

An introduction to community wealth building

Julian Boys

Associate Director

Sarah Evans

Associate Director



@CLEStinkdo



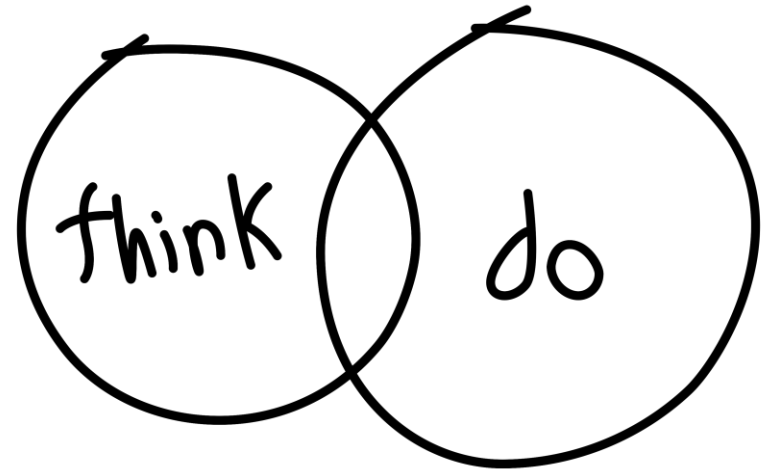
Plan for today

- Introductions
- Community wealth building – the theory and the practice:
 - What problems does CWB seek to tackle?
 - What is CWB? Principles, actors and intention
 - The pillars
 - Examples from around the UK and beyond
 - Latest thinking
- Advancing CWB in your place/sector
- Wrap up



About CLEES

- The **national organisation** for **local economies**
- Progressive economics for people, planet and place
- Thinking *and doing*, to achieve social justice and effective public services





Introductions

Your name

Where you work/your role

How familiar you are with community wealth building (1-10)



The case for community wealth building

What is it?

What problem does it seek to tackle?



What is community wealth building?

- Community wealth building is a **progressive approach to economics and economic development.**
- A set of guiding principles to help us build a more inclusive economy.
- It seeks to change the way that our economies have come to function by aiming to retain more wealth and opportunity for the benefit of local people.



Our current economic model is built on wealth generation and extraction





Our current economic model is failing



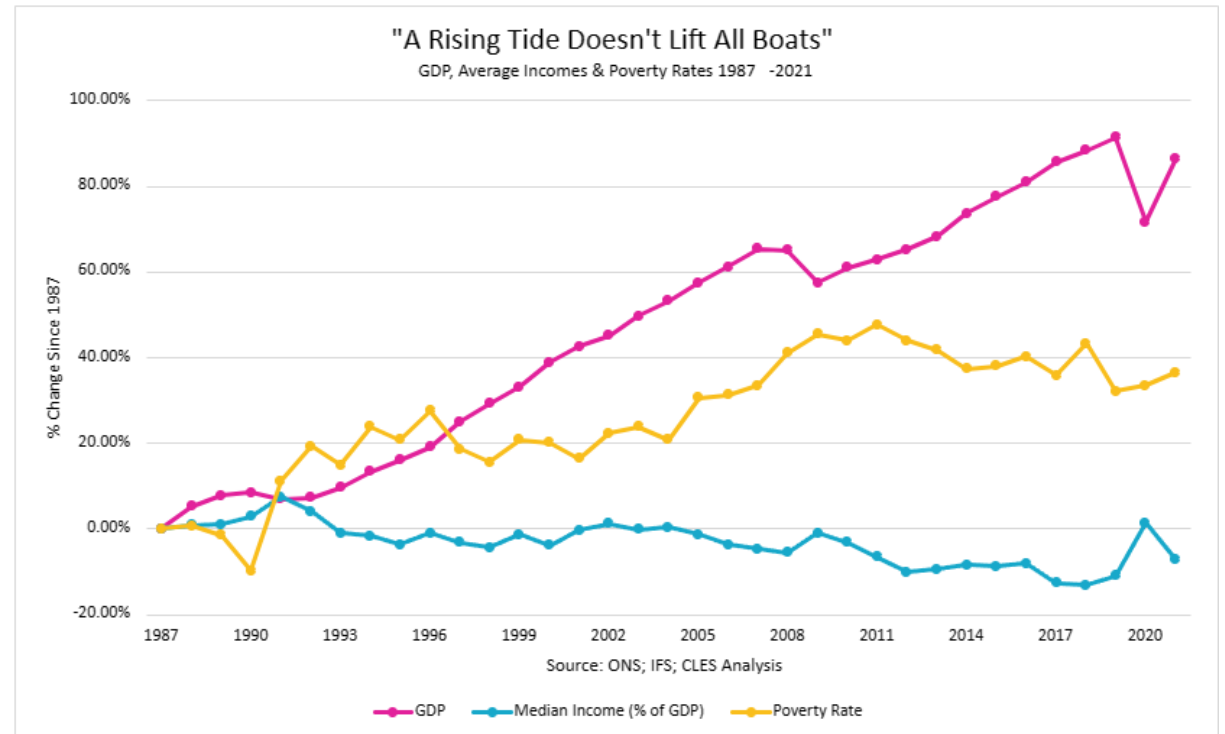


Our growth is exclusive

It's not a given that even if your economy grows (as measured by GDP) that all people will benefit.

While GDP has increased, incomes have fallen and poverty rates have climbed.

This means that **wealth is not benefitting the communities that create it.**





What can we do about it?

It's time for a new approach to economics and economic development!

One which seeks to change the way our economies have come to function:

By aiming to retain more wealth and opportunity
for the benefit of local people



“Community wealth building is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people”



The power of anchor institutions

- Local government
- The NHS
- Universities and colleges
- Housing associations
- Large private businesses...?





Vision and purpose





The pillars of community wealth building



Socially
productive use
of land &
property



Making
financial
power work
for local
places



Progressive
procurement



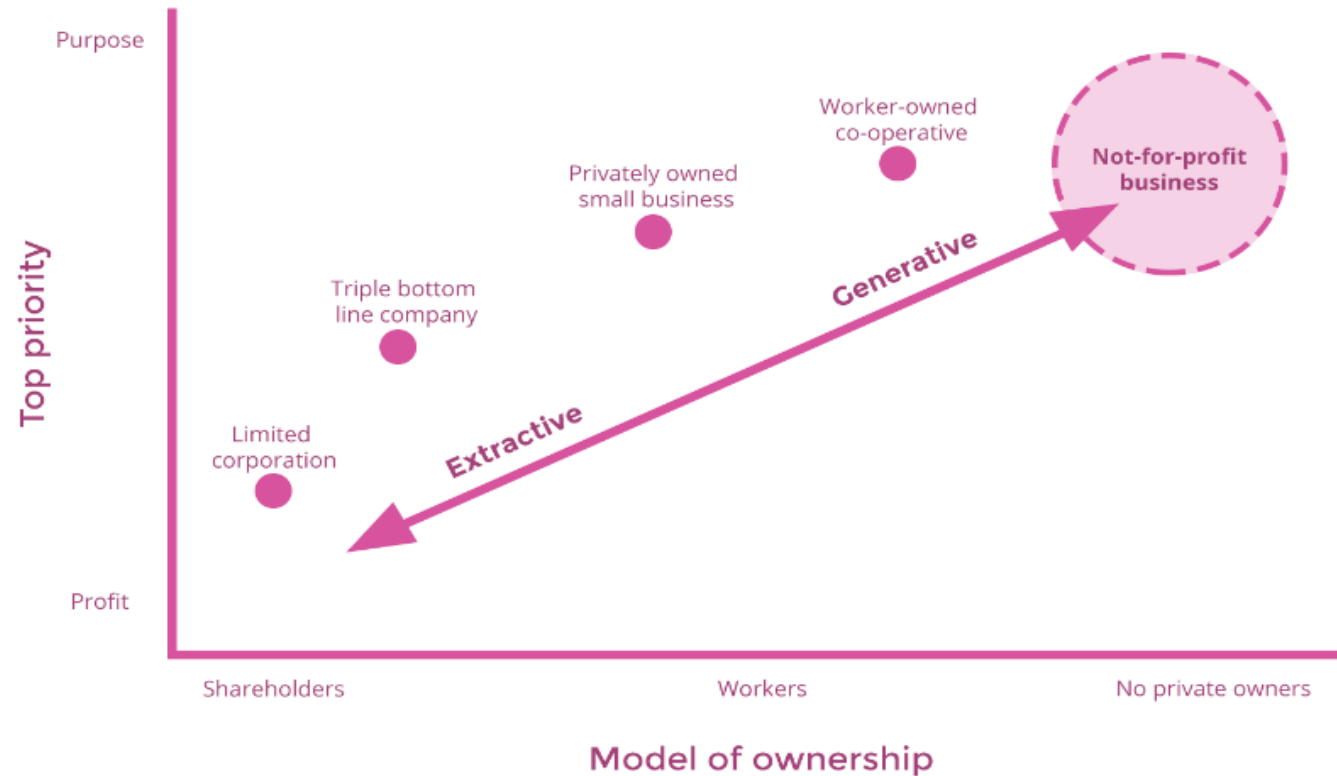
Fair
employment
& just labour
markets



Plural ownership of
the economy



Plural and democratic ownership of economy



Hinton, J and Maclurcan, D. (2016). "How on Earth: Flourishing in a Not for Profit World by 2050"



Progressive procurement

Context

- Cost is often the dominant determining factor in who gets contracts.
- Many anchor institutions spend large percentages outside their local area, and with businesses which are not socially generative.

Solution

- Anchor institutions can use their procurement processes to create dense local supply chains and support businesses which are more likely to employ locally and recirculate wealth.





Socially productive use of land & property

Context

- Ownership of land is concentrated in the hands of the few
- The least wealthy 30% have no net property wealth at all

Solution

- Assets are owned and managed in ways which ensure that they generate wealth for local citizens
- Community Land Trusts and Public-Common Partnerships





Making financial power work for local places

Context

- The UK banking sector is orientated to global markets rather than local investment
- Access to credit is the life blood of many small businesses but there has been a stagnation of lending

Solution

- Measures that channel investment to local communities while still delivering a steady financial return for investors, include: Local pension funds, credit unions, CDFIs, community shares and community municipal investments





Fair employment and just labour markets

Context

- The rise of in-work poverty and zero hour contracts
- Wages in the UK falling whilst inflation increases during a cost-of-living crisis

Solution

- Anchor institutions have a defining effect on the prospects of local people. Recruitment from lower income areas, paying the Living Wage and building progression routes all improve local economies.





Questions?



Community wealth building in practice

CHALLENGE

Developing and growing local enterprise

CWB SOLUTION – Bringing procurement into economic development

- A result of Covid and the need to administer business support grants, many councils now have increased intelligence about the nature of their local SMEs
- In Fife, Luton and Carmarthenshire, they are using this intelligence to target their own procurement expenditure towards growing and diversifying their local SME base
- These councils are using this to socialize these businesses



Progressive
procurement



Community wealth building in practice

CHALLENGE

NHS organisations with large budgets,
health inequalities growing

CWB SOLUTION – Health institutions as key anchors

- Health spending has the potential to be a core economic driver in local economies
- Hywel Dda University Health Board (HDUHB) are exploring how a progressive health board can maximise the impact of its spending power for wellbeing in Wales
- HDUHB is developing a whole local health board approach to spending, collaborating with other anchors on areas such as food procurement



Progressive
procurement



Community wealth building in practice

CHALLENGE

Vacant properties in Town Centre

CWB SOLUTION – Midsteeples Quarter, Dumfries

- Tired of buildings lying empty, neglected and falling further into disrepair - owned by landlords with little interest in the good of the town - residents wanted a means by which they could take back control. To be able to act in the best interests of the community
- Creation of a community benefit society following extensive discussions with communities who wanted to bring empty properties back into housing and enterprise
- They now own six buildings and are currently in process of building a number of flats to bring back more town centre living



Socially productive
use of land and
assets



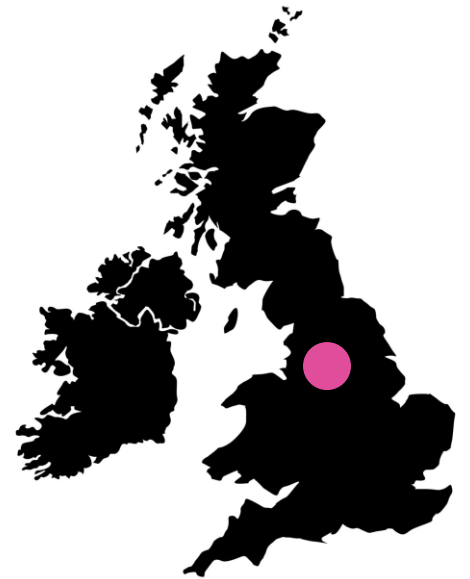
Community wealth building in practice

CHALLENGE

Disconnected adult social care providers and low paid staff

CWB Solution- Wigan Social Care Framework

- 25 providers at varied cost and quality providing adult social care in Wigan, disconnected from local communities with a poorly rewarded workforce
- In response, Wigan Council created the Ethical Homecare Framework in collaboration with providers to agree a baseline way of working such as using values-based approaches to recruitment and all paying the same hourly rate
- The framework saw in an increase in employment standards, increased pay, reduced staff turnover, and crucially happier care givers and care receivers



Plural
ownership of
the economy



Community wealth building in practice

CHALLENGE

Accelerating the potential of Local Net Zero Strategies

CWB SOLUTION – Using community finance to support local Net Zero projects

- **Community Municipal Investments (CMIs)** are being used by councils across the country to deliver net zero projects
- CMI's are community bond and share offers offered to the public who can invest from as little as £5 and get a regular return on investment
- The bonds are becoming increasingly popular with successful share offers in, West Berkshire, Islington, Hackney and the Cotswolds, Warrington



Making
financial power
work for places



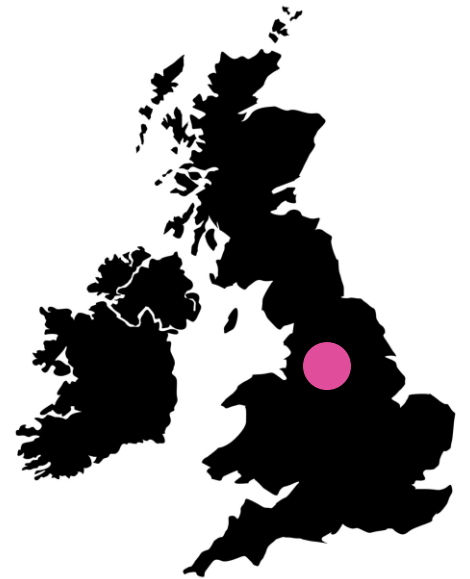
Community wealth building in practice

CHALLENGE

Climate crisis and rising energy costs

CWB SOLUTION – Oldham Energy Futures

- A programme with two low-income communities in Oldham which puts residents at the heart of decision making and aims to transform the ownership of energy in the borough
- Involves three pilot projects:
 - Upgrade local buildings and create low carbon homes
 - Develop an EV and e-bikes local mobility project
 - Install new renewable energy generation for the borough



Plural
ownership of
the economy



Community wealth building in practice

CHALLENGE

High levels of unemployment, low skills and anchors with high vacancies

CWB SOLUTION - iCan

- An employment solution set up through covid to help recently redundant hospitality workers move into an NHS job
- Now expanded to match unemployed Birmingham residents with entry-level roles
- A piece of community wealth building infrastructure



Fair
employment
& just labour
markets



CWB – latest thinking

- Policy developments
 - Devolution white paper and local government reorganisation
 - Corporate Joint Committees in Wales; Strategic combined authorities, Local Growth Plans...
 - New procurement rules
 - Developments in Social Value
 - Wellbeing economics
 - CWB Bill in Scotland
- Recent and ongoing CLES projects
 - In-work progression
 - Food systems
 - Planning and special economic zones
 - Social economy
 - Community benefits from renewables
 - Natural capital
 - Anchor networks



Questions?



Break

5 mins



Discussion

Which of these examples resonated with you?

How would these examples translate to your place/organisation?

20 mins



What next?

What will you do on Monday?

10 mins



Get in touch



0161 236 7036



julianboys@cles.org.uk
sarahevans@cles.org.uk



@CLEStinkdo



www.cles.org.uk

