



## APSE Annual Seminar - 12<sup>th</sup> September 2018

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The ingredients for local economic success: Building  
wealth in our communities





# What CLES does?

- Leading independent member and research organisation, realising **progressive economics for people and place**.
- 32 years old.
- Our aim is to achieve social justice, good local economies and effective public services for everyone, everywhere.





# Huge Inequality

## THE WORLD'S WEALTH INEQUALITY



Sources:  
<https://www.oxfam.org/>  
<https://howmuch.net/articles/the-worlds-wealth-inequality>

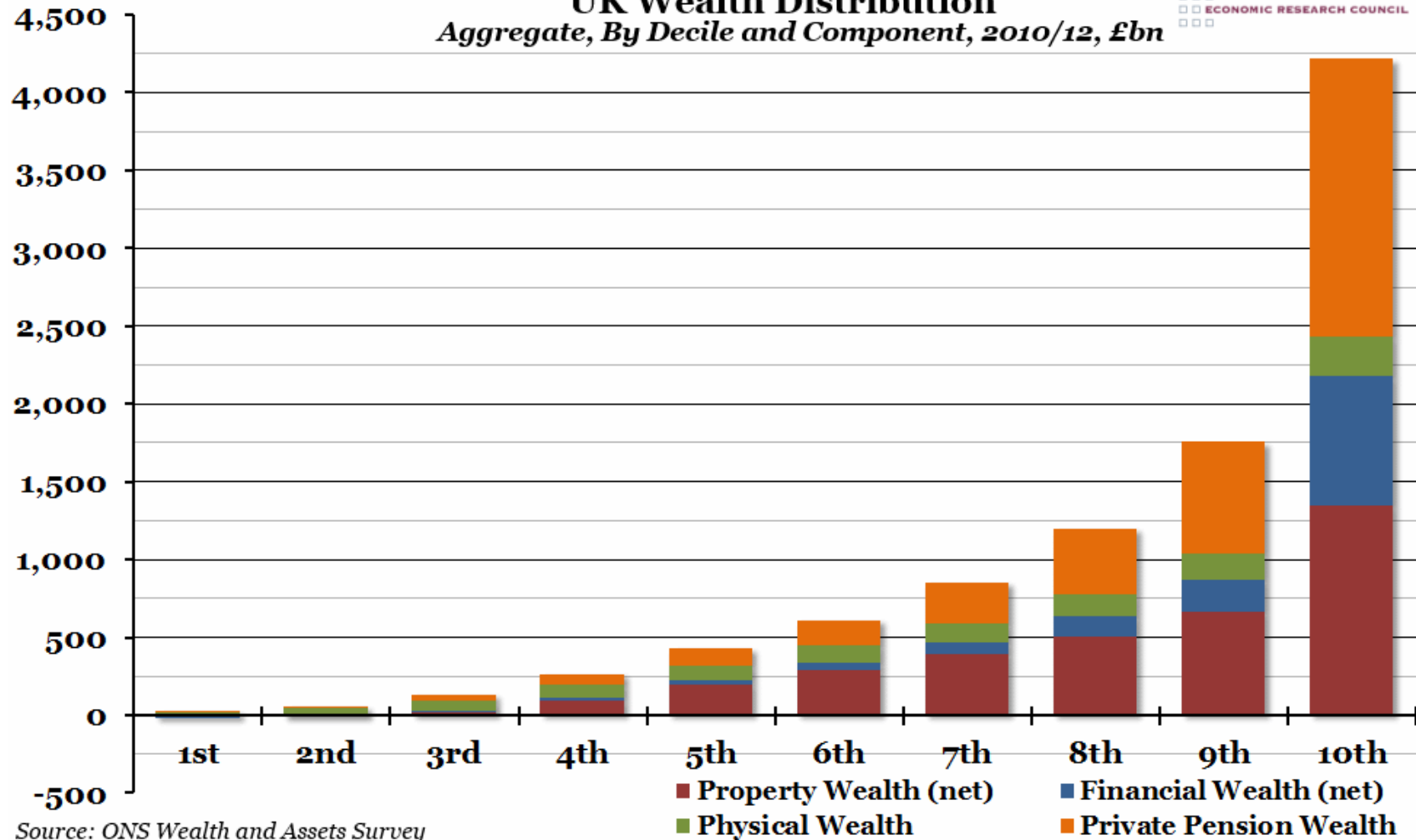
howmuch.net



# Wealth Inequalities

**UK Wealth Distribution**  
*Aggregate, By Decile and Component, 2010/12, £bn*

□□□ ECONOMIC RESEARCH COUNCIL



Source: ONS Wealth and Assets Survey



# A socially just economy?

**Wealth strongly  
flows to people,  
places &  
communities**

Economic development  
has been failing.

Too little consideration of  
wealth:

- Who owns it?
- Who has power over it?
- Who benefits from it?

Create an economy where  
wealth is broadly, not  
narrowly held.

Wealth with local roots and  
ownership.





# Local Wealth Building

We have worked with dozens of Local Councils and there are a currently a number places where CLEES are working:

- Manchester
- **Preston**
- Birmingham
- **Oldham**
- Calderdale
- Salford
- LB Islington
- Bury
- Kirklees
- Wakefield
- Wirral
- Nova Scotia, CAN
- **Barcelona**
- **NHS**
- 10 European Cities

12 years







# A Long history

Creating resilient local economies:



**exploring the economic  
footprint of public services**





**BOROUGH**  
OF  
**SOUTH SHIELDS.**

**THE WATCH COMMITTEE**

ARE READY TO RECEIVE

**TENDERS**

For the Supply of the Borough Police Constables with

**14 TOP COATS,** Of dark blue Pilot  
Cloth ;

**14 PAIRS OF TROUSERS,**

Of dark blue Pilot or Police Cloth, and

**14 HATS.**

Patterns of the Cloth and Hats, together with Sealed Tenders, addressed to the Town Clerk, and endorsed "Tender for Police Clothing" to be sent in to Superintendent BIRGLASS, at the Police Station, on or before Thursday next, the 10th instant.

The lowest Tenders will not necessarily be accepted.

By order of the Watch Committee,

**THOMAS SALMON,**

TOWN CLERK.

*Town Clerk's Office,  
5th November, 1853.*





# Local Wealth building: Anchor Institutions

**Anchor Institutions: Sticky Capital!** Play a significant and role in a locality - Size & scale – **Purchaser/procurer, employer with land, property and assets**



Housing providers



Voluntary and community sector



Private Businesses



Education providers



Hospitals



Local government



Police



# 4 elements of Local Wealth Building



**Workforce of Anchors**



**Anchor purchasing**



**Anchor land, property & assets**



**Ownership of the economy**

WHEN YOU BUY  
FROM A SMALL  
BUSINESS, YOU'RE  
NOT HELPING A  
C.E.O BUY A 3<sup>RD</sup>  
HOLIDAY HOME.  
YOU'RE HELPING A  
LITTLE GIRL GET  
DANCE LESSONS,  
A LITTLE BOY HIS  
TEAM JERSEY, MAMS  
& DADS PUT FOOD  
ON THE TABLE.

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SHOP LOCAL.

KING PRAWN  
CURRY  
£4.95 PER PORTION



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# Preston 2012- A 6 year journey.....



# Preston: Starting point

Total spend of all 6 anchors 12/13

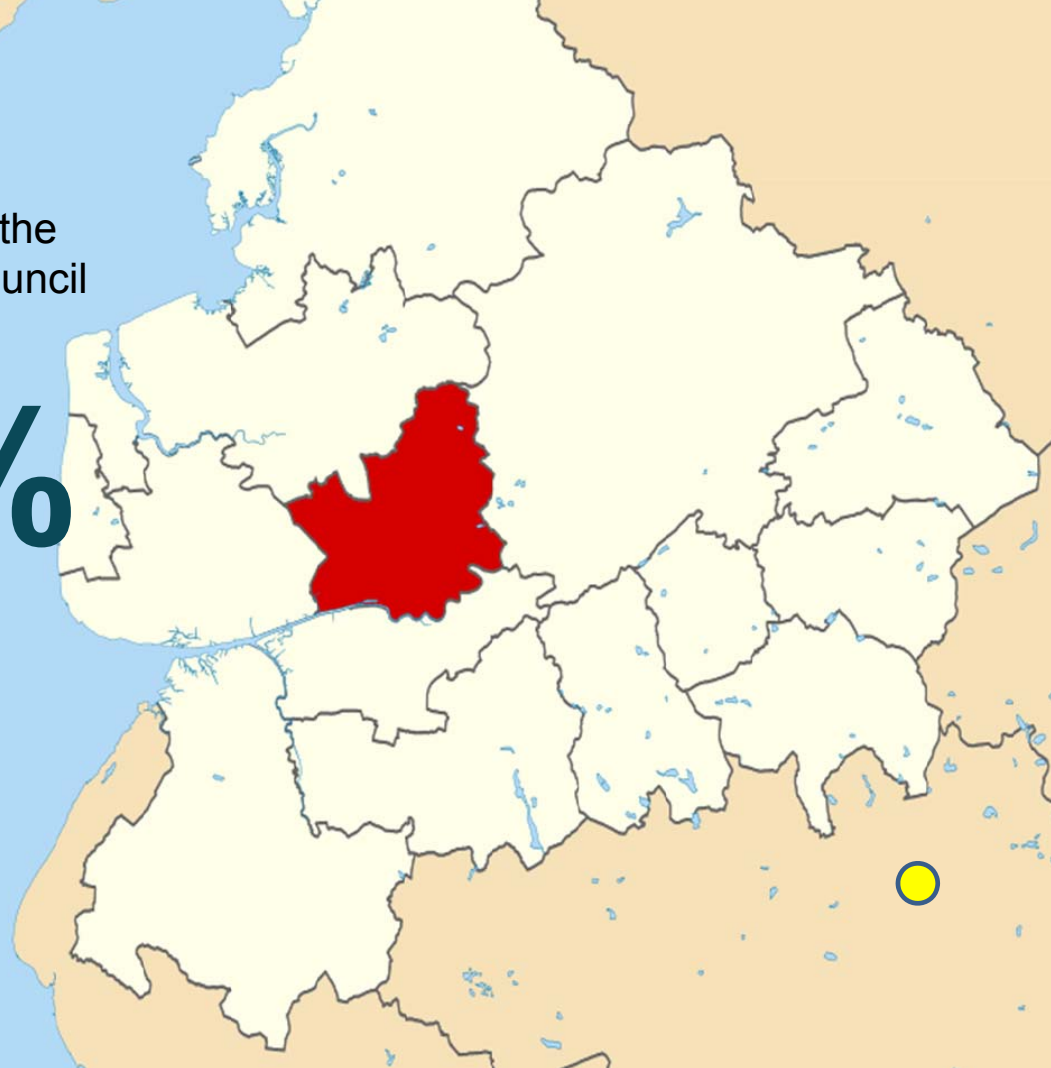
**£750m**

**5%**

of spend within the  
Preston City Council  
boundary

**39%**

of spend within  
the Lancashire  
economy







# What we have been doing since

- Measuring spend of all anchors
- Find influenceable spend
- Changing procurement and commissioning practice
- Serious social value framework and application
- Developing cooperation across institutions and with commercial sector
- Animating supply



# The change: Preston and Lancashire county

Total spend of all 6 anchors 16/17

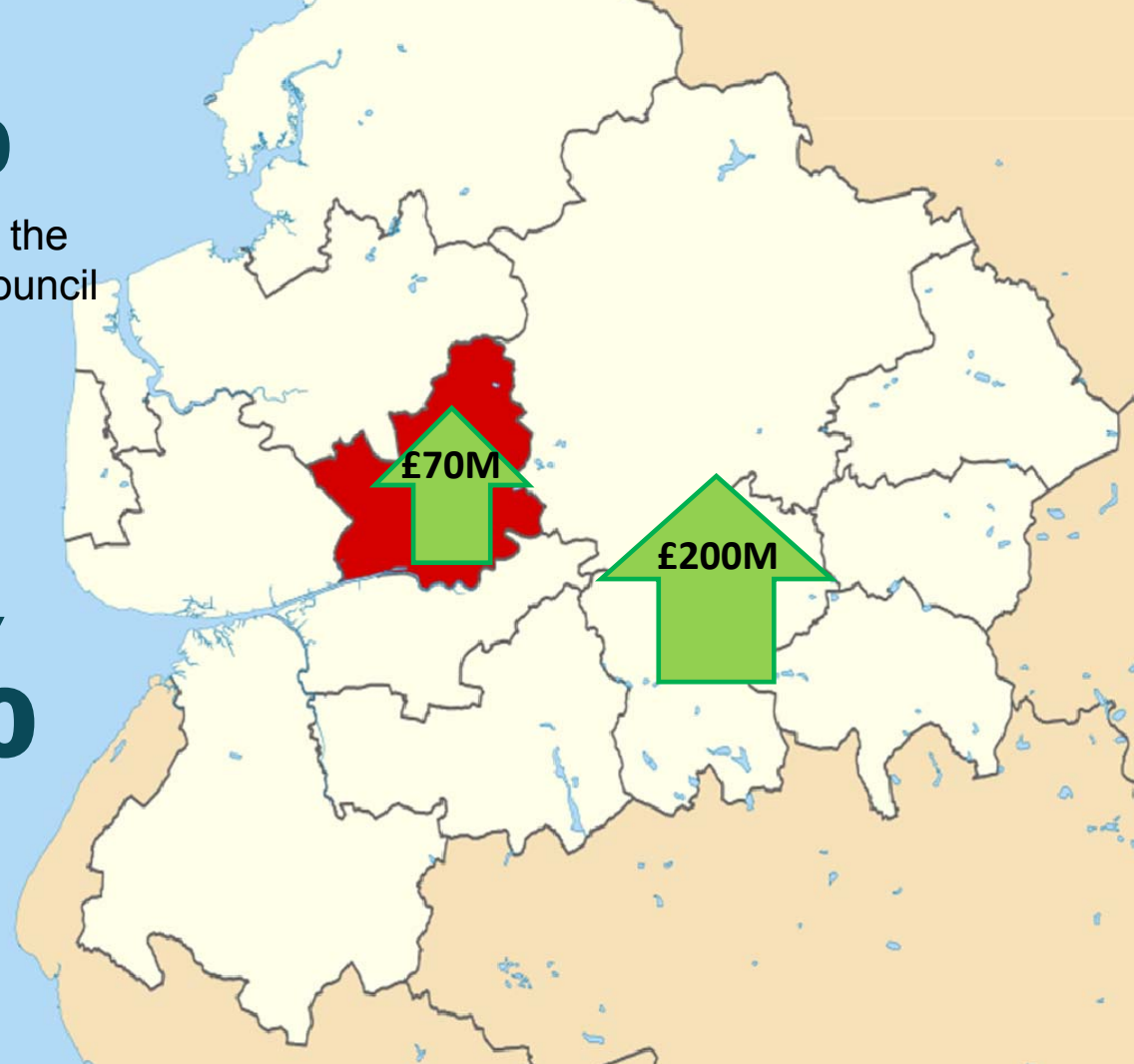
£616m

**18%**

of spend within the Preston City Council boundary

**80%**

of spend within the Lancashire economy





## Preston's Local Wealth Building: A new economic ecosystem

- Preston moved out of bottom 20% of most deprived areas in England
- Increase in companies paying the real living wage
- £100m placed based investment by local government pension fund in student flats, hotel and office space through City Deal we wish to build on.
- Expansion of cooperative and employee owned businesses through Preston's Cooperative Development Network (Presco) with UCLan and others. Commitment to 'gap coops'.
- Lancashire Bank (in development)
- Local food networks (established)



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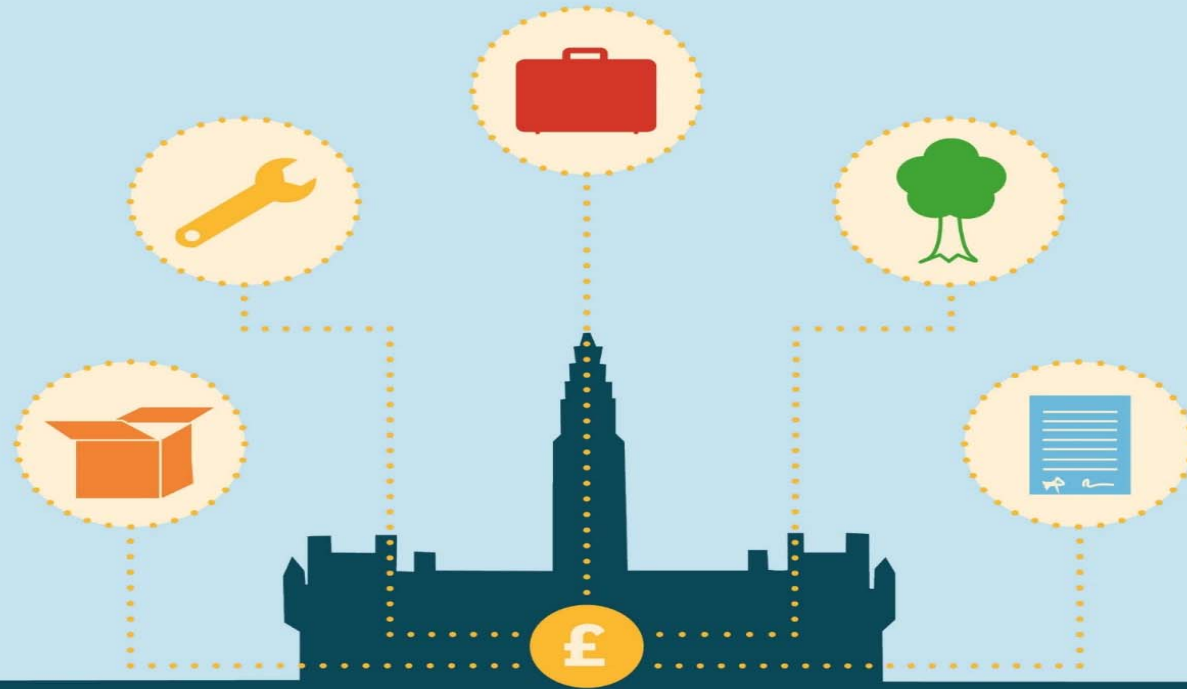
# NHS Health Institutions

Proof of concept and case studies

Huge potential for NHS



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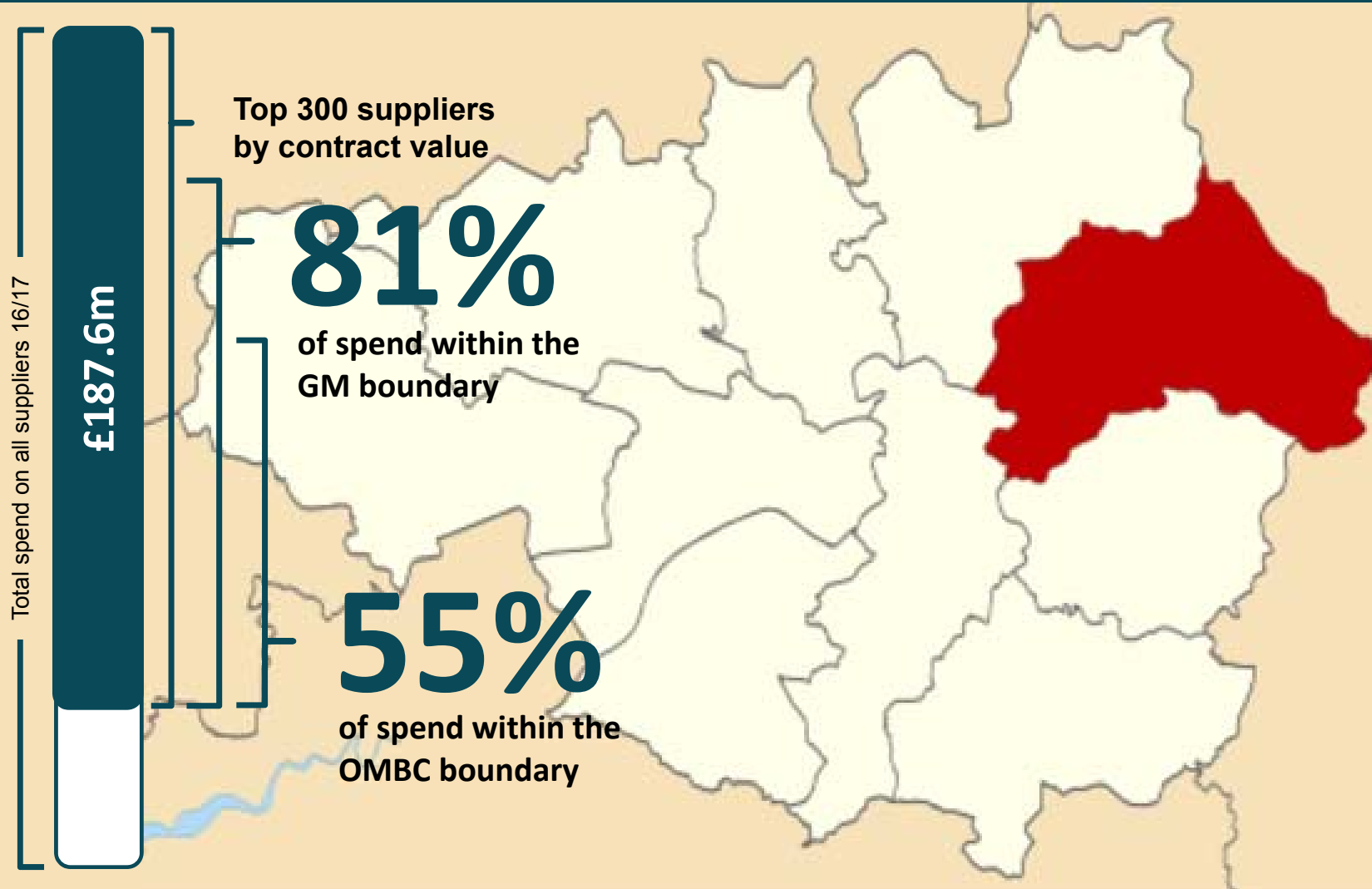


Oldham 2017-





# OMBC is investing in local suppliers





# 61% of staff spend within OMBC boundary

Lowest average spend in deprived urban wards

Everywhere spend: **£60.6m**

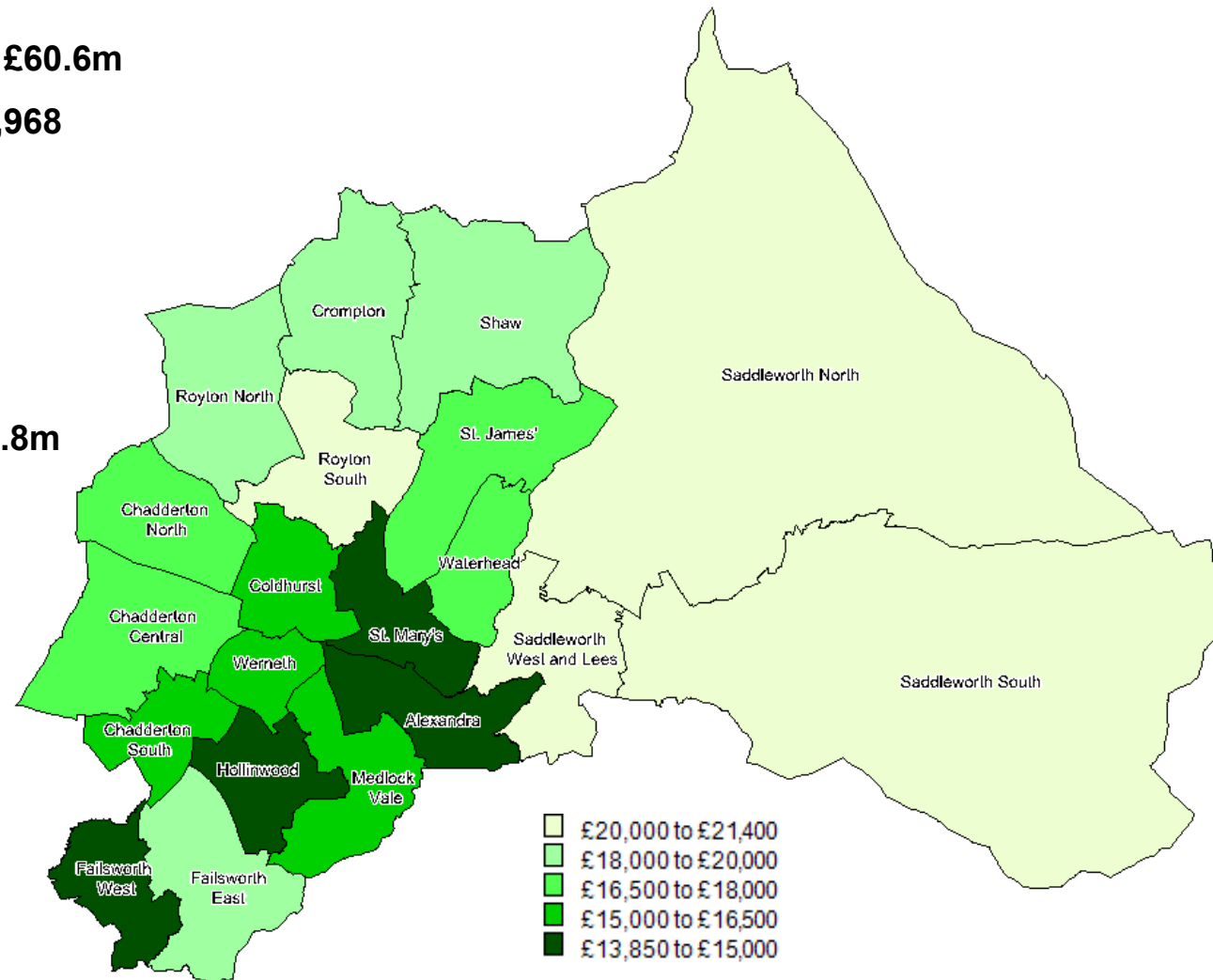
Everywhere staff: **2,968**

GM spend: **£56m**

GM staff: **2,816**

Oldham spend: **£36.8m**

Oldham staff: **2,076**





## OMBC's supply chain are investing in Oldham



**£26.1 million**



**132 jobs**



**32 apprenticeships**



**In-work opportunities  
created**



**26,288 hours  
support**



**Barcelona**

**‘If we are capable of imagining a different city, we have the power to create it’**

- Aggressive land and property gentrification in CBD
- Housing, unemployment crisis, inequality,
- Social and spatial polarisations



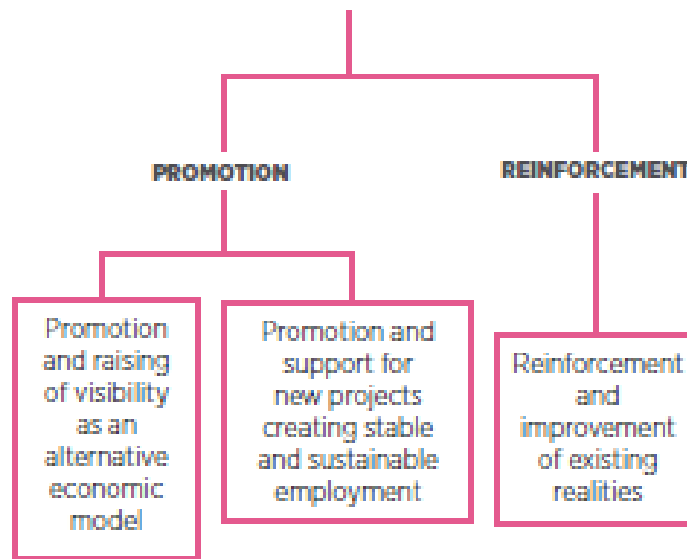




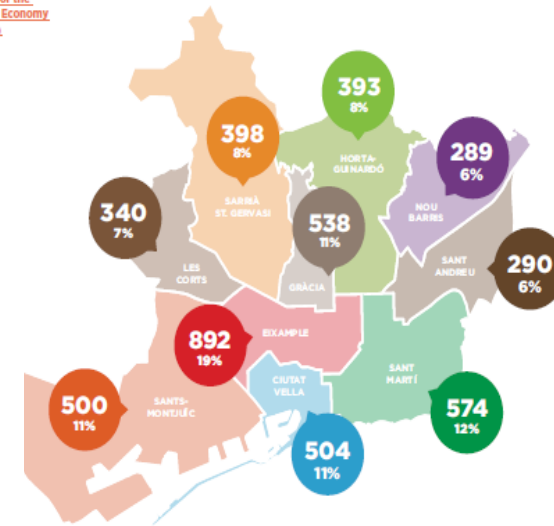
# A plan for social economy: Equal status to mainstream!



## OBJECTIVES



Aggregate figures for the Social and Solidarity Economy of Barcelona (2015).



Explosion of urban activism: cooperatives, social entrepreneurship





# Answering critics

- **Zero sum game?** No. Economic and social value of jobs is not equal across country, this is about directing economic activity where it has greatest social return
- **Protectionism?** No. A recognition that markets are always socially regulated (and rigged) – LWB means enabling SMEs to compete with big businesses that dominate many markets
- **Ignores national economy?** No. LWB is about all economic activity, wherever they are based. And shortening supply chains is better for environment.



## A movement for Local wealth building grows

- UK Labour set up Community Wealth Building Unit
  - Need for raft of new national policies and legislation required
- CLES are setting up a wealth building Centre of Excellence
- Ongoing talks with university sector
- Part of Scottish Government 'Programme for Government'
- Welsh Government meetings and sessions.



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