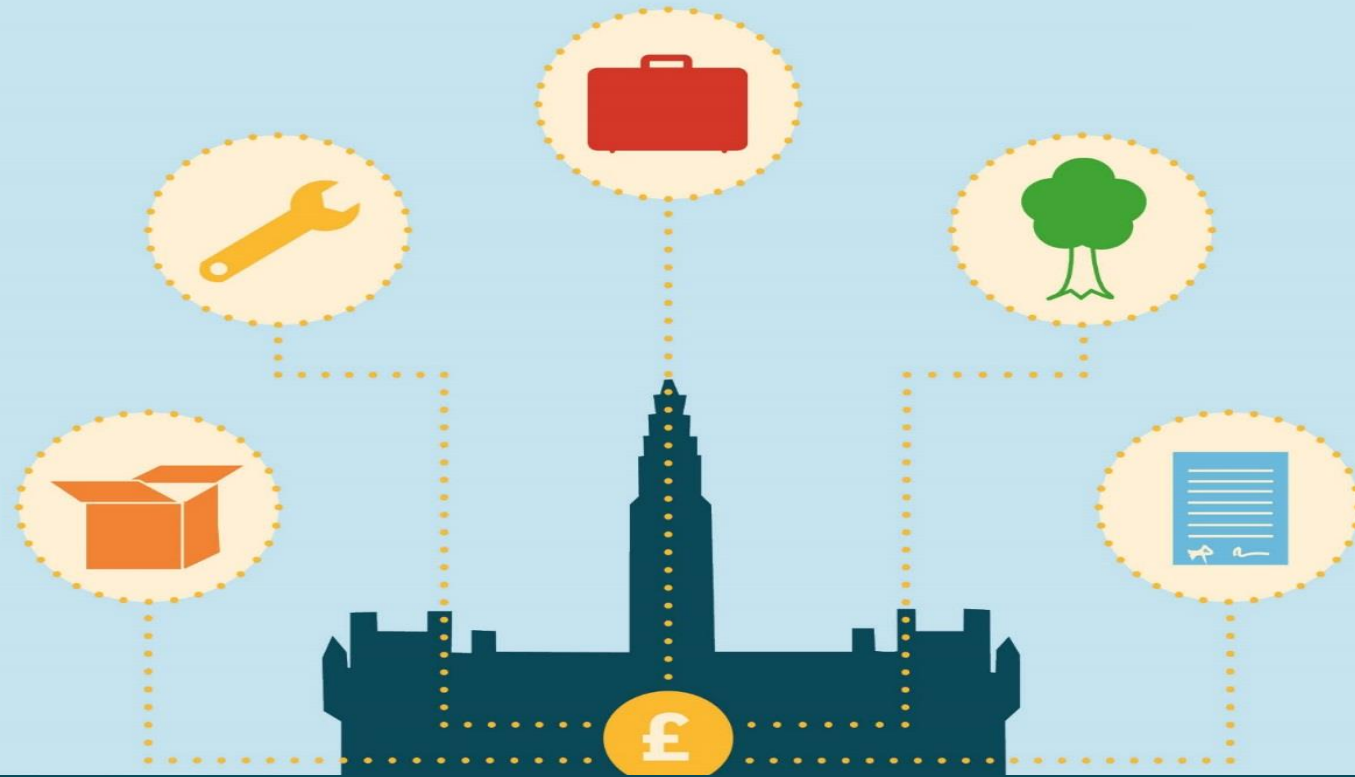
Suppliers to Manchester City Council created an estimated 1,788 employment opportunities for 'hard to reach' individuals in Greater Manchester in 2017/18.



## **158,591 hours support**

Suppliers to Manchester City Council provided an estimated 158,591 hours of support to the voluntary and community sector in 2017/18.





# Preston

## Preston 'not the locomotive of UK economy' says Johnson



## Labour to use Preston model to boost council spending and fight back against Tory austerity

Shadow Chancellor John McDonnell will praise the ground-breaking £200million to to city's economy by buying local

# Mirror

## The Preston model: UK takes lessons in recovery from rust-belt Cleveland

UK edition ▾  
**The Guardian**

In 2011 Preston hit rock bottom. Then it took back control  
*Aditya Chakraborty*

**The Economist**

Preston, Jeremy Corbyn's model town

*How one city became an unlikely laboratory for Corbynomics*

## Buy local, hire local: Preston blossoms on Corbynomics

The Lancashire city's success in keeping wealth and jobs at home provides Labour's blueprint for Brexit

**THE TIMES**

## Buying local can be the saving of our cities



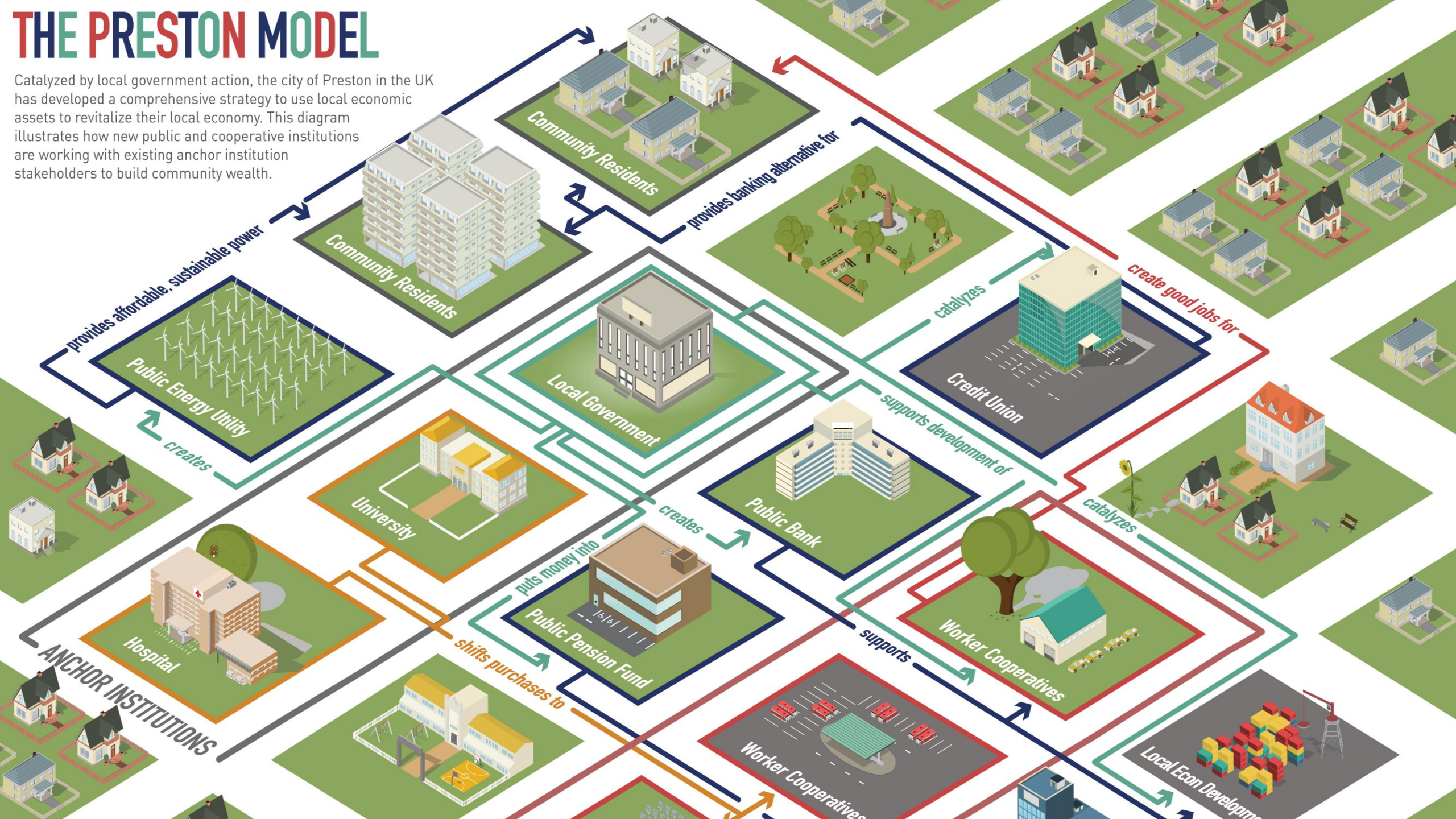
# Collapse of the Tithebarn regeneration scheme





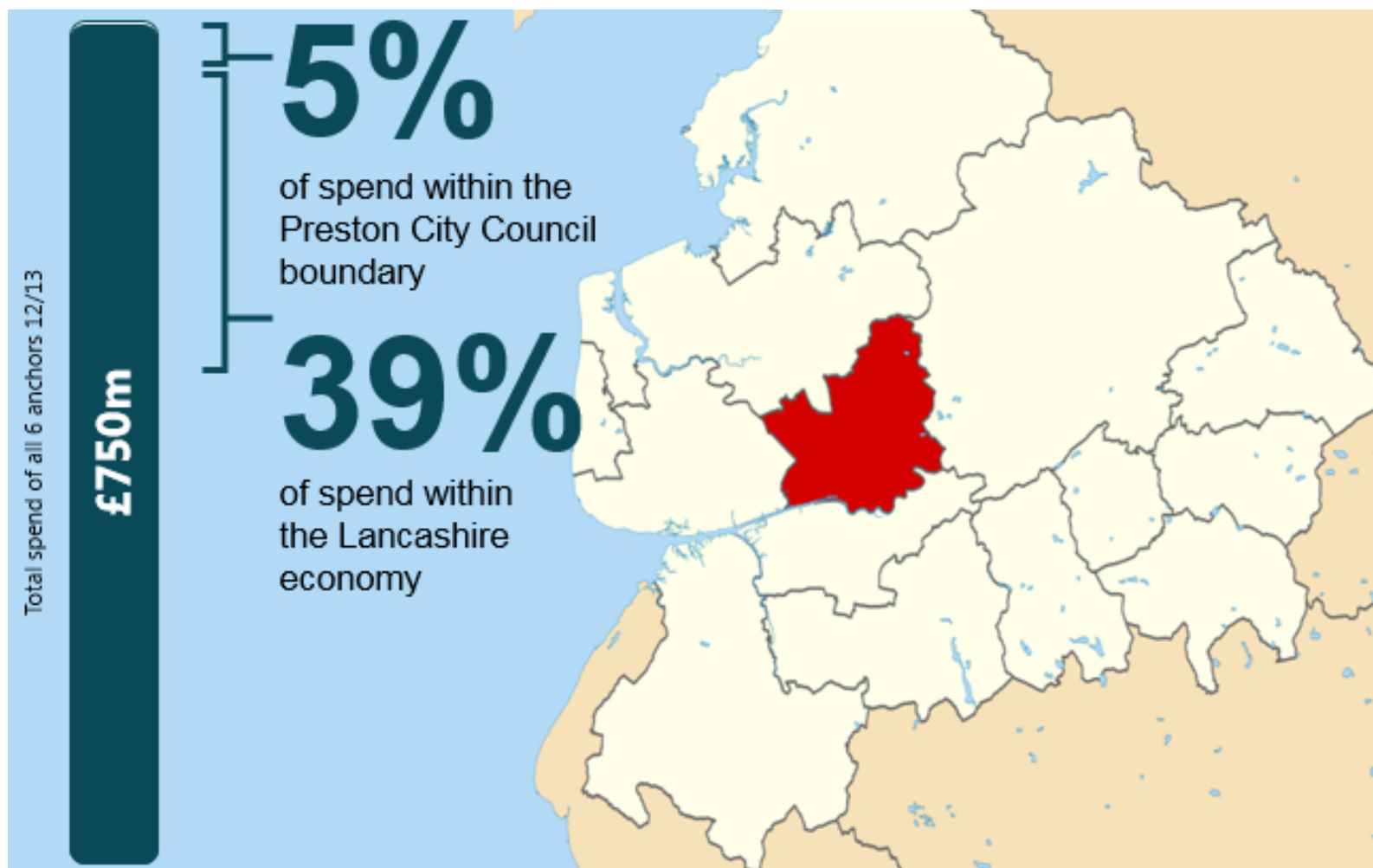
# THE PRESTON MODEL

Catalyzed by local government action, the city of Preston in the UK has developed a comprehensive strategy to use local economic assets to revitalize their local economy. This diagram illustrates how new public and cooperative institutions are working with existing anchor institution stakeholders to build community wealth.

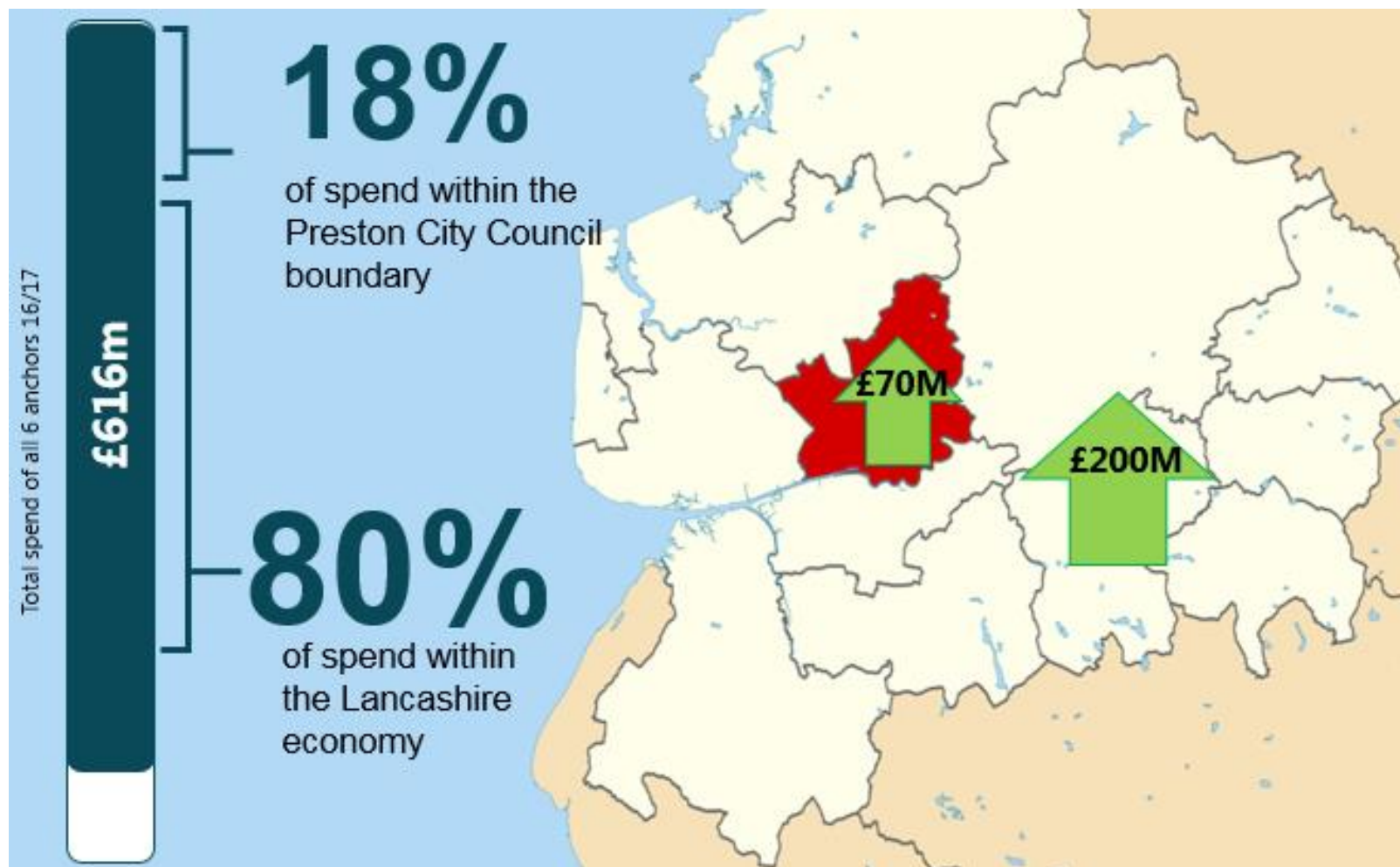




# Starting point, 2012/13



# Four years later, 2016/17







# London Borough of Islington



# London context

- **50%** of London's wealth is owned by the richest 10% of its households. The bottom 50% own just over 5%.
- **295x** greater is the wealth for someone in the top 10% in London in comparison to someone in the bottom 10%



# Islington's approach

- At the frontline of growth, rentierism and wealth extraction, alongside poverty, inequality and aggressive 'juggernaut gentrification'
- Taking a Municipalist stance against this, advancing:
  - Council stronger procurement and social value
  - Building community wealth through local markets
  - Building affordable productive workspace to counteract rentierism and speculation
  - Local support to business and independents

## Tech co-ops circulating cash in Finsbury Park to combat offshore 'wealth extraction'

 PUBLISHED: 09:42 17 July 2019 | UPDATED: 10:40 18 July 2019 | [Lucas Cumiskey](#)



- A new generation of tech co-ops will contribute social value by hiring and training people from the area.
- The town hall has purchased a long lease on the property and has given it, on a peppercorn rent to Outlandish
- In return, the workers co-op will create a "tech for good" workspace to boost employment and enhance Islington's lucrative digital sector, while ensuring profits circulate locally instead of being extracted by monolithic multinationals.



# Questions?



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