



Centre for Local
Economic Strategies

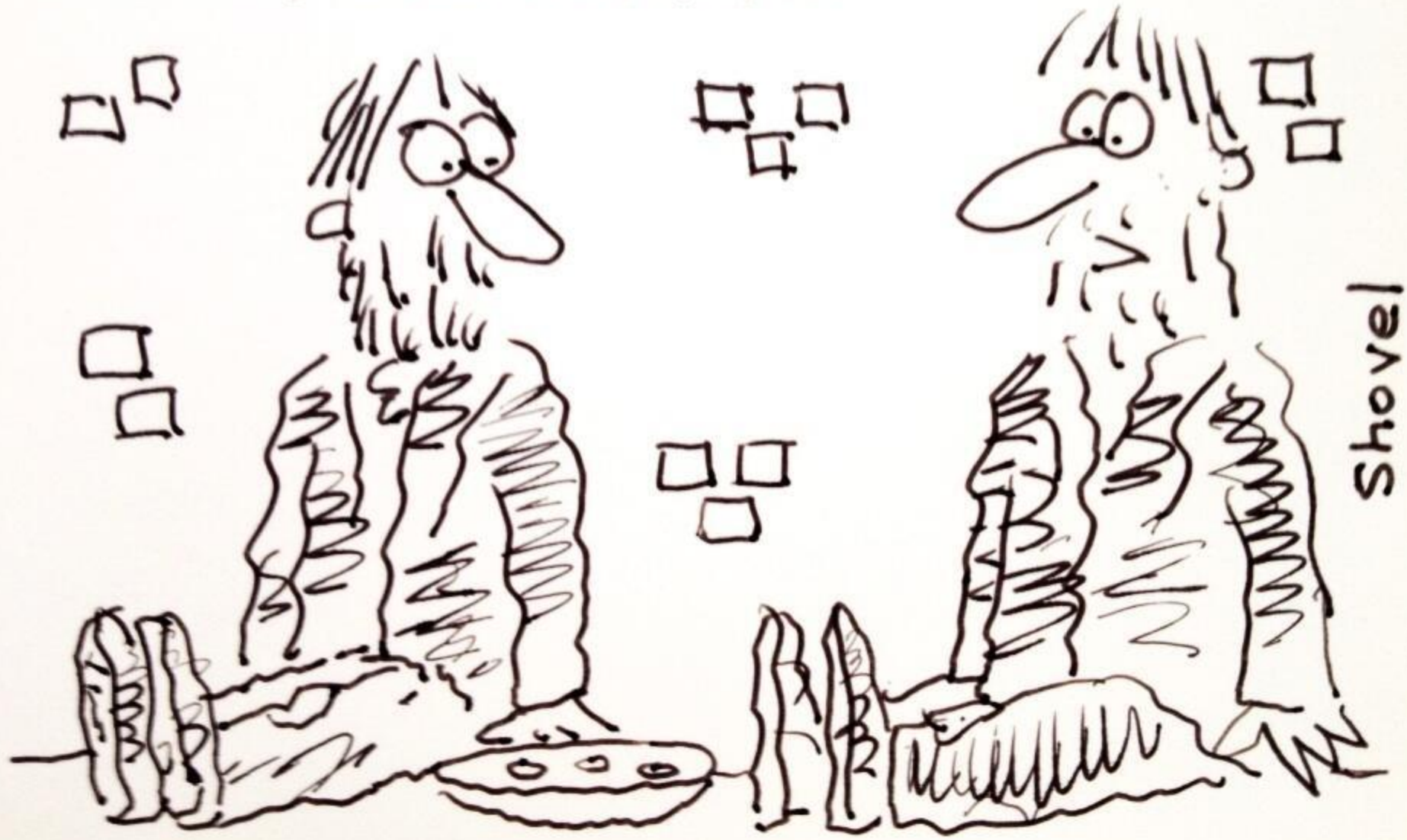


Community Wealth Building in Preston

Derek Whyte, Assistant Chief Executive, Preston City Council

Neil McInroy, Chief Executive CLES.

It looks like the economy has turned the corner...



The Economic theory behind devolution

- Underpinned by free market theory of 'New Spatial Economics'
 - Density of activity and population
 - focus on the larger cities and already successful areas in cities. City states?
 - Networks of policymakers, companies, consumers are seen as the essential elements to the innovative stimulation of economic growth.
 - Issues of UK Cities seen to be one of not being large enough and restrictive planning – thus need to free the market

What do we do in local economies beyond the big cities?

- Continue within the economic agenda (Inward investment, Combined Authority etc.) But also...
- Re-position and reset local places in relation to global economic forces
- Create networks of local economic activity that are more independent and self-sustaining.
- Start thinking about reorganising policies which build a grounded economy in the areas which are not as exposed to competition.



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**Productive local economies:
creating resilient places**

Neil McInroy and Sarah Longlands

**CREATING A GOOD
LOCAL ECONOMY
THE ROLE OF ANCHOR INSTITUTIONS**



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A good local conomy

**Exchange through
commercial activity**



**A good local
economy**

**Equality/Redistribution
through the state**

**Solidarity/reciprocity
in society**

**Local
economic
territory**



A Civil Economy for Manchester

A new vision of an economic framework for the city

Prepared by Centre for Local Economic Strategies
in collaboration with Macc

December 2013



the local double
dividend:
securing economic
and social success

A Smith Institute 'policy in the making'
discussion paper by Neil McInroy and Matthew
Jackson, the Centre for Local Economic
Strategies (CLES)

Toward a new local economic model

- Local authorities are increasingly **financially constrained** – but can **stimulate new thinking - civic society**
- Greater policy emphasis on the **role of place** – **cities** are where **most growth** comes from
- That means greater roles for **“anchor institutions”** central to their places – councils, colleges, universities, hospitals, emergency services, housing associations
- They have **“sticky capital”** which can stay local

Preston's Priorities – Taking a Lead

- **Preston Fairness Charter**
- First accredited **Living Wage** employer in the North of England also **Living Wage to local businesses** (nearly 50 now signed up)
- **Affordable housing** requiring developers to provide a minimum requirement of 30% affordable housing
- **Fair Employment** policies and **Social Value**
- **Social Forum**

Preston's Priorities – New ways of using capital

- new **Credit Union** in Preston and **new forms of ethical financing. Welfare benefit and debt advice** service
- Organising **collective energy purchasing**
- Promoting the **Move Your Money** campaign
- Agreed an initial £100m Investment Fund by the Lancashire **Pension Fund** as part of the **Preston & South Ribble City Deal.**
- **piloting a wind farm** on council land at Preston docks

Community Wealth project in Preston

- Advancing local commercial and social economy
- Chose public procurement as starting point
 - **Achievable** as in public control and oversight
 - **Feasible** as it involves incremental change
 - **Realistic** as it goes with the grain of some existing thinking
- Assists with Preston City Council's and Labour Group's desire to advance cooperatives

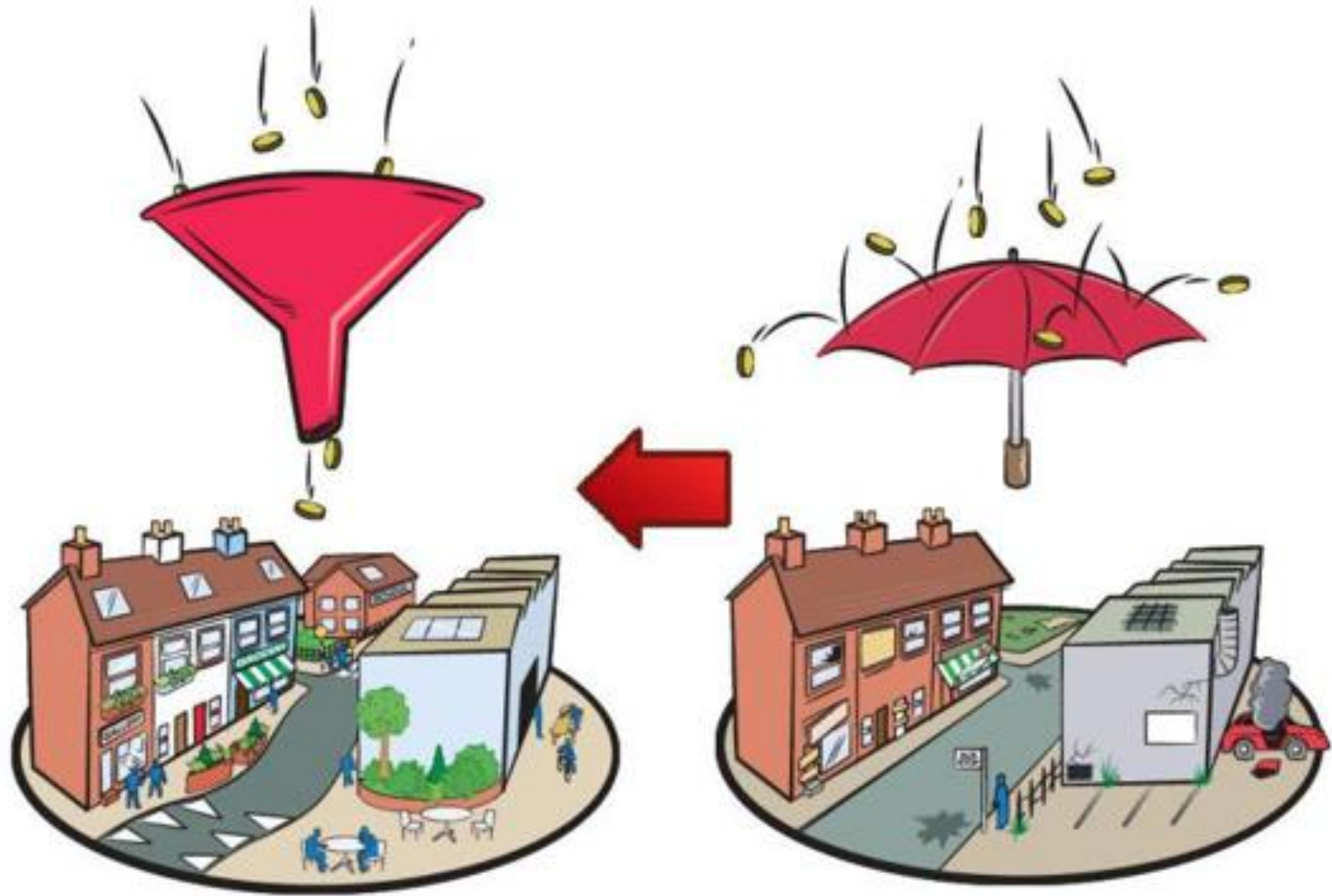
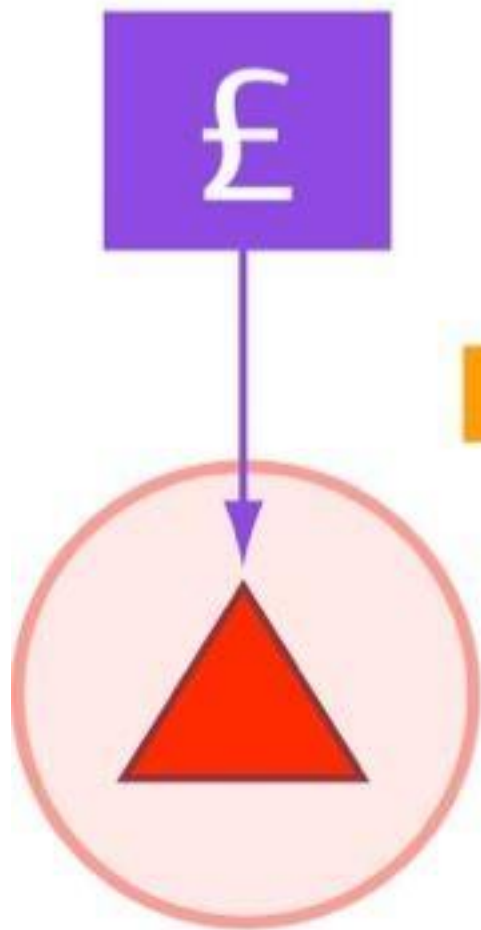
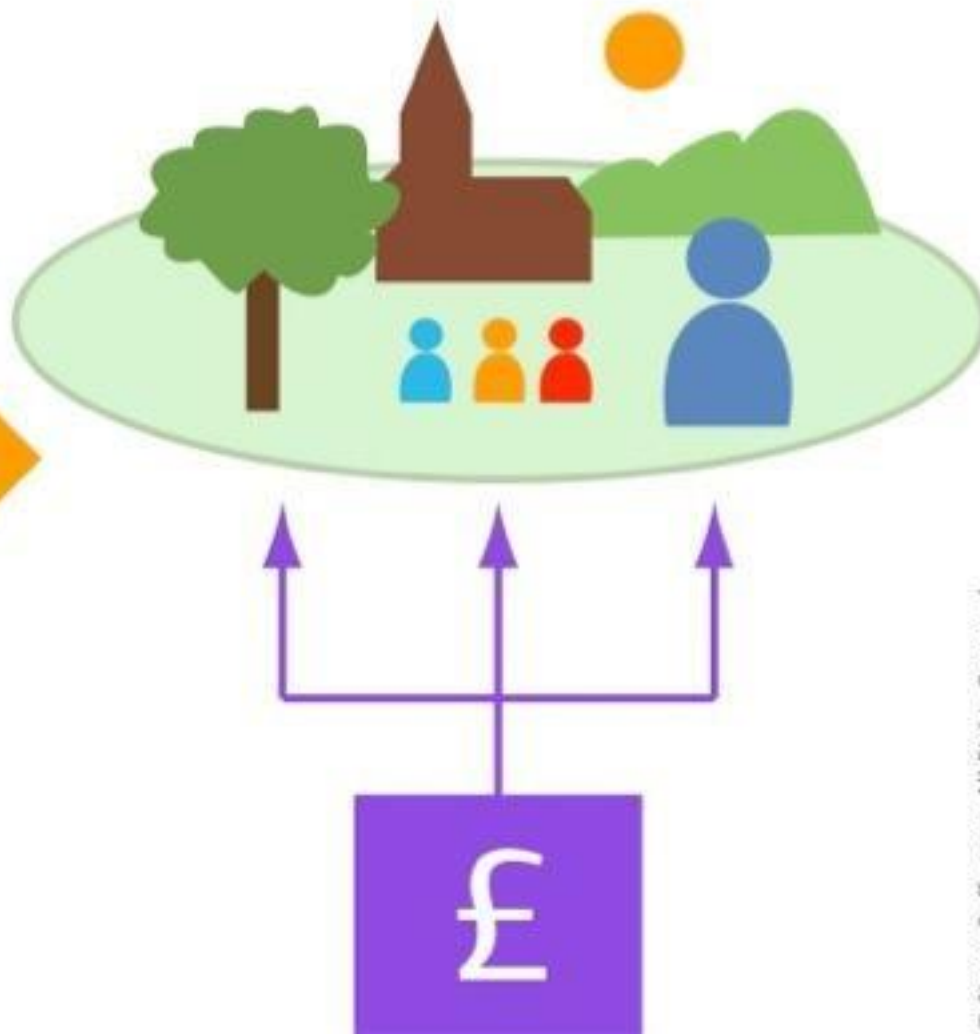


Illustration by Rory Seaford of The Creative Element,
www.pluggingtheleaks.org/resources/plm_ptl_images.htm

Procurement



Investment



Community Wealth project in Preston

- PCC, LCC, Constabulary, Preston College, Cardinal Newman College, Community Gateway. Health sector now wants in. University joined later due to reorganisation
- Of those six anchors initially involved a **collective procurement spend of £750m** was identified
- **5% of this in Preston and 39% in wider Lancashire**
- **£ 458m slipping out of Lancashire economy.**

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o Spend analysis 2013/14 – Preston City Council

- Spend £16.7m top 300 suppliers
- £2.8m in Preston boundary (17%) – up from 14% in 12/13
- £5.5m in Lancashire (33.5%) – up from 29% in 12/13

o Leakage and gap analysis

- £ 8m leaking out of Lancashire economy
- **Scope to potentially** influence £3m of this
 - o £935k of construction activities, £554k of materials.
£340k of vehicle activities £331k of consultants spend

Community Wealth project in Preston

- o Similar work in train with other anchors –** already some quick wins in terms of reshaping Constabulary and LCC contracts – boost of £3m to Lancashire economy in first year
- o Partners committed to working together** on pre-procurement, contract shaping/sharing, working with supply chain, identification of possible “gap” co-ops etc.



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