

# The Role(s) of Anchor Organisations

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Professor Ruth Lupton, Inclusive Growth Analysis Unit  
GM Inclusive Growth Leaders Dinner. November 15<sup>th</sup>, 2018

## What characterises anchor organisations?

“spatial immobility, large size and strategic contribution to the local economy as purchaser and employer.”

UK Commission for Employment and Skills 2015

“ ‘tied’ to a particular place by their histories, missions, physical assets and local relationships and cannot easily move away. Their scale and local links mean that they can play a key role in local economic development, representing the ‘sticky capital’ around which economic growth strategies can be built and innovation fostered at a local level”

Centre for Local Economic Strategies 2018

## What characterises anchor organisations?

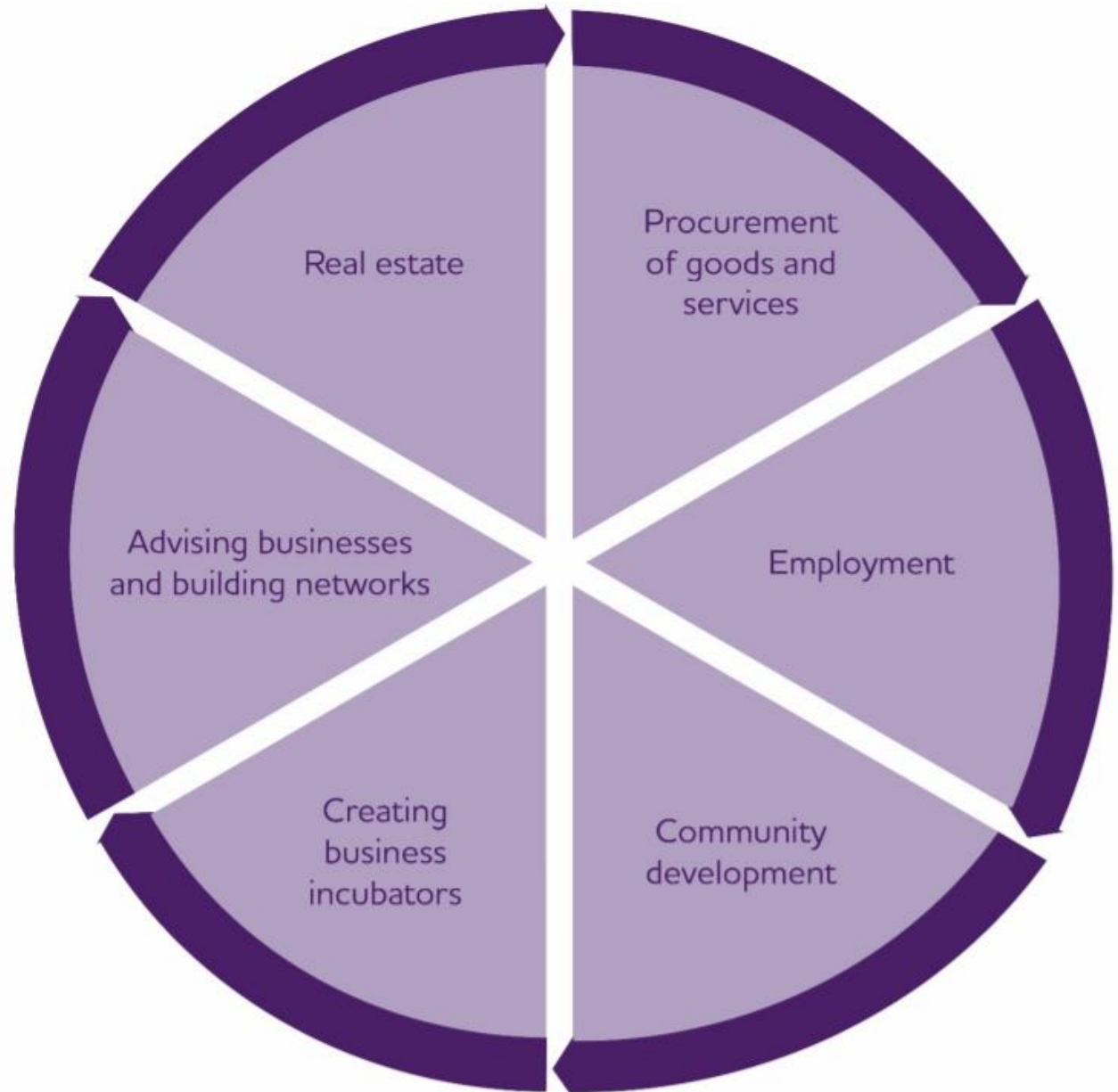
“Anchor institutions have an ability to engage in long-term planning in a manner that aligns their institutional interests with those of their local communities.

Thus they have both ability and motivation to improve the long-term well-being of their communities by leveraging their institutional resources”.

Rush University Medical Center 2017

## Anchor roles

Source: Devins et al (2017)  
Maximising the Impact of Local  
Anchor Institutions



# In GM individual anchors are already doing these things

## A handful of examples:

- Local authorities:
  - leading local procurement and supply chain development.
  - examining and stimulating local employment
- Universities:
  - Local employment and training including through capital projects
  - Business incubators and accelerators
- Private companies
  - Apprenticeship and STEM education
  - Supply chain development

Across the board: volunteering, community activities, support to charities

## A Collective Approach

- May mean “working together”:
  - Sharing practices
  - Developing joint initiatives
  - Pooling resources
- And/or “doing the same things”
  - Adopting common practices thus combining our economic muscle to make a significant difference

An aerial photograph of the Chicago skyline, showing a dense cluster of skyscrapers along the city's edge. The prominent black Willis Tower stands out in the center. To the left, the city meets the turquoise waters of Lake Michigan, with a sandy beach and greenery visible in the foreground. The sky is a clear, bright blue.

# **Chicago: Chicago Anchors for a Strong Economy (CASE)**

**Established by Chicago World Business**

# Rationale

Creating a strong business-to-business supplier network locally

to support the success of anchor institutions, strengthen local firms, increase community and neighborhood vitality, generate jobs, and help grow the regional economy and make it an attractive place to do business.



# How does it work?

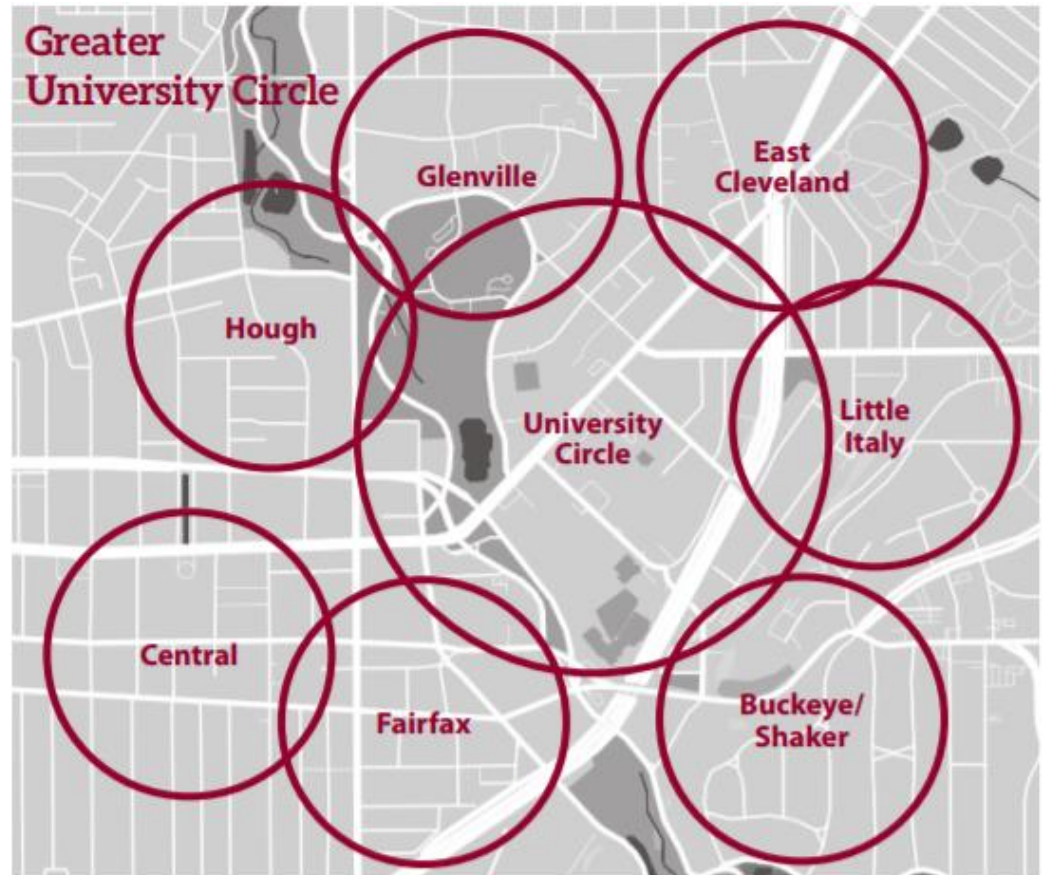
- 16 anchor partners (15 originally): universities, hospitals, a bank, museums, local authorities, housing and transport authorities.  
*“anchors commitment is where it all starts: you need the buyers at the table first”*
- A core team:
  - Assesses businesses, connects them to business support/technical assistance/access to finance
  - ‘matchmakes’ anchors with vetted suppliers
  - Helps anchors analyse their spend and monitors performance

MANCHESTER  
The University of Manchester

# Cleveland: Greater University Circle Initiative (GUCI)

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Started on the initiative of  
the Cleveland Foundation



# Rationale

The status quo -poverty and distress in the adjacent neighborhoods - was not acceptable, and not only for ethical reasons.

The neighborhood disinvestment affected the anchors' core business functions—their ability to recruit talent and attract students or patients—and potentially even damaging their “brand.”

## How does it work?

- CEOs of anchors form a GUCI leadership group.
- Commitment of institutions reviewed every three years.
- Their central question: *“what can we do better together that we would find difficult to do apart?”*
- Four high-level shared goals - Buy Local, Hire Local, Live Local, and Connect
- A management group from across the anchors oversees the work and each goal has a sub-group
- The work has been supported by grants from the Cleveland Foundation and Living Cities.
- A key development was linking GUCI with the city’s Health Tech Corridor: building links with growth sectors

# Employee owned businesses

- GUCI recognised the importance of restoring pride and ownership in areas of industrial decline
- Initially to meet demand for anchor needs, established cooperative businesses:
  - Evergreen Commercial Laundry
  - Evergreen Energy Solutions
  - Green City Grower (hydroponic greenhouses).
- A key factor in scaling up was the establishment of local lending/patient capital

# Birmingham, UK:

- Funding from Barrow Cadbury Trust enabled CLES to define and map anchors (37 public/social)
- Work ongoing with six key anchors on areas including procurement, workforce, land property and assets
- Establishing an anchor network chaired by City Council





# Leeds, UK:



Funding from Joseph Rowntree Foundation to track anchors collective contribution. Including analysis of how the different ways in which they could contribute to 'good jobs'.

CLES now working with seven anchors to analyse workforce and procurement spend

# Preston UK

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Six Key Anchors including local authorities, police, universities and colleges, a housing association

Increased their local spend from 5% to 18% in four years.

Now working on co-operative development and on supporting SMEs.

Used public pension fund to invest in a hotel development





# Concluding thoughts

- Anchors initiatives are happening in other great cities. Worth exploring here?
- They involve more than action by individual organisations: a collaborative approach for mutual benefit.
- There are many resources we can explore further, and CLES (Manchester-based) is the leading source of UK expertise.
- But there's no blueprint. They:
  - start in different ways
  - take different shapes
  - are resourced in different ways
  - do different things, depending on local priorities.

## To discuss over your starter

- Your responses to what's been said
- What possibilities are there for an anchors approach in GM?
- How would we get started?

# Suggested discussion themes

- **Employment and training:**
  - can anchors in GM work together to increase the proportion of ‘good jobs’ in GM, and improve access and progression for local residents and/or under-represented groups?
- **Procurement, commissioning and capital projects:**
  - can anchors in GM increase the proportion of their spend that is local; and can they use procurement and commissioning relationships to strengthen management and improve productivity and inclusive practices in supply chains?
- **Locally owned enterprise:**
  - Through procurement, training and investment, can anchors in GM work together to stimulate and support locally owned enterprise, particularly in low income neighbourhoods or in under-represented groups?

# Suggested discussion themes

- Inclusive innovation:
  - Can GM anchors develop and target investment in innovations that enable shared prosperity and greater social inclusion?
- Revitalising places:
  - can anchors in GM pool efforts and investments in GM's struggling places, ensuring sustained programmes to revitalise and strengthen local economies and build neighbourhoods of choice and connection?