

Alternative agendas for local
government

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Community wealth building

Rachel Bentley, Associate Director
Centre for Local Economic Strategies



CLES
the national organisation
for local economies

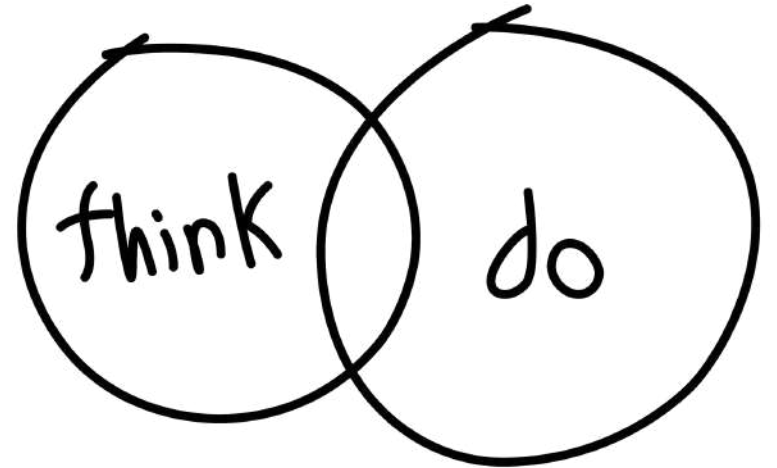


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About CLEES

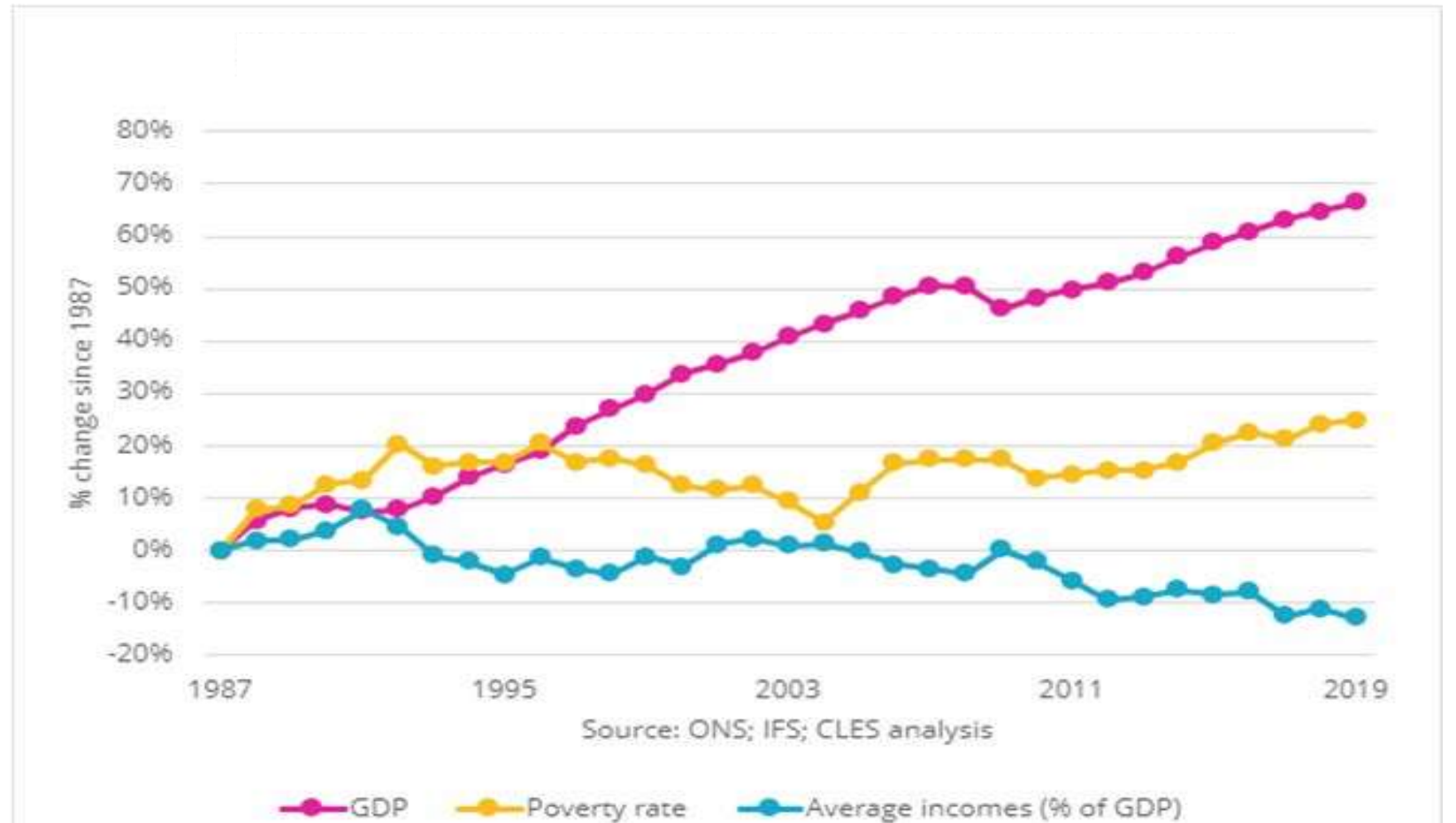
- The **national organisation** for **local economies**
- Progressive local economics for people, planet and place
- Thinking *and doing*, to achieve social justice and effective public services





We need an inclusive economy

- A rising tide has not lifted all boats
- GDP as a measure of economic success doesn't capture the stark inequality and deprivation
- In fact, poverty is rising and average incomes are failing
- COVID, Brexit and inflation have worsened an already dire situation





This is not just semantics...

Inclusive Growth

- Economic model is fine, but need to connect more people to growth
- Marketisation and private values, can sit within and alongside public sector to advance inclusion
- Extraction of wealth seen as inevitable but need to slow for inclusion

Inclusive Economy

- Economic model is flawed, as it creates unacceptable inequality. Should serve inclusive social goals
- Restoration of public values within public sector market, is a route to greater inclusion
- Extracted wealth needs to be curbed and made more locally generative



The current state of local economic development

- Interviews and focus groups in seven local authorities around the UK
- National policy failures but also **practice** of local economic development has become **narrow and thin** over last few decades
- Heavily focused in some areas on **speculative property development** and/or **inward investment approaches** – with areas seeking to court and help large companies and industries to come in and set up shop
- Economic growth seen as the definition of success



Perceptions of local economic development

“...this suddenly became **the vehicle** through which local economies could be developed... a lot this activity has involved chucking money at city centres to get them to thrive – **the more cranes the more buoyant the economy**”

“...[economic development] has become about **high-level GDP, numbers of jobs, numbers of businesses** – not too much thinking about how does that follow through into quality of life, wellbeing, and the quality of jobs”



Colliding crises as a wake-up call

- *Growing inequality* “The concern...is that some of our most disadvantaged residents are **being left behind**... how do we develop a progressive programme to support as many of those residents as part of that growth?”
- *In work poverty* “...growing issues of living standards, growing issues of poor quality work, growing issues of particularly young families in poverty...who were in work...juxtaposed against all of our **high-level indicators for economic development** that are still, relative to other places, stacking up really well”
- *Climate action* “...priorities will focus more and more on **climate emergency**. The council was looking at making cuts but...unlikely...now due to the importance of addressing **community led economic development** as a response to climate emergency”



How to create change?



Devolve, redirect, democratise

- Reshaping local economic development around **progressive principles** that work for people, planet and place
- A step-change in **devolution** through measures like expanded fiscal powers and a new national redistribution process
- Redirecting wealth through **community wealth building** to-empower local areas and communities in the pursuit of **economic democracy**
- Expanding community **participation** in shaping the **economic destinies** of localities



Community wealth building

- A strategic approach to local economics that aims to increase the **flow of wealth back into local economies by more control to local people and businesses**
- Aims to build wealth from within so that it is not simply extracted but redirected back into communities for example:
 - ✓ Greater diversity of economic ownership
 - ✓ Decent work, training and progression
 - ✓ More small businesses, start-ups, co-ops, worker ownership, social enterprises
- Economic outcomes are *generative* as opposed to *extractive* where people experience higher levels of economic and social justice



Community wealth building- Five key levers

Finance:

Ensuring flows of investment and financial institutions work for local people, communities and businesses.



Workforce:

Increasing fair work and developing local labour markets that support the wellbeing of communities.



Spending:

Maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains.



Land and property:

Maximise the value that local communities receive from land and property assets, including those held by the public sector.



Inclusive Ownership:

Developing more local and social enterprises which generate community wealth, including employee owned firms and coops.





Examples of change



Scotland – delivering a wellbeing economy

- North Ayrshire and five pilot areas plus fast followers
- Varied approaches
 - Embedding in economic strategy (Ayrshire, South of Scotland)
 - Targeted approach – land, sectoral, employment, inequality, health
- Growing evidence base
- CWB to deploy inward investment better
- Public, private and third sector delivery partners
- Scottish Government Minister For Community Wealth
- Potential for a Community Wealth Building Act in 2023





Birmingham Anchor Network

- Birmingham Anchor Network – a combined workforce of over 50,000 people and budget of over £5bn
- Community Wealth Builder in Residence
- Action plan for response to the impact of Covid-19 on the Birmingham economy
 - *Hospitality to Health*
 - *I Can*
 - Procurement working group
- NHS using workforce strategy to address health inequalities
- Anchor work expanding across the West Midlands





Calderdale – building parity of esteem with the Voluntary and Community Sector

- Measured the spend of the VCS in the local economy
 - 63p of every £1 re-spent locally – workforce, spending, asset use
- Translating strategic ambition into operational ease
- Four key areas for action:
 - Build true parity of esteem - participation
 - Ease the burden on commissioning and delivery
 - Broaden support – not just funding
 - Measure the contribution – a true economic actor





Closing comments

- What would it mean to have local economies which generate positive social, ecological and economic outcomes?
- What needs to be done differently?
- Who needs to be part of the conversation and can commit to action?
- What are alternative measures of success?



Sources of support and information



Community wealth building: a history



- [The future of local economic development in the UK](#)
- [Community wealth building: a history | CLEES](#)
- [The Community Wealth Building Centre of Excellence | CLEES](#)
- [Community Wealth Building in North Ayrshire | CLEES](#)
- [Growing anchor networks in place: a how to guide | CLEES](#)
- [Making financial power work for local places | CLEES](#)
- [Restoring public values: the role of public procurement | CLEES](#)
- [A just energy transition through community wealth building](#)
- [Blog | CLEES](#) – access to CLEES podcasts



Thank you for listening!



Get in touch



rachelbentley@cles.org.uk



@CLEStinkdo
@redrachelita



www.cles.org.uk

