



Community Wealth Building in Preston and across the UK



The Great Recession of 2007/8



Consequences of the crash of 2008 and its accompanying austerity

- **Huge amounts of public money has had to go into bailing out the financial system.**
- Austerity measures mean **continuing squeeze on most of population**, despite some increase in jobs and modest growth.
- **Investment and productivity remain weak & bank lending to business is paltry.**
- Little sign of improvement in living standards and **inequality continues to rise.**
- **A systemic failure** – the 21st century model of capitalism has failed – but **not been replaced.**
- Current **macro economic** approaches seeking to prop a **deformed** system up – **does not address inherent problems.**

This systemic failure hits Preston with the abandonment of the £700m Tithebarn Regeneration Scheme in 2011



A democratic economy is emerging in Preston based on common sense alternatives (1)

- **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**.
- There is a **£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.
- We are expanding cooperative and employee owned businesses through **Preston's Cooperative Development Network (Presco)** with UCLan and others. A commitment to 'gap coops' to address leakage.
- We are working to establish the **Lancashire Community Bank** and continue to support our **credit union (Clevr)** and **CDFI (Lancashire Moneyline)**.

A democratic economy is emerging in Preston based on common sense alternatives (2)

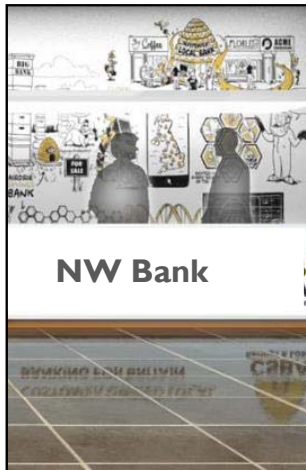
- Preston City Council is now an energy supplier across Lancashire through its partnership with a neighbouring authority through **Fairerpower Red Rose**.
- There is an opportunity for Preston and Lancashire councils to establish a more prominent housing development role through **new housing companies**.
- **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 is establishing a **Civic Drone Centre** exploring how the Preston Model approach can benefit the community including through drone supply chains and clusters.

Public and community banking



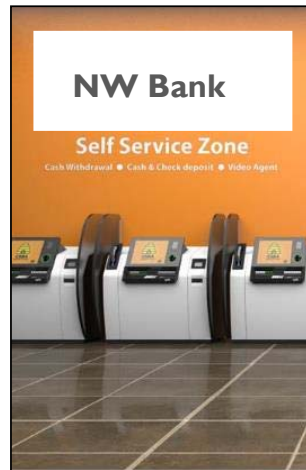
Community Banking to serve Lancashire

Staffed branches



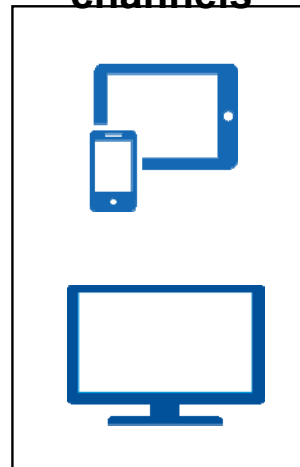
Branch director with lending authority
Local knowledge

Satellite branches



Most of what you can do in a staffed branch
Call centre video link
Extended opening

Digital channels



Web, mobile, tablet fully integrated

Safe deposit box



Automated safe deposit box service

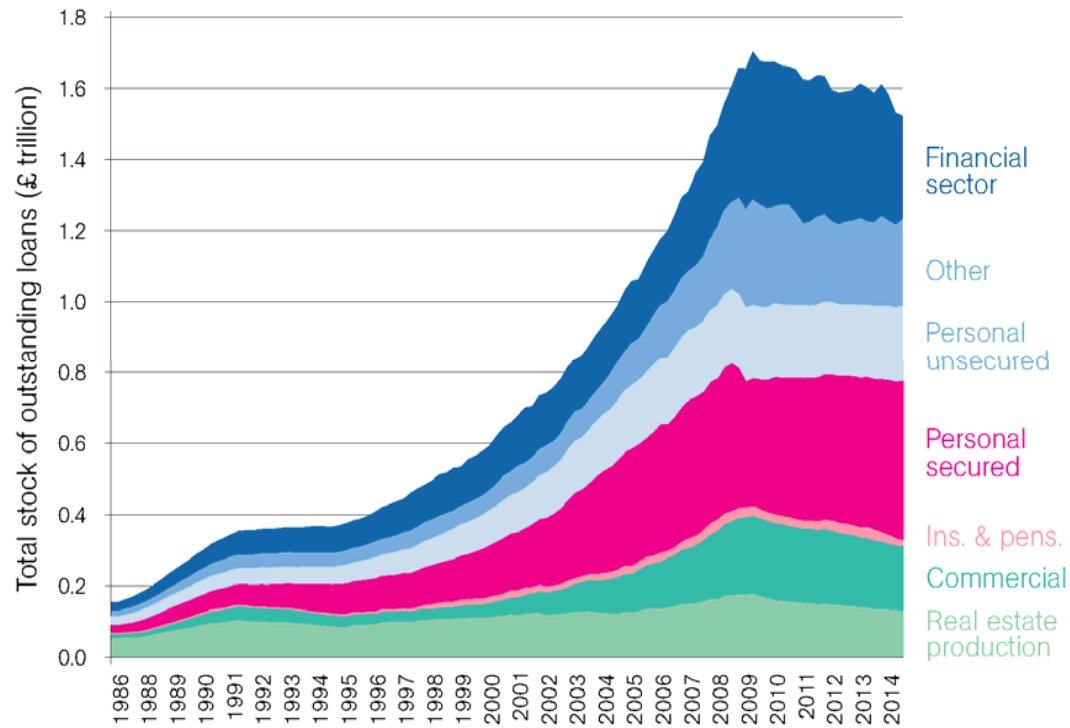
Current accounts



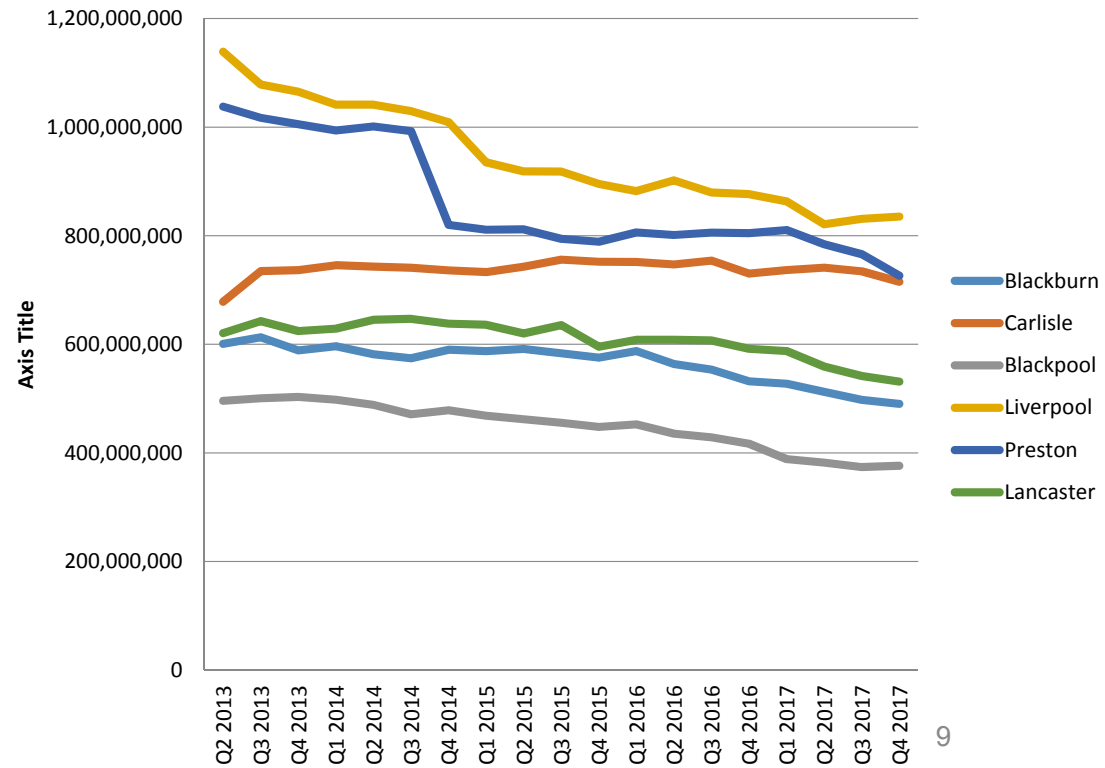
High functionality
Simple & transparent charges: £5 personal, £10 business pcm

Who gets the loans now?

Big 4 Balance Sheets



SME Loans – North West



Local investments (Retirement Systems of Alabama public pension fund)



Investments | Investments | bank_north_dakota.jpg?itok= Deravi_PowerPoint_5-2012 X

rsa-al.gov/uploads/files/Deravi_PowerPoint_5-2012.pdf

Bottom Line: Total Economic Impact

It is our estimate that from 1990 to 2011, RSA's investment in Alabama generated a total aggregate economic impact of:

- **\$28.0 billion** of additional GDP for the state.
- **\$14.3 billion** of earnings (payroll) for Alabamians.
- **282,564 FTE jobs** in the last 22 years.

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Preston
City Council
09/04/2017

Ask me anything

Public pension fund investments in Preston



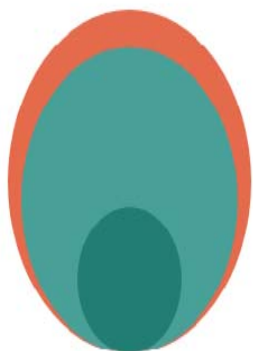


Public sector spend repatriated to Preston and Lancashire



£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.

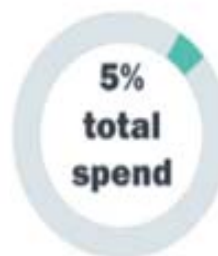


Preston: a total of £112,337,690.64 was spent with organisations based in Preston (18.2% of total spend)

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



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

CABINET MEMBER FOR SOCIAL JUSTICE.pdf - Adobe Acrobat Reader DC

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2 / 5 150%

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

Preston City Council

OUTCOMES – Part time Lancashire wage levels

Part time wage levels – 2011

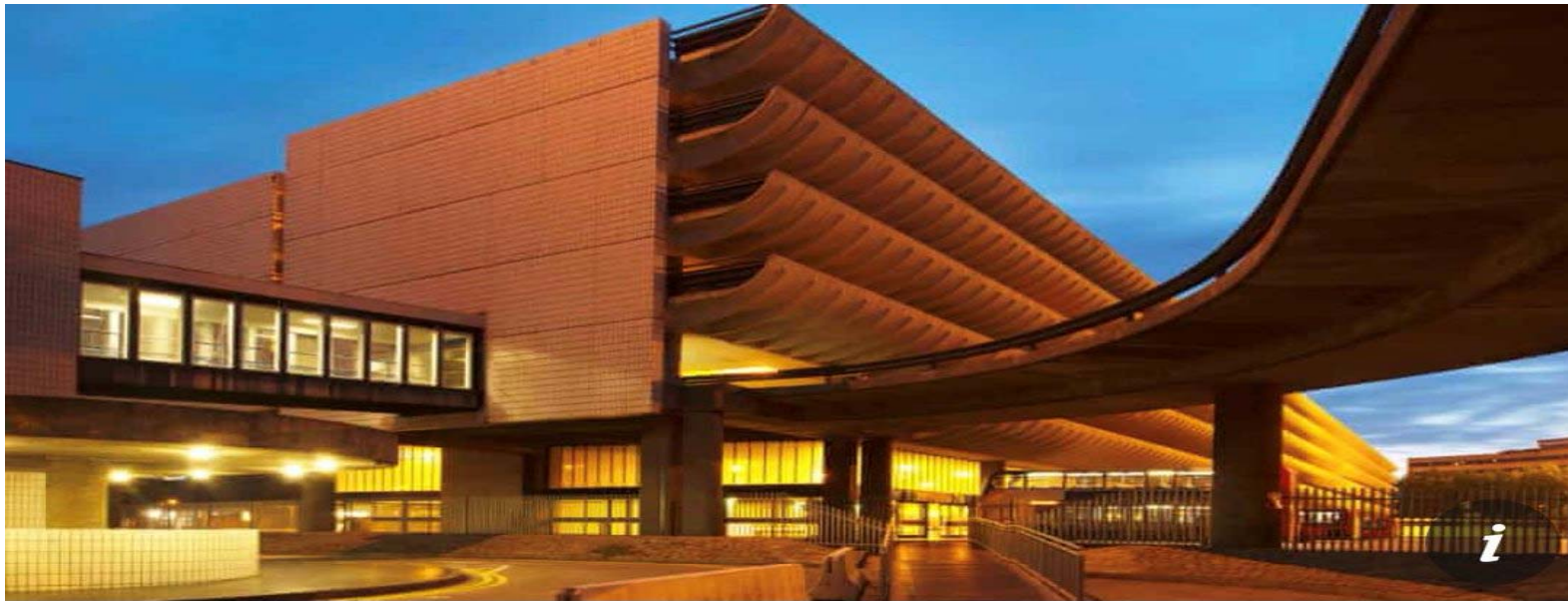
Part time wage levels - 2017

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 – Jobs and GVA

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





Economic policy

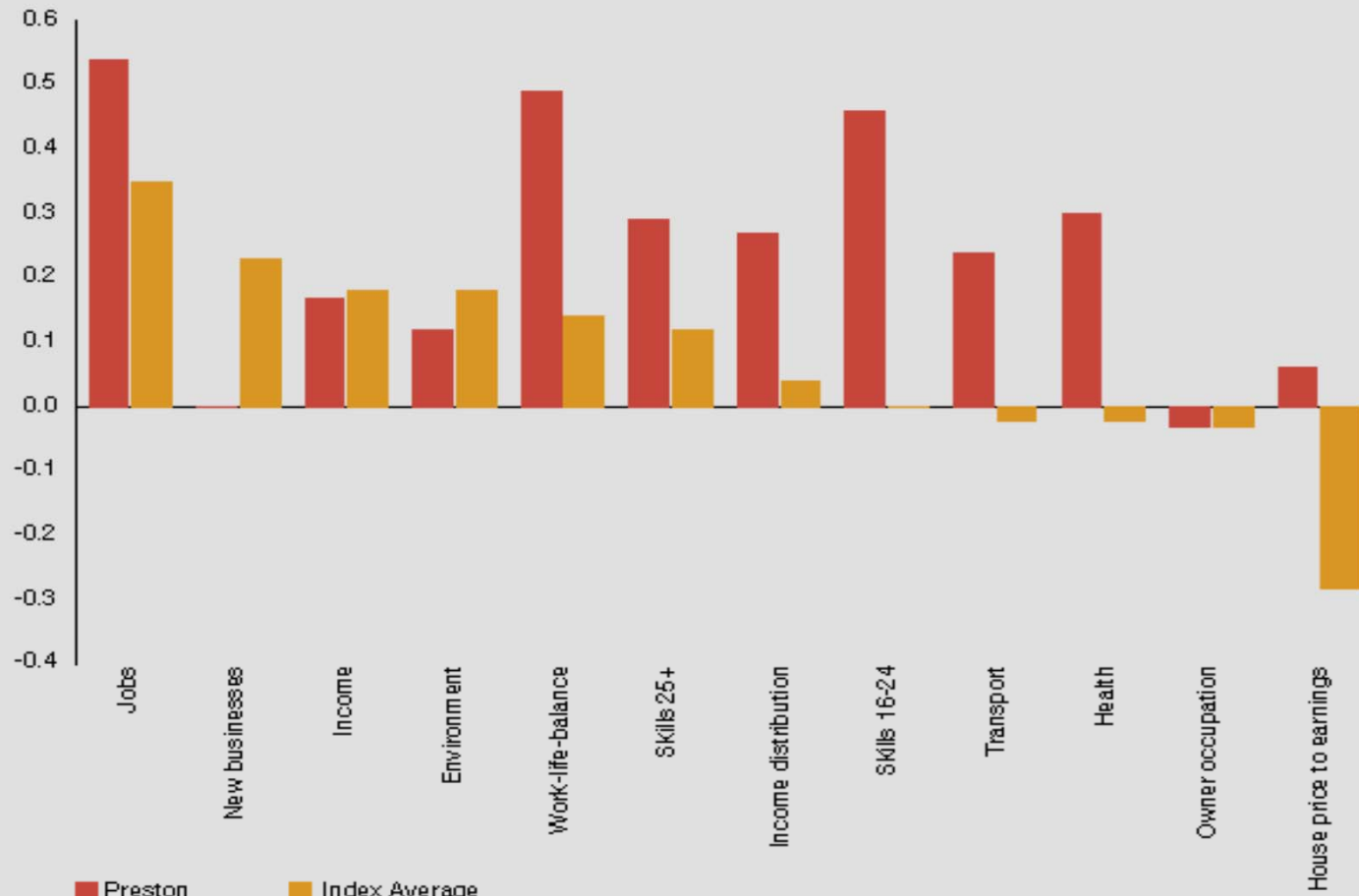
Preston named as most most improved city in UK

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

Table A: Highest ranking and most improved cities (by TTWA¹) in the Demos-PwC Good Growth Index, 2015-17

Highest ranking cities	Index score	Top 10 improvers	Score increase
Oxford	1.03	Preston	0.28
Reading	0.99	Middlesbrough & Stockton	0.20
Southampton	0.82	Hull	0.20
Milton Keynes	0.77	Milton Keynes	0.19
Bristol	0.73	Birmingham	0.18
Edinburgh	0.72	Wakefield & Castleford	0.17
Swindon	0.71	Aberdeen	0.17
Coventry	0.70	Liverpool	0.16
Aberdeen	0.69	Swindon	0.15
Leicester	0.65	Manchester	0.15

Figure 5: Change in Preston's Index score, 2014-16 to 2015-17



*Preston's new businesses score is 0.

In 2017

44%

of 16-24 year olds in Preston held at least an NVQ level 3 qualification

compared to only

34%

in 2014

Other areas interested in a Community Wealth Building approach

- The Scottish Government and the Welsh Assembly.
- More than 50 local authorities in the UK including 8 London Councils.
- Liverpool City Region, Sheffield City Region and Greater Manchester Metro Mayors.
- European cities anchored through the EU 'Make Spend Matter' project Preston leads on.
- Cross party political interest at the highest level.
- NHS classified as an 'anchor institution' in the recent NHS long term plan.