

COMMUNITY WEALTH BUILDING IN PRESTON

Adrian Phillips
Chief Executive



Preston
City Council

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of Man
Douglas
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Fleetwood

Learn - Sector -

The Preston Model

Clifford Singer
Director of Social Spark
2019

September 20th, 2016

Inheriting a legacy of deindustrialization and faced with mounting socio-

The Guardian

Preston
The alternatives

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

Aditya Chakraborty

In a new series looking at how to make the economy work for everyone, Guardian columnist Aditya Chakraborty finds out

Mirror

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

Shadow Chancellor John McDonnell will praise the ground-breaking work of Preston City Council, which has returned almost £200million to its city's economy by buying local

Post

Hollywood star visits Preston to see local council's work

YOUR LANCASHIRE PRESTON CHORLEY LEWIS

The Guardian

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

As councils struggle with cuts, local authorities city council is pioneering a new approach. From lessons in building prosperity and bringing productivity

The great transformation

Labour pledges annual change in the way it runs the country

Shadow Chancellor John McDonnell has announced a new government plan to spend £200 million on local authorities to help them recover from the effects of the 2008 financial crisis. The plan is part of a wider strategy to 'transform' the country, with McDonnell saying it is 'a bold, ambitious plan'.

Buy local, hire local: Preston blossoms on Corbynomics

The Economist

Preston, Jeremy Corbyn's model town

How one city became an unlikely laboratory for Corbynomics

The great transformation

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Shadow Chancellor John McDonnell has announced a new government plan to spend £200 million on local authorities to help them recover from the effects of the 2008 financial crisis. The plan is part of a wider strategy to 'transform' the country, with McDonnell saying it is 'a bold, ambitious plan'.

RENEWAL

a journal of social democracy

The Institutional Turn: Labour's new political economy

By Martin O'Neill, Joe Guinan

The Labour leadership is putting together the elements of a new twenty-first century socialist political economy with a direct focus on ownership, control, democracy, and participation. Rolled out across the entire economy, it could displace traditional corporate and financial power in Britain.

Shadow Chancellor John McDonnell likes to say. 'Another world is not just possible, it is within reach. Largely unheeded by its enemies with and without, the Corbyn Project is ushering around a new political economy. Building on popular elements of Labour's 2017 manifesto, for the very first time, the government is asserting the tools and strategies to enable a Labour government to pursue a bold reformation of the British economy organised around ownership, control, democracy, and participation. Rolled out across the whole economy, this could amount to a radical programme for the public sector, displacing private industry, spreading the trade unions, and ending the working class struggle.

Industrial turn' in Labour's thinking under Corbyn is a direct response to the magnitude of the new problems confronting the country. Those desperate problems – wage stagnation, low productivity, widening inequalities of income and wealth, not to mention the effects of climate change – are not simply evolutionary or the result of poor policy choices but the inevitable outcomes of the basic organisation of the economy. The institutional arrangements at the heart of British capitalism – concentrated private ownership, corporate dominance, and the dominance of London-based finance capital – together form a powerful engine for the 'globalisation' of the economy. It is this basic institutional design that drives the 'globalisation' of the economy. It is this basic institutional design that drives the 'globalisation' of the economy. It is this basic institutional design that drives the 'globalisation' of the economy.

How one city is beating Tory austerity with 'radicalism on a shoestring'

By keeping money in the local economy determined officials have managed to turn the fortunes of Preston around, creating hundreds of jobs

The Preston model - event review: 'Cities are looking to us for hope'

Senior economics commentator Aditya Chakraborty was joined by an expert panel and more than 400 Guardian supporters



The 'Preston Model'

Background

2010 Recession - Failed City Centre Redevelopment

2011 Incoming Labour Administration – Policy Development

- Economic Democracy & Fairness, Co-op's...

2012 Work with CLES 2012 on CWB

Social Value in Procurement Project

Anchor partners:

- University of Central Lancashire
- Lancashire County Council
- Preston's College
- Newman College
- Community Gateway – Housing
- Lancashire Constabulary

Community Wealth Building - the Foundation

- **Our anchor strategy** has large placed based institutions in Preston and Lancashire with a combined spend of nearly **£1 billion per annum** increasing spending to local suppliers to benefit our community and we are **encouraging insourcing**.
- **£100m placed based investment by our local government pension fund** in student flats, hotel and office space through our City Deal we wish to build on.
- Expanding co-operative and employee owned businesses through **Preston's Cooperative Development Network (Presco)** with UCLan and others.
- Working to establish a **Community Bank** and continue to support our **credit union (Clevr)** and **CDFI (Lancashire Moneyline)**.

Community Wealth Building - the Foundation

- Opportunity for Lancashire councils to establish a more prominent housing development role through **new housing companies**.
- **Council leads City Development – Social Benefit framework**
- **Our planning policies** now encourage locally based suppliers and labour in Preston on both public and private sector developments.
- Work with the University of Central Lancashire and partners has established a **Civic Drone Centre** exploring how the Preston Model approach can benefit the community including through drone supply chains and clusters.

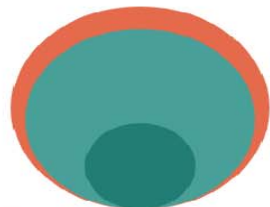


SPEND ANALYSIS 2017

Centre for Local Economic Strategies in collaboration with Preston City Council

£616,863,091.08

is the total amount spent procuring goods & services by 6 anchor institutions 2016/2017. Compared to £746,730,478.83 in 2012/2013.



■ Preston ■ Lancashire ■ Total Spend

Preston: a total of £112,337,690.64 was spent with organisations based in Preston (18.2% of total spend)

Lancashire: a total of £488,659,587.40 was spent with organisations based in Lancashire (equivalent to 79.2% of collective spend)

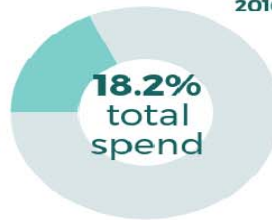
PRESTON STATISTICS AT A GLANCE

2012/2013



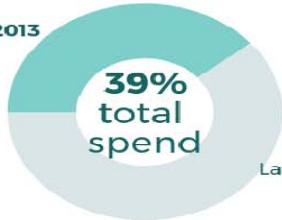
an increase in spend with Preston based organisations of **£74,750,857.47**

2016/2017



LANCASHIRE STATISTICS AT A GLANCE

2012/2013



an increase in spend with Lancashire based organisations of **£199,688,679.96**

2016/2017



For further information, please visit: www.preston.gov.uk/CommunityWealthBuilding



OUTCOMES – Jobs paid less than the ‘real living wage’ of at least £8.75 an hour by local authority area (ONS)

Local authority	2016 Per cent	2016 jobs (thousands)	2017 Per cent	2017 jobs (thousands)
Blackburn with Darwen	30.9%	17	31.5%	18
Blackpool	36.1%	17	32.1%	16
Burnley	32.5%	9	33.7%	10
Chorley	26.1%	10	25.3%	10
Fylde	18.9%	9	19.8%	8
Hyndburn	29.0%	8	31.1%	8
Lancaster	27.8%	14	29.4%	15
Pendle	30.3%	9	21.9%	6
Preston	23.3%	19	19.3%	15
Ribble Valley	27.6%	7	23.6%	5
Rossendale	38.8%	8	36.4%	7
South Ribble	29.2%	11	25.7%	10
West Lancs	21.6%	9	22.3%	9
Wyre	34.7%	8	34.7%	8
LANCASHIRE	26.8%	120	25.4%	112

OUTCOMES - PART TIME LANCASHIRE WAGE LEVELS

Part time wage levels – 2011

Part time wage levels - 2017

Preston	£143.60	Preston	£204.20
Burnley	£149.10	Burnley	£186.40
Chorley	£141.20	Chorley	£177.80
Fylde	£161.80	Fylde	£183.30
Hyndburn	£138.20	Hyndburn	£161.00
Lancaster	£140.00	Lancaster	£158.70
Pendle	£154.60	Pendle	£175.80
Ribble Valley	#	Ribble Valley	£171.10
Rosendale	£117.20	Rosendale	£177.60
South Ribble	£128.40	South Ribble	£182.60
West Lancs	£142.80	West Lancs	£184.10
Wyre	£140.70	Wyre	£160.20
North West	£152.60	North West	£178.70
Great Britain	£153.00	Great Britain	£182.40

OUTCOMES – Social Mobility Index

In 2017 Preston improved its position from 143th to 130th in the Social Mobility Index (out of 324 local authority areas).

In 2015 we came out of the bottom 20% of most deprived areas by rank average.



OUTCOMES – Job Density

- ‘Employee rate’ has increased from **59.2%** from **2014-15** to **71.8%** in **2017-18** adding over **12,000 jobs**.
- In **2015-2016** Preston added **5% in GVA** per head equivalent to **£1,157**





Economic policy

Preston named as most most improved city in UK

**Labour-run council with localist
economic policies tops Good Growth
for Cities index**

Preston is most improved city in the UK

- **Preston is the most improved city: Demos-PWC Good Growth for Cities Index 2018**
- Latest index analyses a decade of economic and social data which shows:
- Preston saw **biggest increase** in its index score of +0.28 to top the rankings
- Preston has risen to 14th in this year's overall index (20th in 2017).
- Improvement due to above average **large reduction in unemployment rate** falling from 6.5% in 2017 to 3.1% in 2017; and
- **Rising skills** amongst 16-24 year olds with 44% now holding at least an NVQ Level 3 compared with 34% in 2014; plus
- **Above average** improvements in **work life balance; health, transport and skills** amongst all ages.

Community Wealth for All

- **Work with anchor institutions** to improve local economies and tackle inequality.
 - UCLan – Civic University
 - NHS – New Civic role
- **In-sourcing of services where possible e.g. Croydon, Islington, Lancashire Constabulary** post Carillion/Capita.
- Public sector pension funds **invest more in local economies.**
- Establish **locally owned publicly backed banks** and support credit unions and CDFI's.
- Expand **energy democracy and address the climate change** at a local level.
- **Worker cooperatives and employee ownership.**

Making it work

- **Restless Energy & Creativity**
- **Passion & drive senior political & officer leadership**
- **Supporting local business and communities**
- **Increases trust in local anchor institutions**

A Stronger and Fairer City

Thank you

Adrian Phillips

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