

## Community wealth building Five principles



### **Fair employment and just labour markets**

Anchor institutions have a defining impact on the prospects of local people. Recruitment from lower incomes areas, paying the living wage and building progression routes all improve local economies.

### **Plural ownership of the economy**

Developing and growing small enterprises, community organisations, cooperatives and municipal ownership is important because they are more financially generative for the local economy – locking wealth in place.

### **Making financial power work for local places**

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists, as opposed to attracting capital. This includes redirecting local authority pension funds, supporting mutually owned banks.

### **Progressive procurement of goods and services**

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: SMEs; employee-owned businesses; social enterprises, cooperatives and community business.

### **Socially just use of land and property**

Deepening the function and ownership of local assets held by anchor institutions, so that financial and social gain is harnessed by citizens. Develop and extend community use – public sector land and facilities as part of 'the commons'.



## Introduction

CLES (The Centre for Local Economic Strategies) has been commissioned by the Welsh Government to support anchor institutions in four Public Service Board areas across Wales to explore community wealth building approaches, with a focus on **progressive procurement**.

Community wealth building is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.

The intent is to pursue progressive procurement approaches which help anchor institutions better achieve their core priorities – using procurement to support your ambitions for economic, environmental, social and cultural wellbeing.

## What to expect at the workshop?

The purpose of this workshop is to set in motion the community wealth building process in Conwy and Denbighshire. It will cover:

- The theory and practice of community wealth building and progressive procurement.
- Your high-level spend in Conwy and Denbighshire and local strengths and weaknesses.
- Community wealth building as a strategic tool to improve local outcomes against your Local Wellbeing Plan priorities...

People – Supporting Good Mental Well-being for all ages

Community – Supporting Community Empowerment

Place – Supporting Environmental Resilience

... and the 46 National Indicators for Wales

## By the end of the workshop we will have ...

- Identified a key sector, theme or progressive procurement approach that one anchor institution, or a group of anchor institutions are interested in pursuing
- Discussed next steps.

## Who should attend?

The PSB membership in Conwy and Denbighshire incorporates key public sector anchor institutions with significant local influence. To make the most out of this session, it will be important to include the attendance of a lead procurement officer and lead economic development officer.

## Progressive procurement of goods and services

Community wealth building promotes the progressive procurement of goods and services, as this spending power can be a means through which greater economic, social, environmental and cultural benefits can be achieved.

Procurement decisions at a local level can have key implications for the sustainability of business, the growth of jobs and the circulation of incomes within communities.

Public procurement is far more than an administrative process for determining the delivery of public services. It can shape and influence many of the activities which our public services deliver and ensure that public spending reaps maximum local economic, social and environmental benefit.

By adapting procurement processes and decision making, anchor institutions can create dense local supply chains and ecosystems of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community ownership.

This is important because these types of businesses are more likely to support local employment and have a greater tendency to recirculate wealth and surplus locally and help to reduce carbon footprint.

## Examples of progressive procurement include:

- **Local spending** - Preston's efforts to localise social value impact has brought millions of pounds back into the local economy. The recirculation of over £200m being spent with local suppliers as a result of the changes in procurement behaviour across anchor institutions has had a positive multiplier effect on local jobs, wellbeing, health, and economic growth. This is partially reflected by the fact that in 2018 Preston was named the 'Most Improved City in the UK'.
- **Social value frameworks** - the adoption of a robust social value framework by Manchester City Council, who consistently use 20% social value weighting in their tendering process, has produced significant social and economic impacts. These include creating jobs for the long term unemployed and persons with learning disabilities, as well as support for the VCSE sector.
- **Accessible procurement processes** – for example, disaggregating contracts to make sure they are not inaccessible to smaller suppliers; and ensuring procurement is not over-centralised and bureaucratic.
- **Engaging markets** – for example, by setting up a supplier network bringing together suppliers, corporate procurement officers and economic development officers.
- **Collaboration in procurement** – across anchor institutions to maximise the social value and wider impact of progressive procurement approaches.