

**Digwyddiad y Byrddau  
Gwasanaethau Cyhoeddus a'r  
Economi Sylfaenol**

13 Mehefin 2019

13:30 – 16:30

Gwesty'r Angel, Caerdydd

**Public Service Boards and the  
Foundational Economy Event**

13 June 2019

13:30 – 16:30

The Angel Hotel, Cardiff



Llywodraeth Cymru  
Welsh Government

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# Croeso

**Maureen Howell,**  
Dyfodol Ffyniannus,  
Llywodraeth Cymru

# Welcome

**Maureen Howell,**  
Prosperous Futures,  
Welsh Government



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## **Neil McInroy**

Prif Swyddog Gweithredol,  
Y Ganolfan ar gyfer  
Strategaethau Economaidd  
Lleol

## **Neil McInroy**

Chief Executive, Centre for  
Local Economic Strategies



# Centre for Local Economic Strategies

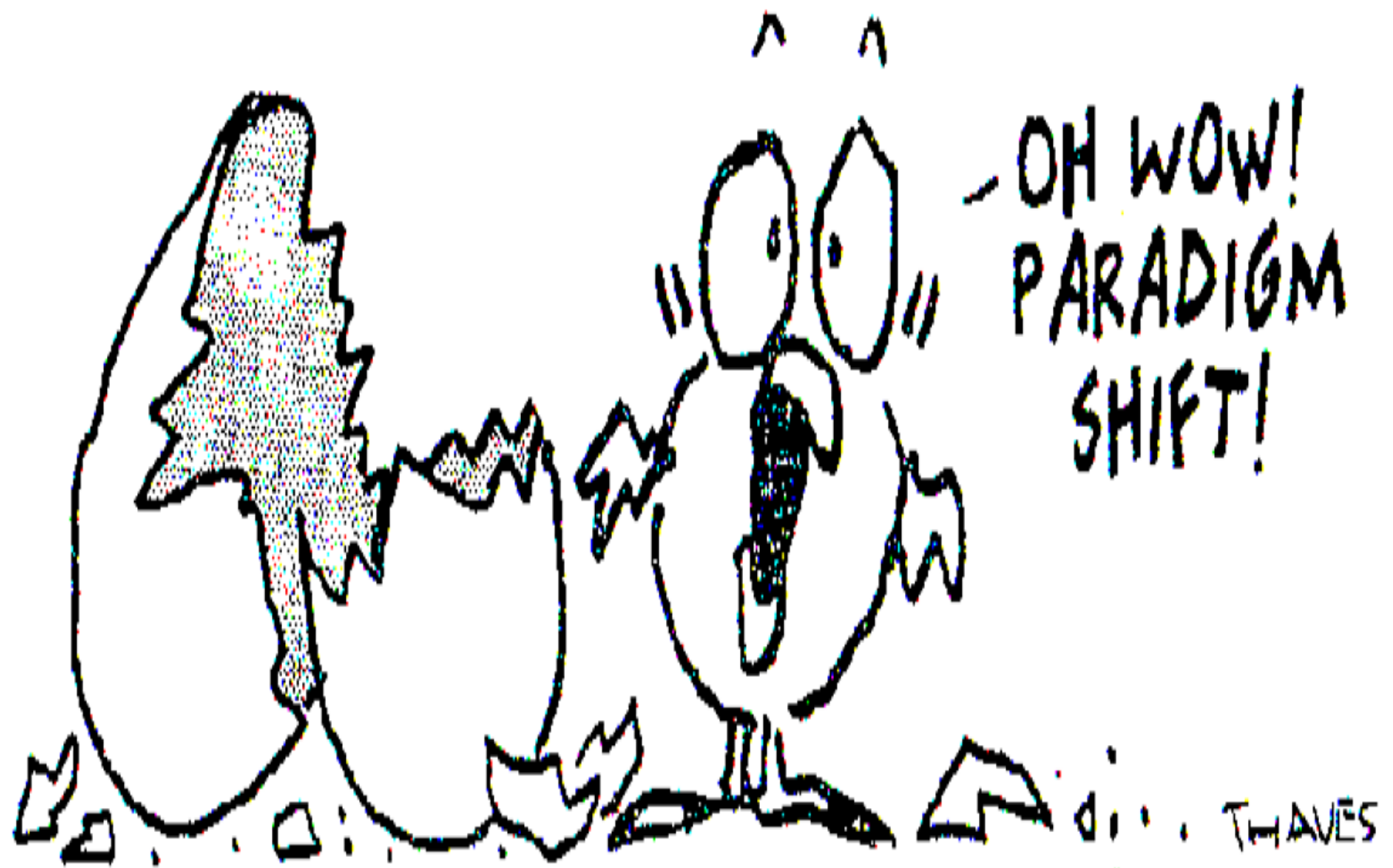
- Leading independent member and research organisation, realising **progressive economics for people and place**.
- 35 years old.
- Our aim is to achieve social justice, good local economies and effective public services for everyone, everywhere.





# Importance of Colleges

- Background to CLEES work
- Rationale from the CLEES report for Welsh Government
- Examples from elsewhere
- Overview of recommendations



# **FOUNDATIONAL ECONOMY: ECONOMIC PLUMBING!**





# Community Wealth Building?



Strongly flows  
to people,  
places,  
communities

- Intentional desire to reshape economy.
- Create an economy where wealth is broadly, not narrowly held.

Wealth with local roots and ownership..





# Importance of anchors



Housing providers



Local government



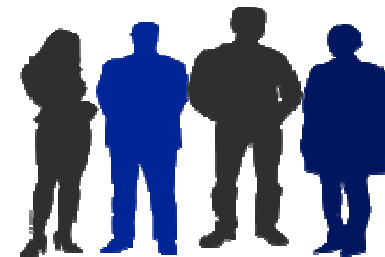
Education providers



The police



Hospitals



Private Businesses

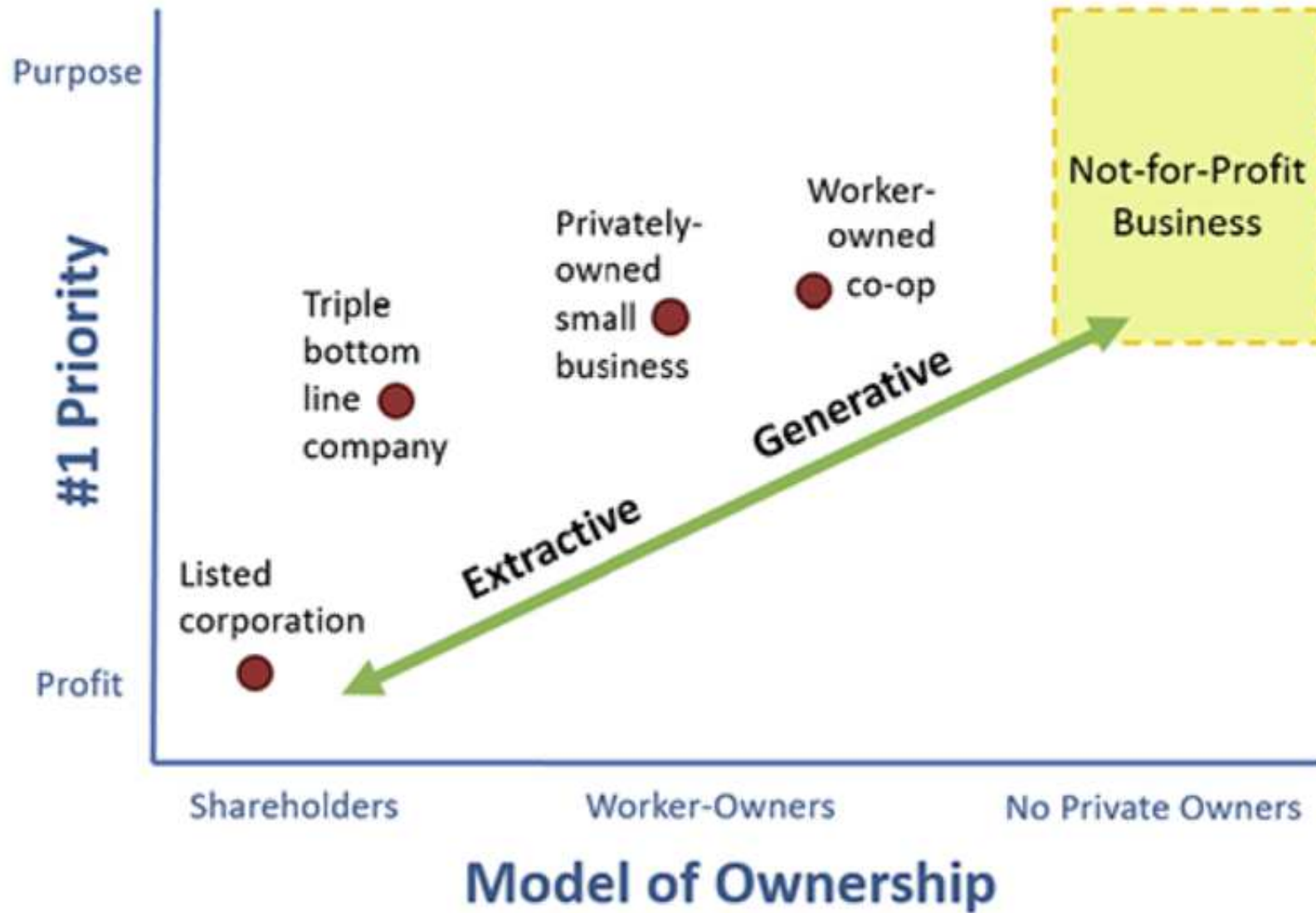


# 5 pillars of Community Wealth Building?

1. Plural Ownership of the economy
2. Making financial power work for local places
3. Fair employment and just labour markets
4. Anchor purchasing
5. Socially productive use of land and property



# Extractive/ generative spectrum





# **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 BYGLASS, 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, 1852.

















## Community Wealth Building in the UK

Belfast  
Birmingham  
Bury  
Darlington  
Dudley  
Gateshead  
Hartlepool  
Islington  
Kirklees  
Lancaster  
Leeds  
Lewisham  
Manchester

North Ayrshire  
North East Lincs  
Oldham  
Preston  
Rochdale  
Salford  
Southampton  
Sunderland  
Swindon  
Wakefield  
Wigan  
Wirral



	Spend	Employment	Land and property	Local finance	Ownership of the economy	Anchor approach
Preston	 <b>CLES</b> progressive economics for people and place	 <b>CLES</b> progressive economics for people and place	Started	Started	 <b>CLES</b> progressive economics for people and place	 <b>CLES</b> progressive economics for people and place
Islington	 <b>CLES</b> progressive economics for people and place	 <b>CLES</b> progressive economics for people and place	 <b>CLES</b> progressive economics for people and place		 <b>CLES</b> progressive economics for people and place	
Wirral	 <b>CLES</b> progressive economics for people and place	 <b>CLES</b> progressive economics for people and place	 <b>CLES</b> progressive economics for people and place			 <b>CLES</b> progressive economics for people and place
Manchester	 <b>CLES</b> progressive economics for people and place					
Gateshead	 <b>CLES</b> progressive economics for people and place					 <b>CLES</b> progressive economics for people and place
Oldham	 <b>CLES</b> progressive economics for people and place					 <b>CLES</b> progressive economics for people and place

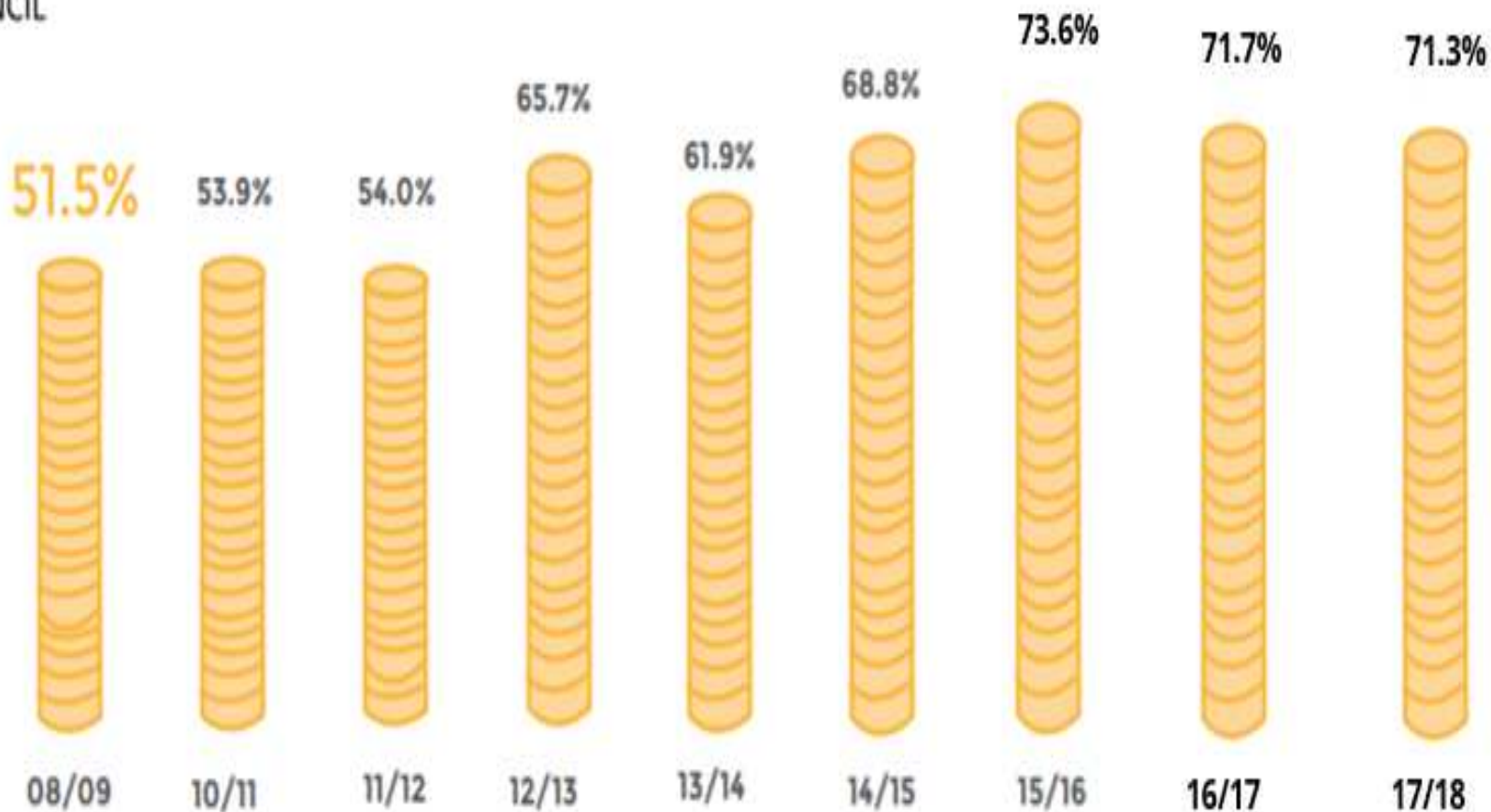


# Anchor Purchasing – Manchester City Council





# Spend in Manchester







# Social Value in supply chain: 2017/18



**1,302 jobs**

Suppliers to Manchester City Council created an estimated 1,302 jobs in Manchester in 2017/18.



**665 apprenticeships**

Suppliers to Manchester City Council created an estimated 665 apprenticeships in Manchester in 2017/18.



**1,788 opportunities**

Suppliers to Manchester City Council created an estimated 1,788 employment opportunities for 'hard to reach' individuals in Greater Manchester in 2017/18.



**158,591 hours support**

Suppliers to Manchester City Council provided an estimated 158,591 hours of support to the voluntary and community sector in 2017/18.



# Preston 2012– A 6 year journey.....

# Preston 'not the locomotive of UK economy' says Johnson



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

Shadow Chancellor John McDonnell will praise the ground-breaking £200million to to city's economy by buying local



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



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



Preston, Jeremy Corbyn's model town

*How one city became an unlikely laboratory for Corbynomics*

Buy local, hire local: Preston blossoms on Corbynomics

The Lancashire city's success in keeping wealth and jobs at home provides Labour's blueprint for Brexit



Buying local can be the saving of our cities



# Preston: Starting point

Total spend of all 6 anchors 12/13

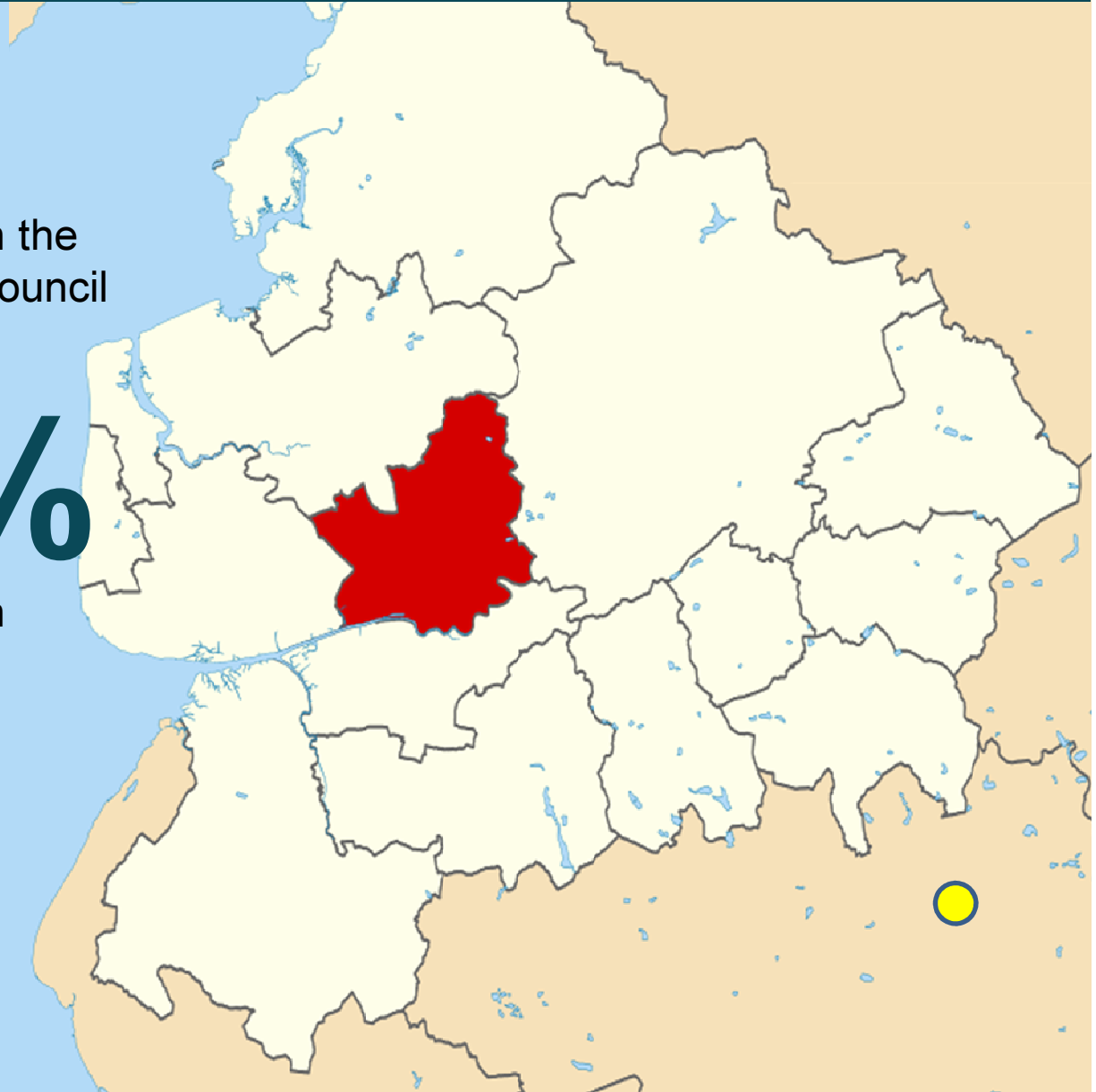
£750m

5%

of spend within the  
Preston City Council  
boundary

39%

of spend within  
the Lancashire  
economy





# The change: Preston and Lancashire county

Total spend of all 6 anchors 16/17

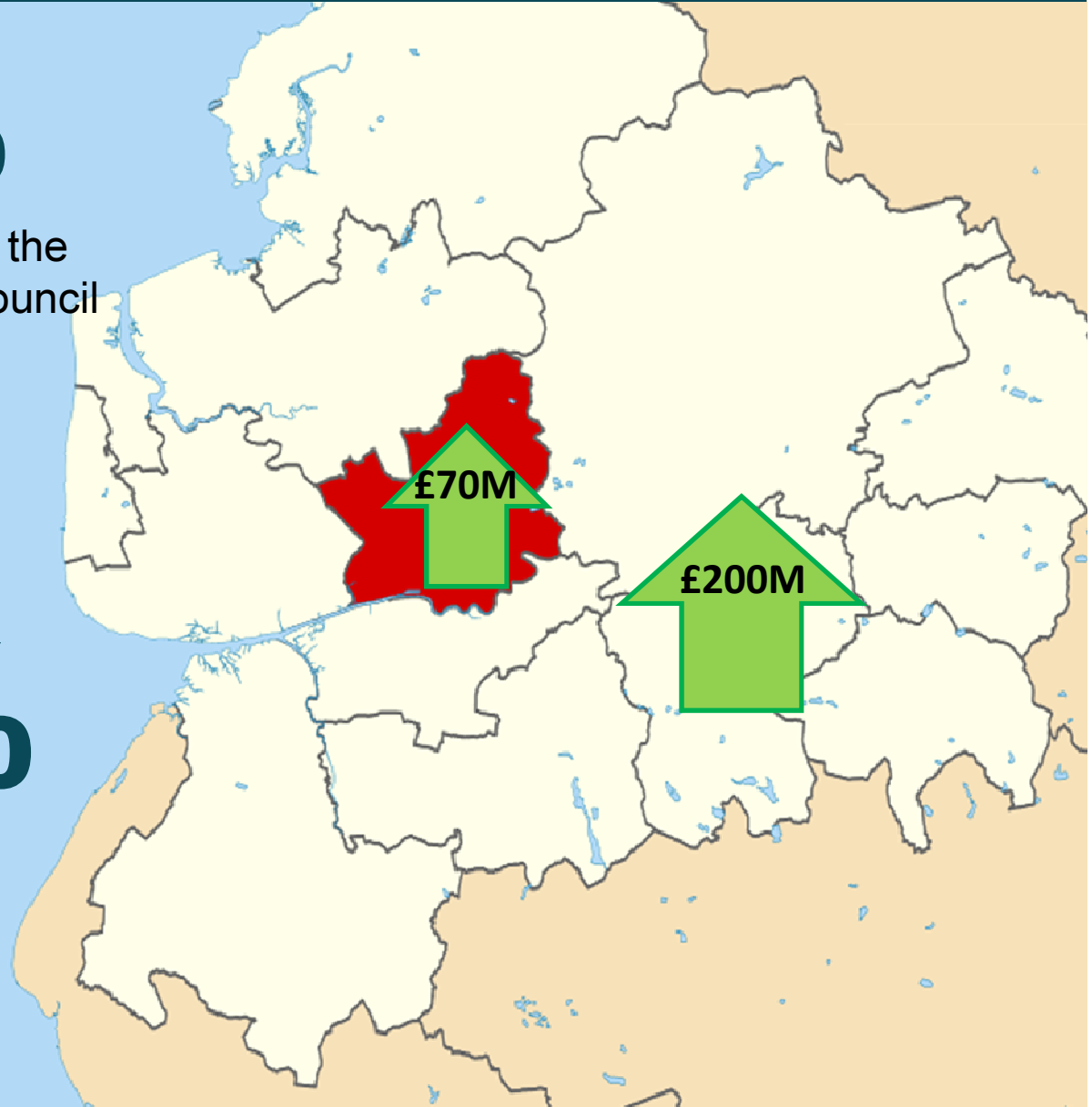
£616m

**18%**

of spend within the Preston City Council boundary

**80%**

of spend within the Lancashire economy



**BY ENCOURAGING ANCHORS TO SPEND  
THEIR MONEY LOCALLY AND SOCIALLY,  
LOCAL WEALTH BUILDING HAS:**

Developed the skills  
of local people within  
Preston and the wider  
Lancashire area.



**CREATED  
STABLE,  
WELL  
PAYING  
JOBS.**



**REDUCED  
LEVELS  
OF IN-  
WORK  
POVERTY**

Kept money  
circulating in the  
local economy



Demonstrated the potential of  
anchor institutions to realise good  
local economies for people and place.





# Results!

4000 new jobs for workers receiving the Living Wage Foundation accredited Living Wage.

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

Preston named 'Most Improved City in the United Kingdom' in 2018 in 'Good Growth for Cities 2018'.

10% rise in 16-24 year olds in Preston receiving at least an NVQ Level 3 qualification 2014 – 2017.

Reduction in unemployment from 6.5% in 2014 to 3.1% in 2017. (Compared to UK average of 4.6% in 2017).



Islington 2018 –





# Islington

- A borough at the frontline of growth, rentierism and wealth extraction. That sits alongside poverty, inequality and aggressive ‘juggernaut gentrification’.
- Taking a community wealth building approach to this
- Advancing:
  - Council stronger procurement and social value
  - Building community wealth through local markets
  - Building affordable productive workspace to counteract rentierism and speculation



# Scottish Government and North Ayrshire



# NHS Health Institutions

Proof of concept and case studies

Huge potential for NHS



# Community Wealth Building Through Progressive Procurement In Wales

## o *Purpose of work:*

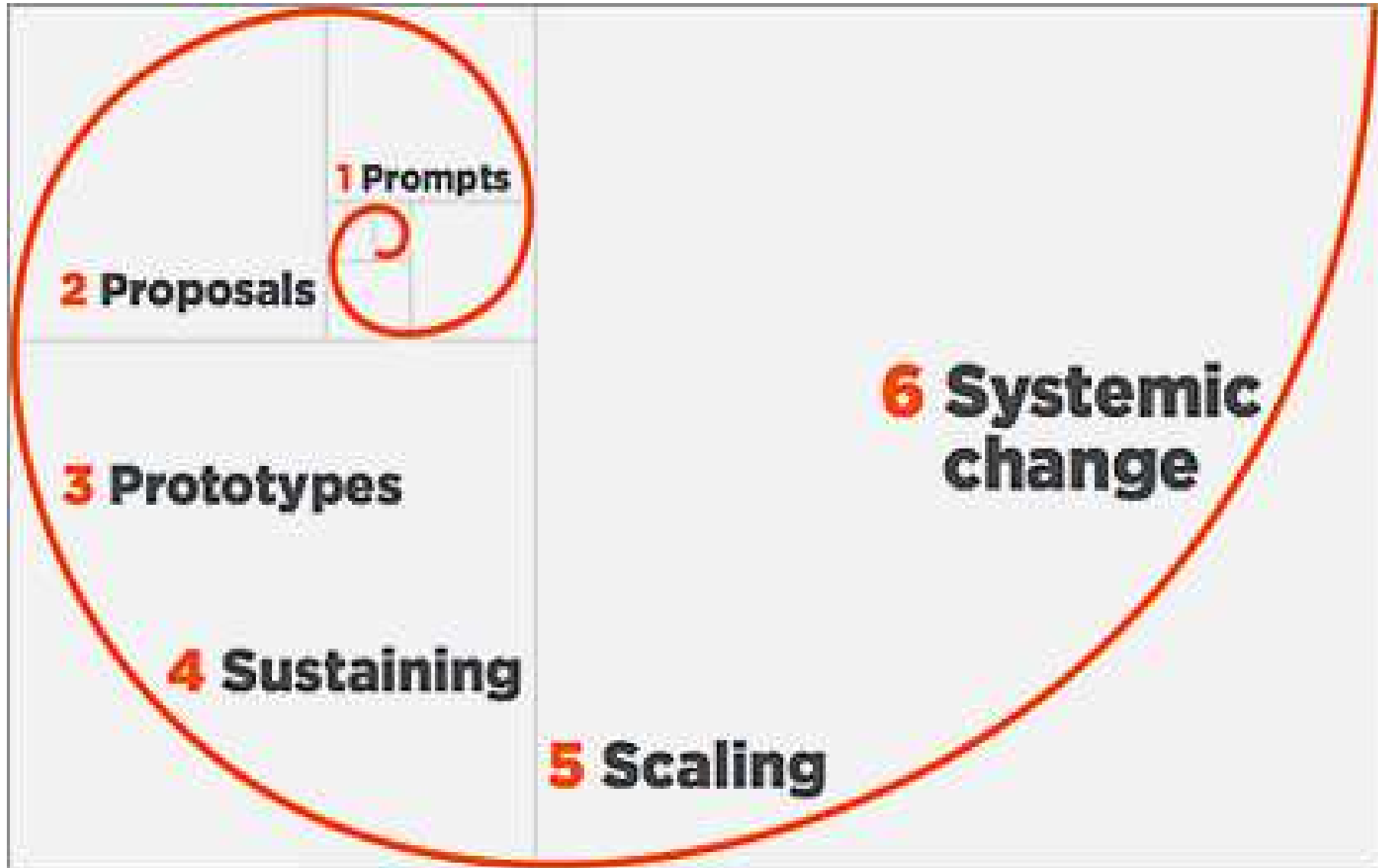
o *'Recommendations on how to adopt a process of progressive procurement across Wales, framed by 'Community wealth building' and Foundational Economy'*

o Worked started in December 2018

o Report now with Welsh Government



# Methodology follows and innovation spiral: Start small and build





## Fertile context In Wales

*‘Community wealth building in Wales has been given an excellent head start by the multiplicity of legislative and infrastructural agendas at play in this space’*

- Progressive procurement tradition
  - National procurement for Wales
  - Value wales
  - Better jobs closer to home
  - Code of Ethical Employment in Supply Chains
  
- Well being and future generations act
  - Well being assessments
  
- Public Service Boards



## Proposals (not yet signed off/agreed)

- Best practice from elsewhere but bespoke to Wales. Wales has legislative awareness and existing architecture. Just do it!

- An enablement unit and project support

- Roll out across PSB's

- 0–4 months

- Stage 1: Local authority engagement

- Stage 2: Public Service Boards Initial Workshop

- Stage 3: a CWB diagnostic

- Stage 4: Procurement deep-dive

- 5–9 months

- Stage 5: PSB Procurement Workshop

- Stage 6: Framework and Work Plan

- Stage 7: Start of work

- 9 months. RESULTS

**Lee Waters AC,**  
Dirprwy Weinidog yr Economi  
a Thrafnidiaeth

Deputy Minister for Economy  
and Transport,  
**Lee Waters AM**



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Egwyl

Break



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### Sesiynau grŵp:

C1. Beth fyddai'n helpu Byrddau Gwasnaethau Cyhoeddus i ledu a newid graddfa y broses gaffael?

C2. Sut ydym ni'n cydgysylltu gweithredu ar y cyd yn lleol ar draws "sefydliadau angori" lleol o ran y broses gaffael?

C3. Â pha fath o weithgarwch y gallai Cronfa Her yr Economi Sylfaenol fod o gymorth?

### Adborth

### Breakout sessions:

Q1. What would help PSB's to spread and scale action of procurement?

Q2. How do we locally coordinate collaborative action on procurement across local anchor institutions?

Q3. What sort of activity could the Foundational Economy Challenge Fund help with?

### Feedback



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Crynhoi a Chloi

**Neil McInroy**

Summary and Close

**Neil McInroy**