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Community Wealth Building

Public Finance Scrutiny Unit

This Briefing Paper – commissioned by the Committee for Finance – explains the development and implementation of Community Wealth Building measures in neighbouring jurisdictions in the United Kingdom and the Republic of Ireland, including issues arising and concluding remarks.

This information is provided to a Member of the Legislative Assembly (MLAs) in support of their duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

Introduction

This Briefing Paper has been prepared at the request of the Committee for Finance (CfF), by the Public Finance Scrutiny Unit within the Finance and Economics Research Team, located within the Northern Ireland Assembly's Research and Information Service (RaISe).

It is to help inform the CfF's consideration of Community Wealth Building (CWB) measures used in Government; setting out the development of the concept, followed by initiatives that have been implemented at local government levels within both the United Kingdom (UK) and the Republic of Ireland (RoI) for "economic development"¹ reasons. The Paper then examines those at devolved government levels within the UK. Thereafter, potential issues arising from the earlier sections are highlighted; followed by concluding remarks.

The Paper is presented as follows:

- [Section 1 – Context-setting: What is CWB?](#)
- [Section 2 – CWB initiatives at local government levels across UK and RoI](#)
- [Section 3 – CWB initiatives at devolved government levels within the UK](#)
- [Section 4 – Potential issues identified](#)
- [Section 5 – Concluding remarks](#)

The Paper's contents should not be relied upon as professional legal advice or opinion, nor as a substitute for either.

¹ **Economic Development** is the process by which emerging economies become advanced economies. In other words, the process by which countries with low living standards become nations with high living standards. Economic development also refers to the process by which the overall health, well-being, and academic level of the general population improve. [What is economic development? Definition and examples - Market Business News](#)

1 Context-setting: What is CWB

The Centre for Local Economic Strategies (CLES) defines “Community Wealth-Building” (CWB) as:

*Community wealth building is a progressive approach to economics and economic development. It seeks to change the way that our economies have come to function by aiming to retain more wealth and opportunity for the benefit of local people. This is in contrast to the predominant economic model, whereby wealth is created by property ownership, regeneration is based on speculative property development and large companies extract wealth for the benefit of distant shareholders.*²

Based on the literature examined for purposes of compiling this Paper, it appears to be generally accepted that CWB was first articulated by The Democracy Collaborative (TDC) in 2005.³ TDC have played a role in implementing some of the first CWB approaches in Cleveland, Ohio, USA. In practice, the TDC maintain that CWB is achieved by successful implementation of five pillars through direct intervention into local economies. Those pillars include:⁴

- 1. Inclusive and democratic enterprise** – *Cities should have multiple forms of worker and consumer cooperatives, social enterprises, public ownership, municipal enterprise, and more, based on the recognition that the ownership and control of productive capital is at the heart of where power lies in any political-economic system.*
- 2. Locally Rooted Finance** – *Cities and local institutions should redirect money in service of the real economy through public and community banks, credit unions, and targeted public pension investments.*

² <https://cles.org.uk/what-is-community-wealth-building/>

³ <https://www.democracycollaborative.org/community-wealth-building>

⁴ <https://www.democracycollaborative.org/how-it-is-practiced>

3. **Fair Work** – *Every worker should receive a living wage and real power in and control of their workplace to deliver decent work and conditions, and advance trade union rights.*
4. **Just use of Land and Property** – *Cities should mobilize land and property assets to build real wealth in communities, bring local land and real estate development back under community control, and combat speculation and displacement.*
5. **Progressive Procurement** – *Local governments and place-based “Anchor Institutions” should lead with procurement practices that re-localize economic activity, build local multipliers, and end leakage and financial extraction.*

Since 2005, a number of CWB initiatives have been implemented across the world. Amongst those, two distinct models emerge as the most frequently cited by government when developing CWB initiatives - namely:

- The “[Cleveland Model](#)”, and;
- The “[Preston Model](#)”.

1.1 The “Cleveland Model”

What became known as the “Cleveland Model” was established in 2008, in the City of Cleveland, in the state of Ohio, in the United States. The model was developed to form a partnership between TDC, the Cleveland Foundation, the Ohio Employee Ownership Center, the City of Cleveland, and the City's major hospitals and universities.⁵ These are known as “Anchor Institutions” –

...meaning place-based organisations that invest in their local areas and cannot relocate to another part of the country, due to the nature of the organisation – for example, local councils, universities, colleges, local housing associations, and local emergency services;⁶

⁵ <https://community-wealth.org/content/cleveland-model-how-evergreen-cooperatives-are-building-community-wealth>

⁶ <https://www.preston.gov.uk/article/1335/What-is-Community-Wealth-Building>

Anchor Institutions play an important role in any CWB strategy, in particular in progressive commissioning and procurement of goods and services.

The aim of this partnership was “to implement a new model of large-scale worker-owned and community-benefiting businesses”.⁷ The model arose from the adverse impacts suffered within Cleveland as a result of the decline in its local manufacturing industries in the 1990s, which had resulted in job losses and subsequent population decline in the City, and consequent economic decline in the City in the years that followed.

Figure 1. below provides an infographic summarising how the “Cleveland Model” is intended to work, showing the roles each participant and the inter linkage of each, to the initiative.

Figure 1. Infographic depicting the “Cleveland Model” in practice



Source: [Atlas of the future - The Cleveland Model](#)

⁷ See footnote 4 above

- “[Evergreen Cooperatives](#)” – are a network of worker-owned cooperatives, the Evergreen Cooperatives describe their aim as:

[The] initiative keeps local small and mid-sized businesses in the community, offers living-wage jobs to the employee-owners, and helps transform disinvested neighbourhoods into vibrant communities⁸

In 2008 the initiative began with three projects, which include:

- [Evergreen Co-operative Laundry](#) – the first of Evergreen’s network of worker-owned cooperatives, a commercial laundry service using environmentally friendly technology;
- [Evergreen Energy Solutions](#) – to provide green and energy saving services such as solar panels; and,
- [Green City Growers](#) – was a worker-owned, hydroponic food production greenhouse. The facility employs people from the community and produces leafy greens and fresh herbs each year that is marketed to companies within a 150-mile radius of Cleveland. However, in 2022 Green City Growers was [sold](#) to a private business.

Since these initial projects more have been added to the network, and have a established a [Fund for Community Ownership](#) to acquire and support the transition of businesses to employee ownership.

1.2 The “Preston Model”

The term “Preston Model” is a term coined by the British press to describe the implementation of CWB in Preston, Lancashire, in the North of England.

Preston City Council define the “Preston Model” as:

⁸ <https://www.evgoh.com/>

*This term is often used in the press when talking about how the council, its anchor institutions and other partners are implementing the principles of CWB within Preston and the wider Lancashire area.*⁹

Since 2011, Preston City Council and its Anchor Institutions have implemented CWB working with the CLES. The “Preston Model” is considered “an example of using public procurement for social good”¹⁰. Preston Council describe the model as:

*...a term applied to how the council, its anchor institutions and other partners are implementing the principles of Community Wealth Building within Preston and the wider Lancashire area.*¹¹

Notably, the CLES led an analysis of procurement spend within the Preston and wider Lancashire area. Its report findings included: £750 million spent by those institutions procuring goods and services; 5% retained within Preston; and, 39% retained within the wider Lancashire area. The report further observed “£458m was leaking out of the Lancashire economy”.¹²

Over the following years, partners across the Preston area initiated a number of actions to “increase the local economic and social benefits generated by their supply chains”.¹³ Those actions included:

- Developing an in-depth knowledge of local/socially responsible suppliers
- Overhauling procurement documentation and procedures
- Meetings with senior officials and procurement leads, running workshops to identify the broad range of behaviours and patterns, which influenced the procurement and commissioning processes

⁹ <https://www.preston.gov.uk/article/1335/What-is-Community-Wealth-Building>

¹⁰ <https://wcpp.org.uk/commentary/the-preston-model-a-panacea-for-wales/>

¹¹ <https://www.preston.gov.uk/article/1339/What-is-Preston-Model>

¹² http://cles.org.uk/wp-content/uploads/2019/07/CLES_Preston-Documents_WEB-AW.pdf

¹³ See footnote 12 immediately above

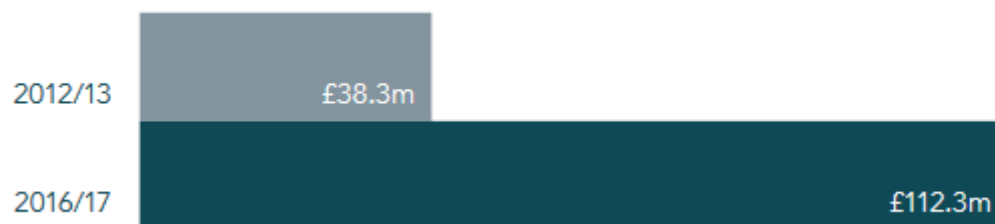
- Anchor Institutions' agreed statement of intent – to achieve a 'long term collaborative commitment to community wealth building in Lancashire for influenceable spend.'

The overall idea of these actions was:

... not to simply to increase local spend but to identify areas where money was leaking out of the Lancashire economy or being used in socially unproductive ways, and to find ways to recapture this spend to better benefit local workers, employers, and businesses.¹⁴

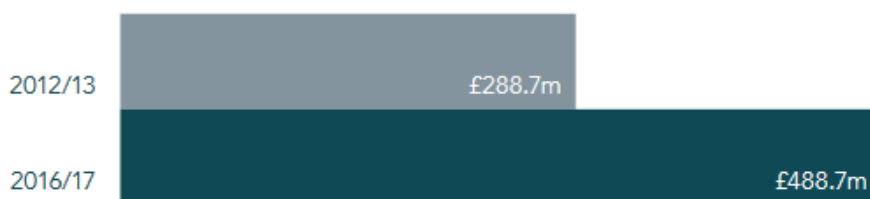
Between 2012/13 and 2016/17, these actions resulted in a significant change in retaining spend in Preston and the wider Lancashire area, as highlighted at Figures 2 and 3 below:

Figure 2. Procurement spend retained within Preston



Source: [How we built community wealth in Preston: Achievements and lessons](#)

Figure 3. Procurement spend retained within Lancashire



Source: [How we built community wealth in Preston: Achievements and lessons](#)

In February 2021, Preston City Council launched its [Community Wealth Building 2.0: Leading Resilience and Recovery in Preston](#). This new CWB strategy was launched in light of effects of Covid-19 and the subsequent need to support

¹⁴ See footnote 12

economic recovery. The new strategy contained eight clustered themes to provide a framework to support deliver - namely:

1. Progressive procurement of goods and services
2. A commitment to social value
3. A more diverse and democratic economy
4. Decent and fair employment
5. Making financial power work for local places
6. Using the Council's assets for social and environmental benefit
7. Harnessing the 'power of place' through collaboration with other anchors
8. Place Leadership

1.3 Centre for Local Economic Strategies (CLES)

In the UK, CLES the describe themselves as “the curators of the community wealth building movement in the UK”.¹⁵ In that role, the CLES support national governments and local councils, not only in the United Kingdom, but elsewhere in Europe, to develop CWB in their areas. The CLES focus on three main areas:¹⁶

1. [Convening networks of Community Wealth Building practitioners](#)
2. [Conducting research to develop Community Wealth Building practice and influence policy](#)
3. [Offering events, workshops and tailored support to help individuals and organisations build community wealth](#)

1.3.1 Five principles of CWB

The CLES has further developed the five pillars/principles of CWB and provide more detail how these apply in the United Kingdom context, including:

- **Plural ownership of the economy:**

¹⁵ <https://cles.org.uk/the-community-wealth-building-centre-of-excellence/>

¹⁶ See footnote 15 immediately above

Locally owned and socially minded enterprises are more likely to employ, buy and invest locally. For this reason, community wealth building seeks to promote locally owned and socially minded enterprises by promoting various models of enterprise ownership that enable wealth created by users, workers and local communities to be held by them, rather than flowing out as profits to shareholders.¹⁷

- **Making financial power work for local places:**

Rather than attempting to attract national or international capital, CWB seeks to increase flows of investment within local economies, by harnessing the wealth that exists locally. Measures that channel investment to local communities, while still delivering a steady financial return for investors include:¹⁸

- *Local pension funds*
- *Mutuals and community banks*
- *Credit unions*

- **Fair employment and just labour markets:**

Often the biggest employers in a place, Anchor Institutions take to employment can have a defining effect on the prospects of local people. Working with human resource departments within Anchor Institutions, to stimulate both the local economy through progressive employment and local labour market activities, that work has proved to be a powerful tool to improve employment opportunities and workers' rights by, for example:¹⁹

- *The Real Living Wage*
- *Good Employment Charter*
- *Recruitment from "hard to reach" groups*

¹⁷ <https://cles.org.uk/what-is-community-wealth-building/the-principles-of-community-wealth-building/plural-ownership-of-the-economy/>

¹⁸ <https://cles.org.uk/what-is-community-wealth-building/the-principles-of-community-wealth-building/making-financial-power-work-for-local-places/>

¹⁹ <https://cles.org.uk/what-is-community-wealth-building/the-principles-of-community-wealth-building/fair-employment-and-just-labour-markets/>

- **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 and environmental benefits can be achieved. By adapting their procurement processes and decision making, Anchor Institutions can create dense local supply chains and ecosystems of businesses that are more likely to support local employment and have a greater tendency to recirculate wealth and surplus locally.

- **Socially productive use of land and property:**

In a community wealth building approach asset are owned and managed in ways which ensure that they generate wealth for local citizens, rather than enclosed by private interests. To achieve this, public landowners should develop governance and management structures where communities can take direct control of common assets, for example through transferring under-utilised assets to Community Land Trusts, or working through Public-Commons Partnerships.²⁰

2 CWB initiatives at local government levels across UK and RoI

CLES has worked with cities and regions across the UK and RoI, to help develop CWB in these areas. Table 1 below provides an overview of CWB conducted by a number of locations across the UK:

Table 1. Table showing CWB initiatives in local areas across the UK and Ireland

Location	Description of CWB in each location

²⁰ <https://cles.org.uk/what-is-community-wealth-building/the-principles-of-community-wealth-building/socially-just-use-of-land-and-property/>

<p>Birmingham</p>	<p>Established the Birmingham Anchor Network, comprising seven participating Anchor Institutions.</p> <p>Created a full-time dedicated post for community wealth building –</p> <p><i>Participating Anchor Institutions have jointly funded a full-time “community wealth builder in residence” to spread good practice, drive forward innovative changes through the delivery of specific, targeted projects and act as the conduit between the Network and other partners who can help unlock their economic potential.²¹</i></p> <p>Operation of the Network to deliver CWB:²²</p> <ol style="list-style-type: none"> <i>1. Targeted projects – Four of the Network partners are currently working together to deliver ‘I Can’, a project that has so far resulted in over 450 job offers from the NHS to previously unemployed Birmingham residents.</i> <i>2. Partnership bids – Three of the Network partners submitted a successful bid for Partnerships for People and Place funding which has resulted in a project supporting over 180 school leavers from six schools based in some of the most disadvantaged neighbourhoods in Birmingham.</i> <i>3. Ecosystem development – All of the Network partners are collaborating to support the development of an ‘Impact Coalition’ in East Birmingham which will make it easier for Anchor Institutions to target employment and procurement opportunities in this part of the city.</i> <i>4. Joint Policy Development – Procurement leads from each of the Network partners are working together with Anthony Collins Solicitors in preparation for the introduction of the new Procurement Bill in 2024. The aim of the work is to</i>
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²¹ <https://cles.org.uk/community-wealth-building-in-practice/community-wealth-building-places/community-wealth-building-in-birmingham/>

²² See footnote 21 immediately above

	<p><i>develop a shared response to the opportunities in the Bill we should make it easier to support locally based SME's.</i></p> <p>5. Sharing good practice – <i>All the Network partners are currently delivering capital investment programmes of one type or another. One of the partners is now leading on a piece of work with top Tier 1 developers to share good practice on delivering social value through construction projects and for adopting a shared approach across the Network.</i></p>
<p><u>Brighton and Hove</u> (2019 – ongoing)</p>	<p>Progressive procurement and clear articulation of social value –</p> <p><i>[The council spent] £270m on procuring goods and services, working with 1,000s of suppliers, ranging from a simple quotation process, to complex tenders. The Council have taken a more voracious approach to the social value agenda than many, and have utilised the vagaries of the Social Value Act to maximise the social and economic benefits of their spending for local residents. In practical terms, the Council applies a flexible social value weighting of between 10% and 30% and provide guidance for procurers and commissioners to support them to do this in a joined-up manner. There is a clear articulation of what social value means, with nine social value principles outlined.</i></p> <p>Amplifying the power of local businesses to create economic and social value - <i>A major movement in Brighton has been around paying the Real Living Wage. The City Council is one of the organisations that are signed up and accredited as a Real Living Wage employer. Across Brighton there are a total of 576 organisations who have signed up. This is a significant body of employers within the city, demonstrating admirable business citizenship and will bring real benefits to Brighton's residents</i></p>

	<p>Community-led housing - Supporting the local community-led housing movement, with a commitment to allocate sites for locally led housing development. Brighton has an active community of 15 active community-led housing groups, with Brighton Community Land Trust (BCLT) operating as an umbrella organisation. BCLT has secured funding from the Community Housing Fund to develop capacity locally and is funding a post to search for private property and land that may be suitable for housing development, a post that has alerted the Council to property coming onto the market that it is now seeking to buy</p>
<p>Darlington (2019 – ongoing)</p>	<p>A nationally aligned social value procurement framework – CLES worked with the Council during 2019 to develop a bespoke social value framework based around the Council's overarching vision and objectives. The Darlington Social Value Procurement Framework has been informed by the need for commissioning and procurement to become more aligned to the strategic and corporate priorities of Darlington Borough Council and the desire for social value to be more at the forefront of procurement processes and decision-making.</p> <p>This framework was also informed by the nationally defined Themes, Outcomes, Measures (TOMs) methodology developed by the Social Value Portal. This methodology enables Darlington Borough Council to align their priorities to a set of measures which are being used across England to shape procurement approaches, practices, decision-making and monitoring. As part of this work, CLES has sought to align the TOMS with the Darlington specific outcomes and indicators to develop the bespoke Darlington Social Value Procurement Framework.</p> <p>An emerging Anchor Institution network – [The council] is also in the process of developing an anchor network with fellow local public sector agencies to encourage wider adoption of the framework and explore additional joint actions that can be taken to support the shared vision</p>
<p>Dublin</p>	<p>Values based recruitment – Some posts are determined by nationally set parameters and, in these cases, the City Council aims to lobby, influence</p>

(2022 – ongoing)	<p><i>and seek to adapt entry requirements so as to give opportunity to those excluded. For posts that the Council itself sets eligibility criteria for, they are committed to dismantling barriers to those who may otherwise struggle to gain employment. With this in mind, the Council have adopted a locally-targeted approach to the recruitment of general operatives, the backbone of the outdoor workforce. A highly successful recruitment process was held in Ballymun last year and almost 1,000 applications have been received from a second targeted area – Cherry Orchard. Both Ballymun and Cherry Orchard are recognised as having high levels of disadvantage, low educational attainment and few employment opportunities locally. The Council intend to target a disadvantaged area with each successive recruitment approach, with areas such as Drimnagh and Finglas mentioned for future campaigns.</i></p> <ul style="list-style-type: none"> <i>• Dublin Fire Brigade are now targeting their highly competitive recruitment process to bring it to the attention of young people in marginalised areas. This includes advertisements at local bus stops, working with local partnership companies, community centres and Intreo offices to bring the opportunity to the attention of those people who may have thought that there was no point applying</i> <p>Social value, procurement and supporting social enterprise – <i>Incorporating a greater use of social clauses as part of Dublin City Council's spend is key to implementing community wealth building in the city. Dublin City Council have developed a social value framework, expressly articulating the values they wish to demonstrate, involve and encourage in all of its actions and policies. The social value framework was drafted by a steering group, with support from CLES, and brought to different parts of the Council for comment and input. A final framework was developed and this was adopted in June 2023.</i></p>
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	<p><i>To further the impact of this work it has been important for the Council to understand the numbers, capacities and connections between social enterprises. To gather this intelligence the Council issued a request for information to social enterprises seeking to understand the nature of business engaged in, involvement with other social enterprises and scale. An event held in May 2023 brought social enterprises together with buyers from Council departments and also involved representatives from companies currently trading with the Council, that are willing to sub contract work to social enterprises. Contracts with specific social benefits are under focus including the arrangements for clothing recycling, of which at least one lot will be reserved for social enterprises.</i></p> <p><i>The Council also commissioned an analysis of its spend in 2022 and 2023. This has highlighted the companies in receipt of payments / contracts and their location i.e. within the City of Dublin, the county of Dublin, within Leinster, within the island of Ireland and elsewhere. This data will form the basis of further analysis to understand how the Council's spend can best benefit local communities.</i></p>
Fife (2020 – ongoing)	<p>Supporting SMEs – <i>The Council are using this as an opportunity to address the environmental crisis – supporting local SMEs with retrofit and access to environmental grants. They are also encouraging the adoption of the Living Wage, as well as initiating discussions around succession planning, to potentially transition to worker ownership. This, in short, enables these local businesses to grow and develop with greater social and environmental purpose</i></p> <p>Simplifying recruitment for groups who struggle to access employment – <i>The Council's Facilities Management Service has also struggled in recent years to recruit caterers, cleaners, janitors and maintenance staff. To address this, they have worked with Gingerbread, a voluntary sector organisation that provides advice and support to lone parents and families to host an information session for lone parents, a key</i></p>

	<p><i>child poverty family group, at which council officers described different facilities management jobs and vacancies</i></p> <p><i>The group discussed the barriers and challenges they faced when applying for the positions and following this session, Facilities Management simplified their recruitment processes, offered guaranteed interviews to lone parents working with Fife Gingerbread and took a more flexible approach to working hours so that posts aren't restrictive. Nine lone parents being supported by Fife Gingerbread have recently secured jobs with Fife Council.</i></p>
<p>Islington</p> <p>(2018 – ongoing)</p>	<p>Centring local people in economic development – <i>A significant proportion of economic development activity in Islington is focused on “the grass roots economy”. Individual local economic strategies have been developed for each area within the Borough, with local economy officers in each of these key localities.</i></p> <p><i>Working with grassroots organisations, often excluded from the economy, the Council has engaged new groups in employment and skills programmes. For example, officers supported the establishment of a local sewing and garment making network, developed members' confidence and offered accredited training, meaning they will be in a position to fully participate in the Council's garment production workspace.</i></p> <p>Diversifying models of business ownership – <i>The Council is also focussed on diversifying ownership models within the Islington economy. They have commissioned a social enterprise business support hub and have also founded a co-operative development agency to grow co-operatives in foundational sectors such as social care and childcare</i></p> <p>Supporting local enterprise – <i>The Council recognised that small businesses were increasingly being priced out of the Borough by high property costs, with the long-term impacts of Covid-19 adding significant hardship for many local enterprises. to counter this, they developed a pioneering strategy to create new workspaces that are genuinely accessible and affordable to local businesses and organisations. To do so,</i></p>

	<p><i>they have appointed affordable workspace operators to run the spaces they have acquired through requirements placed on developers. In a UK first, social value is embedded in the operator contracts, with spaces offered to providers at a peppercorn rent. In lieu of paying market rates, operators are expected to demonstrate that they have created long-term benefits for local people and businesses by delivering a range of services. By providing workspaces of various sizes across the Borough, the Council have delivered over £1.24m equivalent of social value output up until March 2022</i></p> <p>Insourcing services – <i>From refuse collection to housing maintenance, cleaning and temporary accommodation, the Council has insourced a variety of public services. This has helped 1,200 frontline staff receive the London Living Wage, improved job quality and working conditions, secured anti-blacklisting protection on contracts, improved democratic oversight of key services and contributed to higher levels of resident satisfaction.</i></p> <p>Challenging developer-led approaches to regeneration – <i>The Council has been challenging gentrification in the Borough by requiring property developers to build 50% affordable housing on new developments. By developing robust evidence-based planning policies and defending this stance against viability assessments in court, Islington has delivered 2,500 new genuinely affordable homes, including the largest council house building programme in the Borough for over 30 years.</i></p> <p>In-house employment support – <i>The council has established its own employment service providing targeted job search, application and tailored CV writing support, interview practice, as well as discretionary payments and childcare and pastoral support. The service provides support by telephone and on-line and this wraparound service has become a key resource to which local economy officers can direct residents when they are out in the community</i></p>
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<p>Leeds</p> <p>(2018-2019)</p>	<p>Anchor Institution collaboration to build a more inclusive local economy – The network is made up of 11 of the city's largest public sector organisations.</p> <p>Using spending on goods and services to generate local social and economic benefit – <i>With combined procurement budgets of £2bn, the network is a significant economic agent in the Leeds economy. Having worked with CLES to analyse current spending, the network has now agreed objectives to shift spending towards suppliers who generate greater economic and social benefit for local people. Members are now working together to adapt their procurement practice and identify sectors where they can collaborate to create more economically generative local markets.</i></p> <p>Targeting recruitment to enable a just labour market – <i>Ten of the Anchor Institutions are Real Living Wage employers, share best practice on non-pay benefits and work collaboratively to address issues associated with the gender and ethnicity pay gap reporting and action.</i></p> <p><i>Employee mapping for each anchor by gender, age and pay band against the Index of Multiple Deprivation 2019 has improved understanding of the opportunity to contribute to inclusion and improve social mobility through recruitment. This has informed pilot outreach employment support programmes in priority neighbourhoods to recruit to vacancies at Leeds Teaching Hospitals NHS Trust and the Council. The pilot has now been mainstreamed and available to support all anchors.</i></p> <p><i>The Anchor Institutions are now signed up to the Leeds Anchors Healthy Workplace Pledge and its implementation will be supported by a toolkit with impact monitored through workforce data and staff survey results.</i></p>
<p>Lewes</p> <p>(2019 – ongoing)</p>	<p>Mobilising local assets to address the climate crisis and create opportunity – <i>Lewes District Council put the twin goals of community wealth building and sustainable transition from fossil fuels at the heart of its Corporate Plan in 2019. The Covid-19 pandemic gave a renewed</i></p>

	<p><i>impetus to this work, with the council collaborating with CLES and local partners to seize the moment to build back a socially and environmentally sustainable local economy. These plans are heavily focused on mobilising council assets – including land, property and council housing investment – to shape and grow businesses and organisations which will create economic opportunities for the people of Lewes.</i></p> <p><i>Central to this has been the realisation that supply chain co-ordination offers a means to bring opportunities for good “green jobs” to those most likely to be excluded from decent work. One of the most developed strands of activity so far has been a distinctive approach to building new council homes.</i></p> <p>Decarbonising council housing and reshaping the market for retrofit <i>– Another emerging area of work is around the decarbonisation of existing housing stock. Here, Lewes is entering into a collaboration with seven other local authorities across East Sussex and the greater Brighton area.</i></p> <p><i>Taken together, these local authorities own 3,500 council homes and have capital programmes worth over £100m per year. This creates a considerable opportunity to operate at scale. Given current commitments to transition away from gas by 2025 and to reduce carbon footprint by 2030, there is a major opportunity to reshape the supply market for retrofitting. The grand prize is to do this in a way that builds local capacity and creates skilled, good quality jobs – rather than extracting wealth from the area.</i></p>
<p>Luton</p> <p>(2019 – ongoing)</p>	<p>Community wealth building in Luton</p> <p>1. Inclusive economy</p> <p><i>The vision of Luton 2040 is framed by an inclusive economy approach with a remit to co-ordinate and drive a number of projects that ensure no one has to live in poverty by 2040.</i></p>

	<p><i>The Passport to Employment programme is a partnership between local employers and the Council's Adult Learning Service, delivering employer led skills and training with a guaranteed interview at the end. The programme is underpinned by the ambitions for local recruitment and upskilling to support career progression.</i></p> <p><i>The Council's Social Value Policy and Toolkit was approved September 2020. The toolkit will be used to support Anchor Institutions in embedding social value in their own organisations, whilst a Procurement Practitioners Group is being established to provide technical expertise on supporting local supply chains.</i></p> <p>2. Using Council owned land to develop council housing</p> <p><i>The Council owns one in ten homes in the town and 20% of land in the borough. Recent development projects in the housing sector include the High Town and Marsh Farm redevelopment projects.</i></p> <p>3. Municipally owned housing developer</p> <p><i>As well as retaining a council housing arm with significant insourced capacity, the Council also wholly owns Foxhall Homes. Foxhall is a company which is developing a number of sites across the locality. Full ownership of Foxhall, though operating at an arm's length, allows the Council to demand much higher requirements for affordable housing in new developments than a traditional private sector developer.</i></p>
Manchester	Greater Manchester Social Value Procurement Framework

	<p>Manchester City Council's corporate appetite to push forward a progressive procurement agenda is commendable, with many achievements like setting up an ethical procurement sub-group, engaging suppliers in areas of high deprivation (including linking with VCS support providers).</p> <p>Most notable, however, is the Greater Manchester Social Value Procurement Framework – the first such framework developed in collaboration with the Greater Manchester Combined Authority, putting Manchester at the forefront of practice around social value. This embeds social value in all aspects of the procurement cycle, and importantly measures the contribution suppliers make to a range of indicators. In addition, 10% of the 20% weighting for social value in the procurement process is reserved for environmental indicators. Our collaboration with the Council has resulted in a plethora of activities over the years, including:</p> <ol style="list-style-type: none"> 1. streamlining the tender process; 2. linking procurement to priorities; 3. developing cross-departmental working; 4. embedding social value into the tender decision; 5. encouraging voluntary consideration of the living wage; 6. implementing ethical (procurement) policy; 7. developing relationships with the economic development unit; 8. undertaking pre-market engagement; 9. developing existing supplier relationships; 10. engaging with suppliers in areas of deprivation; 11. continuing to measure direct spend; and, 12. understanding the impact of the supply chain in more depth.
<p>Newham (2018 – ongoing)</p>	<p>Dedicated Director of Community Wealth Building – <i>Newham is the first local authority in the UK to create a dedicated role for a Director of Community Wealth Building. The Director sits on the senior leadership team and oversees the progressive implementation of its policy framework.</i></p>

	<p><i>This places Newham in a unique position moving forward. With community wealth building principles deeply rooted in its corporate structure, it has the potential to become the most forward-thinking municipality in this field.</i></p> <p>Community wealth building strategy – Newham launched its <u>Community Wealth Building Strategy</u> in January 2020. This pioneering and bold inclusive economic approach aims to address poverty in the borough and to ensure that investment coming into Newham benefits all residents. It will tackle economic social and environmental injustice “with an unrelenting focus on poverty in the borough, as well as addressing racial and gendered disparities that exist”.</p> <p>COVID-19 recovery strategy, <u>Towards a Better Newham</u> – In July 2020, it became the only local authority in London to use health, wellbeing and happiness as the measure of its economic success. This reflects the council’s commitment to community wealth building, inclusive growth and tackling the climate emergency to deliver quality jobs, equality and fairness for Newham residents, alongside sustainability.</p> <p>Municipally owned property and redevelopment company – Newham is a major landowner. This means it can act as a steward of economic, social and environmental justice, rather than simply being a market player. The council has invested £78m in Populo Living to build genuinely affordable housing across the borough. 50% of all property will be let at social rents on long-term tenancies. As Newham is the sole shareholder of Populo Living, all profits stay in the borough, rather than going to investors and leaking out of the local economy. This will fund further housebuilding in Newham</p> <p>Deepening participatory democracy – Newham is committed to deepening democracy to ensure that more of its residents have a stake in the economic development story of their locality. To date, activities have included establishing a council-led commission on participatory democracy, including a commitment to the idea of participatory budgeting</p>
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<p><u>North Ayrshire</u></p> <p>(2019 – ongoing)</p>	<p>The first community wealth building council in Scotland – <i>North Ayrshire is the first council in Scotland to embark on a mission to become a community wealth building council. The Council is currently drafting Scotland's first community wealth building strategy which will be launched in the Spring of 2020</i></p> <p>A commission to drive progress across Anchor Institutions – <i>The Council has formed a community wealth building commission to drive forward progress on community wealth building. The Commission includes representation from senior elected members, Council services, the Health and Social Care Integration Joint Board and Community Planning Partners (CPP) including major anchor institutions. The purpose of the Commission is to:</i></p> <ul style="list-style-type: none"> • <i>Progress and promote the development of a strategic approach to community wealth building;</i> • <i>Explore the barriers to community wealth building;</i> • <i>Encourage the involvement of anchor institutions and promote best practice amongst stakeholders</i> <p>Simplified procurement building knowledge of the local market – <i>As part of the early stage work ahead of publishing its community wealth building strategy, the Council has implemented a new 'Quick Quote' procurement process which has increased opportunities for local business, supported the procurement service to build knowledge of local suppliers and identified opportunities for capacity building with North Ayrshire businesses</i></p> <p>A growth deal community wealth building fund – <i>The £251m Ayrshire Growth Deal includes a £3m fund which will establish the region as a pioneer in community wealth building. The project will develop an Ayrshire approach to community wealth building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region. All Ayrshire Growth Deal work will be taken forward through a community wealth building lens to maximise the impact of the Deal</i></p>
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<p>Southampton</p> <p>(2018 – ongoing)</p>	<p>Redefining the role of procurement for social, economic and environmental justice – <i>An analysis of Council spending by CLES has informed the development of a social value framework for all stages of the procurement cycle. This forms part of a wider programme of work redefining the role of procurement in the City Council, which includes bringing procurement functions back in-house, refreshing policies and developing new procedures. In doing so the Council can now use procurement and commissioning as an intentional means to achieve economic, social and environmental objectives by spreading virtuous business practices up the supply chain</i></p> <p>Working with Anchor Institutions – <i>Southampton City Council are working closely with the city’s other Anchor Institutions, including the privately-owned Port, in convening the “Southampton Pound Forum” with a remit to spread good practice around the social value framework and amplify its impact in the local economy.</i></p>
<p>Wigan</p>	<p>Community Wealth Building in Wigan</p> <p>1. A new intent for Covid-19 recovery</p> <p><i>Wigan Council’s approach of embedding community wealth building into its Covid-19 recovery plans builds on the underlying conviction of the much-celebrated Wigan Deal – that power should be shared with citizens and solutions codesigned. However, this goes beyond enabling community power as a key tenet of public service reform. Indeed, it is about strong partnering with the community to build community ownership within the commercial economy and counteract wealth extraction. In this, we are seeing a reimagining of how we can make local economies work, underpinned by a commitment to return economic power to local people. Going forward</i></p>

	<p><i>the Council has committed to working in partnership with other Anchor Institutions across the borough to embed community wealth building principles into procurement policies, recruitment processes and asset management.</i></p> <p>2. Animating the social and solidarity economy</p> <p><i>The inherent community wealth building logic of the Wigan Deal has helped to transform the role of the Council into an enabler of the social and solidarity economy. Over the last few years the Council has offered tailored support for CICs, seconded staff, and developed funding and support packages to develop ideas and devolution of control of publicly owned land and property. A good example of this can be found in Sunshine House.</i></p> <p>3. Reforming a sector to improve conditions for the lowest paid workers</p> <p><i>In Wigan, spending on adult social care – traditionally a low paid sector – is understood as a key site for shaping employment opportunities and conditions for local people. The Ethical Homecare Framework and work over many years to embed the approach of the Deal among providers has driven up employment standards, fundamentally reformed the economy of the care sector in the Borough and supported the development of more than 100 social enterprises.</i></p>
Wirral	<p>Empowering socially generative suppliers - <i>Wirral Council have developed a portal for suppliers to record their socially generative activities and ensure public spending has a positive effect upon the local economy</i></p>

	<p>Targeting workforce inclusivity - <i>targeting less affluent areas for recruitment, paying the Living Wage and offering apprenticeships and in-work advancement opportunities.</i></p> <p>Exploring community banks and local pension fund investment - <i>Wirral Council are exploring opportunities to collaborate with Liverpool, Preston and the Community Savings Bank Association to support the establishment of a North West Community Bank, as well as reviewing the possibility of using a portion of the Merseyside Pension Fund for local investment opportunities</i></p> <p>Council assets as a cornerstone of inclusive regeneration - <i>analysis of the social role of the Council's 1,898 land and property assets and to explore their role in driving forward inclusive regeneration approaches</i></p> <p>Supporting socially generative business - <i>Wirral Council are exploring what business support is required to foster a nurturing environment for generative organisational forms (e.g. co-operatives, CICs, CLTs etc). This follows on from CLES' suggestion to make plural ownership of the economy a key corporate priority for the Council</i></p> <p>Collaboration - <i>Wirral Council chairs the Wirral Partnership, giving them a strong stewarding role with other Anchor Institutions in the Borough. This provides an ideal steering group to drive through actions that deliver all five pillars of community wealth building, such as linking workforce priorities and asset management strategies</i></p>
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2.1 Summary of table

While each local government area is implementing a CWB to assist in their economic development a number of recurring themes can be identified across the local government areas considered in table 1. Not all identified themes apply to all areas but rather occur in a number of areas. These themes include:

- Establishing a network of Anchor networks
- Using CWB to improve access to employment for disadvantaged or marginalised groups

- Using CWB as a means to address climate change, for example; green jobs, decarbonising of housing stock and supply chain analysis
- Applying the CWB towards housing by supporting locally led housing development and decarbonising and retrofitting the existing housing supply
- The development of a dedicated CWB post within their local government area to implement a CWB approach
- Development of a dedicated CWB strategy for their local government area
- A number of local government areas have included CWB into their post-Covid recovery plans

3 CWB initiatives at devolved government levels within the UK

While Section 2 has considered local government districts or council areas. This Section highlights CWB initiatives at devolved government level in Scotland and Wales, as outlined below.

3.1 Scotland

The Scottish Government has included CWB as means to support its well-being objectives its approach to economic development; adopting learning from what had been done at local level in Scotland. (Detail of a number of the local CWB initiatives across Scotland can be found at [Table 1](#) - notably [Fife](#) and [North Ayrshire – in Section 2 of this Paper](#).)

The Scottish Government acknowledges this stating:

*There has been significant progress in implementing Community Wealth Building in Scotland in recent years. Much of this has been led by local authorities, often in partnership with their community planning partners.*²³

²³ <https://www.gov.scot/policies/cities-regions/community-wealth-building/>

On 7 September 2021, the Scottish Government published the [2021-2022 Programme for Government](#) (PfG), which set out plans to introduce CWB legislation. The PfG stated:

Building on the development of the approach across Scotland, we will take forward a Community Wealth Building Bill in this Parliament, to enable more local communities and people to own, have a stake in, access and benefit from the wealth our economy generates. The Bill will cement and augment the role local authorities and other public sector anchor organisations, such as Health Boards, play in supporting local economic development and advancing a wellbeing economy, legislating for them to consider their economic footprint within a wider place system.

The [National Strategy for Economic Transformation](#) (NSET) was published 1 March 2022. That Strategy included CWB as an initiative to support the delivery of the Scottish Governments ambition of creating a “Wellbeing Economy”.

On 31 January 2023, the Scottish Government launched a Consultation on CWB, which closed on 9 May 2023. Subsequently, the Scottish Government [published](#) the responses to the consultation and produced a report, [Building Community Wealth in Scotland: consultation analysis](#), dated 26 October 2023.

Thereafter, the Scottish Government’s [2024-2025 Programme for Government](#) recommitted to introducing CWB legislation. The PfG stated that the Scottish Government will seek to:

Advance the use of the Community Wealth Building model – an approach to local economic development that aims to create new employment opportunities and help local businesses to expand – by bringing forward a Community Wealth Building Bill and developing a local authority led practice network to aid consistency and practice sharing.²⁴

²⁴[Scottish Government Programme for Government 2024-25: Serving Scotland](#) (4 September 2024)

3.2 Wales

In 2019, the Welsh Government appointed CLES as its CWB partner. The role of CLES with the Welsh Government is to:

*...to work alongside officials to provide practical advice and resource to assist Public Services Boards (PSBs) to implement new approaches to procurement. These new approaches will be based on analysis of current levels of procurement expenditure, identification of supply voids and will explore every opportunity for optimising the involvement of indigenous business in public procurement.*²⁵

The role of CLES is to support Anchor Institutions, which have been organised into five clusters in selected Public Services Boards (PSBs), with the focus “on how procurement spending can support vulnerable or at-risk businesses and enhance economic recovery and reform efforts.”²⁶ The five geographical areas involved are (see Figure 2 below):

1. North Wales: Conwy and Denbighshire
2. Mid Wales: Ceredigion and Powys
3. Gwent: Blaenau Gwent, Torfaen, Caerphilly, Newport and Monmouthshire
4. Cwm Taf and Bridgend
5. Swansea Bay City Deal Region: Neath Port Talbot, Swansea, Pembrokeshire and Carmarthenshire

Figure 2. Map showing public services boards Wales

²⁵ [Progress towards the development of a new procurement landscape in Wales \(Welsh Government 2020\)](#)

²⁶ <https://cles.org.uk/community-wealth-building-in-practice/community-wealth-building-places/welsh-government/>



5 clusters of public service Boards:

- North Wales Ambition Board
- Ceredigion and Powys
- Gwent Strategic Wellbeing Assessment Group (Bleanau Gwent; Torfaen; Caerphilly; Newport; Monmouthshire)
- Cwm Taf and Bridgend
- Swansea Bay City Deal Region (Neath Port Talbot; Swansea; Pembrokeshire; Carmarthenshire)

Source: [Institute of Welsh affairs: Community Wealth Building in Wales](#)

The CLEs' approach for the PSBs is set out in Table 2 below:

Table 2. CLES general approach taken to support Participating PSBs

Approach	Detail
Spend analysis	<i>Analysis of the major anchor organisations spend, geographically, in sector terms, business size and type and an assessment of the vulnerability of different business sectors in the context of Covid-19.</i>
Procurement and economic development lead workshop	<i>Workshops introduce the theory and practice of progressive procurement and community wealth building more broadly and provide an opportunity to share and discuss the spend analysis. Facilitated discussions identify one or more priority themes or areas of focus for further exploration</i>
Working groups	<i>Further workshops for each identified theme or area of focus to develop practical implementation plans</i>

Anchor Institutions' collaboration	<i>Anchors work together on implementing the plans, with ongoing support from CLES, the Wales Co-operative Centre and Welsh government</i>
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Source: [CLES - Community Wealth Building places - Welsh Government](#)

4 Potential issues identified

A number of potential issues have been identified in relation to implementing a CWB approach – as noted by a number of think-tanks and other institutions considering the CWB approach to economic development. This section, however, is not exhaustive.

4.1 Local v. Devolved

The [Welsh Centre for Public Policy](#) (WCPP) have noted that by its nature, CWB is local in nature and community led. Therefore, a devolved national strategy or legislation in this area is counter-intuitive as CWB seeks to address local issues. These may be different or competing in different areas and therefore cannot be one-size fits all. TDC, who coined the term CWB make this point, in their guide to CWB they note:

There is no one-size-fits-all model of Community Wealth Building. Each local experiment with CWB will be different — based on the local context, ecosystem, resources, and politics.²⁷

This would suggest a devolved national strategy and/or legislation would need to be high level, allowing local communities the flexibility to act in a way that best meets the demands in their local area. The WCPP summarise this as:

Community wealth building is designed to be community-led, and responsive to the needs and wishes of local communities. No one-size-fits-all solution, such as national legislation or policy, will meet

²⁷[ACTION GUIDE FOR ADVANCING COMMUNITY WEALTH BUILDING IN THE UNITED STATES \(August 2023\)](#)

*the needs of all local areas. The real potential of community wealth building lies in its potential to restore a sense of economic agency to local communities, particularly those which have lost out from globalisation and deindustrialisation. This can only be achieved with the active leadership and participation of local people and institutions.*²⁸

4.2 Additional cost to set-up CWB structures

The [Scottish Council for Voluntary Organisations](#) (SCVO) has also noted that while the principle of CWB is to use existing resources differently, there is a cost to set-up and organise these new structures. Therefore, additional funding may be required to initiate a CWB approach or existing funding could be redirected in the hope of securing positive outcomes in the future. The SCVO summarise this point as:

*While the appeal of CWB to government is that it is a reconfiguration of the economy by using existing resources differently, the reality is that systems change is notoriously difficult without funding, political leadership or community buy in to grease the wheels...*²⁹

4.3 CWB Enterprises in competition with the Private Sector

As noted earlier in this paper, one of the pillars of CWB is “*Plural ownership of the economy*” that is community or employee ownership of local enterprises. However, in an open market economy, this puts these enterprises into competition with the private sector when an asset becomes available. [Cwmpas](#) (formerly known as the Wales Co-operative Centre) noted this in its [Guide to building stronger local economies](#) in which it states:

One of the key barriers for these projects is having to compete with the private sector to gain ownership of crucial community assets. While community shares offer a fantastic way of allowing groups to

²⁸ <https://wcpp.org.uk/commentary/the-preston-model-a-panacea-for-wales/>

²⁹ <https://scvo.scot/p/91412/2024/05/15/community-wealth-building-the-road-to-where>

*raise the money to own crucial community assets, groups need to be able to access funding throughout the development of their initiative so they can compete with private sector organisations. In addition, those selling these assets in all sectors need to be aware of the benefits of this model.*³⁰

To address this, Cwmpas have recommended that the Welsh Government should legislate to give communities first refusal on these assets when they become available.

5 Concluding remarks

CWB is described as a “people-centred approach to local economic development”, which when implemented successfully can result in:

*....retaining more civic wealth within a locality, can boost that particular area’s growth and economic resilience by improving local multiplier effects.*³¹

Those that promote CWB consider the approach to be an effective means to leverage economic power the organisations involved and help create jobs, reduce supply chains, and strengthen local economies. CWB use is premised on five principles (see [Section 1.3.1](#)). It is implemented locally relative to the opportunities and challenges faced by the given locality in which it is to be implemented.

The history of CWB is recent, with the term generally agreed to have been coined in 2005 by TDC, as discussed earlier in this Paper at [Section 1](#). The noted “Cleveland Model” and the “Preston Model” illustrated CWB approaches that are considered effective. TDC worked with other Anchor Institutions in the creation of the “Cleveland Model” one of the first CWB initiatives. The work in Cleveland (USA) and Preston (Lancashire), has seen these cities establish

³⁰ <https://cwmpas.coop/wp-content/uploads/2022/04/3.2.6.-Building-Stronger-Local-Economies-2022-ENG.pdf>

³¹ <https://wcpp.org.uk/commentary/the-preston-model-a-panacea-for-wales/>

themselves at the forefront of implementing the CWB approach. Moreover, in other jurisdictions closer to Northern Ireland, in the UK and RoI, a number of local councils and areas have implemented CWB initiatives, especially in the last decade.

For example, within the UK, the CLES has self-described itself as “the curators of the community wealth building movement in the UK”. The CLES has worked with a number of local authorities and councils across the UK and has expanded its work outside the UK, to include the RoI and well as other locations in Europe.³² [Section 2](#) provides detail on the approaches taken in each local CWB initiative. While many of the approaches have recurring themes, the implementation is unique in each area, to take advantage of local opportunities and address specific local challenges. It appears from the experiences discussed in this Paper, that a “one-size fits all approach” is not recommended when implementing CWB. Rather, the necessity to have “active leadership and participation of local people and institutions”³³ is recommended to address local issues and needs.

At a devolved level in the UK (sub-sections [3.1](#) and [3.2](#)), individual approaches have been taken to include the CWB approach to achieve policy objectives. In [Wales](#) the CLES was appointed by the Welsh Government to assist in developing new approaches to procurement across PSBs.

More notably in the [Scottish context](#), the Scottish Government has committed to introducing CWB legislation. This would put a duty on public bodies in Scotland to:

“embed the CWB model of economic development into their corporate plans and wider strategies”,³⁴

And, also introduce;

³² <https://cles.org.uk/the-community-wealth-building-centre-of-excellence/>

³³ <https://wcpp.org.uk/commentary/the-preston-model-a-panacea-for-wales/>

³⁴ <https://www.gov.scot/publications/building-community-wealth-scotland-independent-analysis-responses-consultation-exercise-analysis-report/>

“place-based strategy and action plan which contains specific actions across the five CWB pillars to advance the CWB model of economic development in their local authority area.”³⁵

However, this was first announced in 2021, and as February 2025, no CWB bill has been brought before the Scottish Parliament.

CWB has not been without concerns arising, as shown in [Section 4](#) of this Paper. The scale and scope of a CWB initiative can be limited by a number of factors, including; the ability to scale a local initiative to a national level, a lack of funding to develop a CWB approach and competition between CWB groups and the private sector.

Despite these concerns, it should be noted that successful CWB implementation may arise from political, legal, financial, economic and societal factors that are unique to the given area in which the CWB has been implemented. As noted, CWB is one approach to economic development, therefore in a wider regional context, this may be one of number of other approaches that, if working in tandem, could contribute to wider economic growth and prosperity.

³⁵ See footnote 34 immediately above