

**Local Trust**  
trusting  
local  
people

# Community wealth building from the grassroots

What we learned from our tour  
of England

# Local Trust

## About Local Trust

Local Trust was established in 2012 to deliver Big Local, a unique programme that puts residents across the country in control of decisions about their own lives and neighbourhoods. Funded by a £200m endowment from the Big Lottery Fund – the largest ever single commitment of lottery funds – Big Local provides in excess of £1m of long-term funding over 10-15 years to each of 150 local communities, many of which face major social and economic challenges but have missed out on statutory and lottery funding in the past.

Local Trust is registered in England and Wales, charity number 1147511, company number 07833396.

This report was written by Frances Jones from the Centre for Local Economic Strategies (CLES).



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# Summary

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This report summarises the learning from the week-long tour of England undertaken in November 2019 to better understand the implications of community wealth building (CWB) principles at a neighbourhood level. The tour was organised by Local Trust in collaboration with The Democracy Collaborative and sponsored by Power to Change, Barrow Cadbury Trust, the Joseph Rowntree Foundation, Friends Provident Foundation and Open Society Foundations.

The findings set out in this report are the result of multiple events, roundtables and group discussions that took place across the country during the third week of November 2019. All quotes come from participants that took part in the sessions and relate to how CWB strategies might be implemented to improve their community.

The tour shone a light on the value of grassroots CWB activity, but also its limitations. Many of the projects that we visited were significantly improving prospects for residents in their local neighbourhood but struggling to impact upon the wider economic ecosystem in which they operate.

Nevertheless, it was clear from the places we visited on the tour that grassroots community activity is vital to the long-term success of CWB, and that there are some clear priorities for local public and private sector actors to enable it to flourish across the UK.

These are:

- Invest in community-led social infrastructure.
- Make sure that CWB practices are rooted in the realities of each community. This is essential to give CWB activity the popular legitimacy necessary to catalyse greater economic change in the most deprived communities.
- Trust residents to make tough decisions and provide opportunities for them to learn about the variety of different mechanisms available to transform their local economies.
- Provide greater flexibility in regulations to allow for more socially productive forms of economic activity – for example, the development of cooperative business or multi-owner housing.

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# Background

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Over the last decade, community wealth building has emerged as a powerful alternative to mainstream models of local economic development with proponents across the USA and Europe.

It is defined by CLES and The Democracy Collaborative as “a systems approach to economic development that creates an inclusive, sustainable economy built on locally rooted and broadly held ownership”, it advocates for “new strategies that address the root causes of corrosive and pervasive economic inequality, and taking those strategies to scale so we can rebuild our communities and local economies along more just, equitable and sustainable lines” (see Local Trust 2020).

CWB encompasses a range of practical strategies, often with a strong focus on the role of local anchor institutions. These are large public, private and social sector institutions, such as universities, hospitals or businesses rooted in place, that use their economic weight – as employers, managers of assets, investors, purchasers of goods and services – to influence their local economy to better meet the needs of communities. The Centre for Local Economic Strategies (CLES), which is at the forefront of developing CWB in the UK, has developed five broad principles (see box 1) that underpin the CWB movement.

These five principles have helped to build greater citizen ownership of wealth in communities across the globe.<sup>1</sup> For example, in Barcelona community wealth building is a key pillar of the city’s economic plan. In the UK we have seen the first national CWB programme sponsored by the Welsh government and the first metro mayor elected on a CWB platform. In Richmond, Virginia, USA, the city has created an office of community wealth building to integrate and advance transformative approaches to community economic development.

Recognising the potential of these ideas to drive a more equitable approach to local economic development, Local Trust, Power to Change, Barrow Cadbury Trust, the Joseph Rowntree Foundation, Friends Provident Foundation and The Open Society Foundations came together to investigate how the principles that underpin CWB can and are being applied by grassroots community groups to transform their local economies. The tour was particularly focused on analysing the potential for CWB to improve the economic prospects of the most deprived neighbourhoods across England.

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<sup>1</sup> Examples from the USA and UK include the development of worker cooperatives (Preston, Islington and New York City); allocating significant funds to communities to help implement participatory visions for improving local commercial areas to foster economic opportunity and neighborhood vitality (Portland, Oregon) and community land trusts (Leeds, Yorkshire and Burlington, Vermont).

To explore these points, Local Trust approached two organisations that have been influential in the development of CWB on both sides of the Atlantic: The Democracy Collaborative (TDC), founded in 2000 in the USA, and CLES, based in Manchester, UK. Ted Howard, co-founder and President of TDC, had recently published 'The Making of a Democratic Economy', which explored many of the ideas behind CWB and the way they are being taken up and applied across the USA. At the same time Local Trust commissioned CLES to carry out research into the extent to which Big

Local partnerships have built community wealth in their areas. The report on the research, *Building community wealth in neighbourhoods*, analysed the types and scale of activity across the 150 Big Local areas and analysed the experiences of six case-study partnerships. Drawing on this data, it identified options for advancing community wealth building at a neighbourhood level and proposed a model for taking it forward. Ted Howard and Frances Jones, author of the CLES report, were therefore invited to lead the learning tour.

## Five principles of community wealth building

### 1. Fair employment and just labour markets

Anchor institutions have a defining impact on the prospects of local people. They can develop more equitable and just processes to improve outcomes for their employees and local people. These could include recruiting from lower income areas, paying a living wage and building in-work progression routes. The size of these anchors means that they have significant 'soft power' to influence the norms of other employers within the area.

### 2. Plural ownership of the economy

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

### 3. Making financial power work for local places

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists within that locality, as opposed to attracting external capital. This can include redirecting local authority pension funds, supporting mutually owned banks, or locally owned businesses.

### 4. Progressive procurement of goods and services

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: small and medium-sized businesses (SMEs); employee-owned businesses; social enterprises; cooperatives and community businesses.

### 5. 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 of public sector land and facilities as part of the commons.

# The learning approach

The aims of the learning tour were to:

- explore the potential of CWB at the neighbourhood level, particularly in the most deprived areas
- go beyond the current UK focus on local authorities
- engage politicians across political parties – both local and national – interested in this agenda
- build our links with national and local policy makers, influencers and opinion formers
- highlight the economic development work that is being done in the areas that we were visiting and that Big Local areas are engaged with more generally.

Our learning approach had three stages:

1. An initial workshop session with the learning group to establish the lines of enquiry.
2. Information gathered through visits, informal conversations with stakeholders in each place and roundtable discussions (see programme in the appendices).
3. An end-of-week workshop session to distil conclusions and learning for three distinct audiences:
  - i. community organisations/activists seeking to build more just local economies in their neighbourhoods
  - ii. local and national policy makers
  - iii. the wider CWB movement in the UK and beyond.



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Tour participants being shown around Dover Big Local.

# Lines of enquiry

Lines of enquiry were generated through a group exercise facilitated by CLES, with enquiry questions within each. These questions reflected the diversity of interests of the learning group.

Lines of enquiry	Enquiry questions
<b>What CWB activity is happening in these places?</b>	<ul style="list-style-type: none"> <li>• Where is community-initiated economic change getting into the 'wiring' of the local economy, influencing the way wealth flows around, particularly how anchor institutions spend their money on goods and services, manage their land and assets or who they employ?</li> <li>• Where are extractive models of wealth ownership being challenged?</li> <li>• Where is community-led economic activity leaving an enduring legacy in the way the economy functions?</li> <li>• Where are forms of asset ownership in local economies giving greater control to citizens and workers?</li> </ul>
<b>Where is the agency for CWB in these places?</b>	<ul style="list-style-type: none"> <li>• Is there a route to CWB from social movements?</li> <li>• Are there examples of CWB which have developed from the grassroots?</li> <li>• What is the role of institutional power in CWB, and can communities influence or prompt this?</li> </ul>
<b>What might help/hinder the growth of CWB approaches in these areas?</b>	<ul style="list-style-type: none"> <li>• What role does funding play in supporting CWB?</li> <li>• What impact does the receptivity and support of anchor institutions have?</li> <li>• How important is popular buy-in?</li> <li>• Is building civic capacity a necessary precondition for CWB?</li> <li>• Does a (local/national) framing of economics that values the civic, social and place enable CWB to emerge?</li> <li>• In 'places where there is nothing' – economic deserts, peripheral estates – do imbalances in power, resources and assets make CWB an impossibility?</li> <li>• Do technical issues about anchor institution-led approaches (like procurement regulations) hinder CWB efforts?</li> </ul>
<b>How does the neighbourhood level relate to wider CWB approaches?</b>	<ul style="list-style-type: none"> <li>• How can neighbourhood-level CWB activity be preserved and sustained?</li> <li>• What do the 150 Big Local areas need to catalyse systemic change?</li> <li>• How are private, public and community efforts being brought together at a neighbourhood level?</li> </ul>

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# Reflections from the learning group

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## What CWB activity in happening in these places?

### Where is community-initiated economic change getting into the 'wiring' of the local economy?

The role of neighbourhood level CWB in contributing to systemic change in local economies was a key theme that everyone in the learning group grappled with during the week. The Toynbee Hall discussion reflected a tension between a widely shared recognition that, as one participant put it, "individual and piecemeal efforts" are insufficient in driving local economic change, and a prevalent view amongst others that "this cannot come from the top-down". At the end of the week the learning group reflected on the extent to which community-led neighbourhood activity was a driver for wider local economic change, with broad agreement that while we found "no resistance to the idea of system change, few are actively thinking about it in those terms".

### Where are extractive models of wealth ownership being transformed? Is greater control being given to workers and residents within communities?

At the outset of the week the learning group reflected on the centrality of changing models of wealth ownership to CWB and the goal of significant growth of thriving employee-owned and cooperative models of business. In none of the places we visited did we see evidence of growth of this kind, though we did see promising individual examples of changes in

ownership and, in two places, an ambition to drive this type of change.

One example of a transformation in the models of business and asset ownership was the Chapel Town Cohousing (ChaCo) scheme in Leeds. This scheme shares features with other UK cohousing schemes but has sought to maximise the proportion of units for rent to enable non-owner occupiers in Chapel Town to become members. The model is intended to operate as an inclusive alternative to a local housing market, which is dominated by the private rental sector and contributing to insecurity of tenure and poor housing standards across Chapeltown.

Similarly, in discussion with people involved in the Exchange Creative Community CIC (community interest company) in Morecombe, we heard about their ambitions to develop a broad range of activities to increase community ownership and control of different elements of their neighbourhood economy. This included plans to develop a large-scale shared workspace for generative local businesses and ambitions to develop a community land trust to take over and refurbish poor-quality private rented housing. This approach seeks to turn the tide of dysfunctional dynamics in the local economy, including high levels of un- or under-employment, poor-quality and insecure housing and the risk of gentrification driving long-standing residents out of the area.



Hearing about Chapeltown Cohousing and the work of Headingley Development Trust, Headingley Leeds.

Finally, in Headingley, we heard about how the scope of Heart's work to develop greater community ownership of wealth in the local area has grown from redevelopment of the community centre to the purchasing of local shops when they were being sold by local owners and the acquisition of homes for rent at affordable rates. This approach seeks to preserve socially productive economic assets in Headingley and address some of the dysfunctions in the local housing market.

The learning group reflected on how voluntary sector organisations are stepping into gaps in the provision of local services, working as key parts of the local economy. The clearest example of this was in relation to business support for small, locally rooted businesses. At B-Inspired in Leicester and at Dover Big Local we saw these organisations addressing an unmet need for local people, often from deprived neighbourhoods, who were seeking practical (in the form of business advice as well as affordable and flexible workspace) and social support to develop new businesses.

### Where is community-led economic activity leaving an enduring legacy in the way the local economy functions?

In none of the places we visited had CWB work advanced sufficiently to yet demonstrate an enduring impact on the local economy. Dover Big Local had managed to build encouraging partnerships with the local technical college, the council and community organisations, and the roundtable discussion analysed how they might partner with large private-sector anchors that operate out of the port. This was the only place on the tour that was beginning to consider a whole systems approach to transforming their local economy.

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## Where does agency for CWB come from?

### Is there a route to CWB from social movements? Are there examples of CWB that have developed from the grassroots?

We saw numerous examples across the week of grassroots initiatives to grow socially focused, economically successful businesses. This included business incubation spaces for local SMEs in Dover and Leicester, the purchase of locally rooted businesses, which would otherwise have been closed, by social organisations (in Heart, Headingley) and business-support programmes (such as B-Inspired and those run by Co-Innovation Space in Dover). While these are excellent examples of community initiatives with direct benefits for workers, owners and indirect social and economic benefits for the wider local economy, none of them were being pursued with the explicit aim of achieving systemic economic change.

During our visits we saw some early examples of communities prompting public sector organisations to 'think like an anchor' in the local economy. Principle among these was the Dover Big Local partnership who are working with the local district and town councils, the college and Dover Port to develop approaches to increase recruitment of local staff (in the case of the Port) and extend the use of assets for socially productive purposes, including providing the Big Local with meanwhile use of a large former supermarket for the Co-Innovation Space.

The vital next steps must be to ensure that this work is not lost within the usual conversations about economic development but is brought into a wider discussion about how Dover's local economy might be transformed in a manner that encompasses the five principles underpinning CWB.

### What part does institutional power play, and can communities influence or prompt this? What impact does the receptivity and support of anchor institutions have?

A key theme in the learning group's reflections on the week was the huge grassroots effort demonstrated by all the organisations we visited to achieve what they had. **In each location we saw examples of strong ongoing community leadership to secure benefit for individuals and communities.**

In many cases the individuals involved are working against the grain of existing economic development approaches in a local and national policy environment that inhibits rather than enables their work. This often requires them to cobble together funding and wider resources and bend it to support their goals. This is not to say that support from local authorities and other anchor institutions was not present, but that it tended to result from officers and/or politicians working outside established policy. It was striking that the effort and time required to get the ChaCo housing project off the ground (which involved blending funding sources poorly suited to cohousing, and thus requiring legal expertise to reshape the scheme) was in large part focused on getting an unsupportive policy and financial regime to work. In other countries, such as Poland, Sweden and Norway, cooperative approaches to housing are the cultural and policy norm, with significant policy support, making it much easier for communities to take control of issues in their areas (Coops UK, 2012).

In each place we visited we explored the role of local authorities and other local anchor institutions in enabling community-led approaches. Strikingly, every initiative we visited involved the local authority in some capacity in relation to their land and assets; every initiative was using land, or else a building that had been in the ownership of the council but which they had either:

- bought (in the case of ChaCo)
- secured through a Community Asset Transfer (CAT) for a peppercorn (nominal) rent (in the case of Heart)
- been gifted by the Council (in the case of B-Inspired)
- allocated for meanwhile use (in case of the Co-Innovation Space).

This both illustrates the centrality of local authority asset management approaches for fuelling greater CWB activity and highlights the fact that privately owned assets are often considered off-limits.

In the roundtable discussions we frequently reflected on how CWB principles could be applied in very different contexts. The learning group reflected at the end of the week that a **CWB approach needs to look different in different places**. For example, in places where large anchor institutions feel distant (in the case of the county council in Dover and in relation to the local authority in Longridge in Cheshire) we reflected on the potential for utilising social value criteria to encourage suppliers to invest in these communities specifically, as other local authorities have done across the country.<sup>2</sup> In other areas we visited, anchor institutions are a much stronger presence (for example, Leeds University in Headingley, as well as the companies working out of Dover's port) and here the potential for close collaboration between anchor institutions and CWB initiatives appeared more likely.

### In 'places where there is nothing' – economic deserts, peripheral estates – do imbalances in power, resources and assets make CWB an impossibility?

At our Manchester event we heard from Great Places Housing Association about the Longridge Estate near Knutsford in Cheshire. This is an estate with very high levels of deprivation (in which 60 per cent of adult residents don't own a car) immediately adjacent to a very affluent area of east Cheshire. The estate has three shops and a primary school, as well as a community centre run by Great Places, but there is no other physical anchor institution presence. The learning group reflected on the potential to engage the local authority, with a view to encouraging the targeting of supplier investment in or near the area.

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The beach in Morecambe.

<sup>2</sup> Since 2008, Manchester City Council have transformed their procurement processes around social value criteria, increasing investment in local organisations and SMEs by 19.8 per cent and 15.1 per cent respectively. CLES estimates that this has created over 1,000 jobs and 665 apprenticeships as well as offering employment to almost 2,000 'hard to reach' individuals. 79 per cent of those jobs pay over the national minimum wage.



The panel discussion at Morecambe

## What might help/hinder the growth of CWB approaches in these areas?

### What role does funding play in supporting CWB?

The challenge of financial viability was a common theme in our discussions throughout the week. Here the contrast between neighbourhoods which are affluent and those with high levels of deprivation was striking. In Headingley for example, Heart had been able to tap into the financial assets of people in the area to secure £480,000 through a community share offer. In contrast, in Chapelton, the ChaCo cohousing scheme was heavily reliant on a complex combination of grants to create a viable financial model for an inclusive housing scheme in an area with low levels of owner occupation. The financial challenges required compromises in the set-up of the scheme. There is clearly a need for foundational investment in those areas in which levels of private wealth are significantly lower.

### Does a (local/national) framing of economics that values the civic, social and place enable CWB to emerge?

The overwhelming view from the people we engaged with during the week was that their motivation came from a desire to respond to the needs of the people in their community rather than from wider concerns about the broad structure of the economy (except in Morecombe, where the conversation centred around the need for wholesale economic change). The one macro issue that did stimulate discussions about systems change was the climate crisis. Everywhere that we went, conversations about the climate centred around the need to change our 'broken' economic system, which was seen as exacerbating the coming environmental crisis.

As a result, the learning group felt that further policy work might be undertaken to support residents to think more structurally about the causes of economic inequality as felt in their neighbourhoods. This work should aim to develop strong models for local socially productive financial systems that enable communities to develop long-term, sustainable prosperity for all residents in a way that the current system has failed to.

### Do technical issues about anchor institution-led approaches (like procurement policies) hinder CWB efforts?

The key technical issue that the organisations we visited described as a hindrance were asset-management procedures and policies. As described above, local-authority land and buildings were part of the story of all the initiatives we visited; we heard examples of supportive interventions (including the CAT of Heart's building by the council rather than selling it for student housing), as well as the frustrations of technical processes that undermined support (in the case of the Co-Innovation Space in Dover).

### How does the neighbourhood level relate?

A deep connection to place and community was evident in all the initiatives we visited. As one member of the learning group nearly summarised it:



**Community is critical to place and to community wealth building – if not tied to place [...] it will not work.”**

### How can neighbourhood-level CWB activity be preserved and sustained? What do the 150 Big Local areas need in order to catalyse larger systemic change?

There were several take-aways from the tour that the learning group felt might enable communities across the country to foster their own CWB approaches, while supporting the neighbourhood-level activity taking place in Big Local areas and beyond. These were seen as the first steps needed to deliver real economic systems change from the grassroots.

### 1. Communities need foundational funding to allow grassroots groups to drive economic systems change.

During the tour, it became apparent that much of the grassroots activity was stimulated by a small group of individual actors with the vision and capacity to drive change in their area. This capacity is not always present in some of the most deprived neighbourhoods. As a result, foundational funding is necessary to enable residents to build the confidence and capacity to better identify local assets and opportunities for CWB activity to take place. This funding should be devolved directly to resident-led community groups to ensure that the skills that CWB develops remain within that community. The proposed Community Wealth Fund might provide a portion of such foundational funding.

### 2. Each community is unique, and therefore each CWB approach must be rooted in the realities of that specific place.

A one-size-fits-all economic policy has led to great spatial inequality. Any CWB approach to economic change must avoid repeating this mistake by understanding the varied needs of different economies. All actors – private, public, and voluntary – must be flexible, and should work collaboratively together as equal partners to reconfigure their local economies. It was noted by the learning group that the nature of anchor institutions will vary in each community. It is the responsibility of all actors to identify the different and multiple opportunities, assets and anchors that are available within each neighbourhood.

### **3. Grassroots activity is vital to give CWB legitimacy.**

In order for CWB to succeed in its aspiration for systems change, it must impact upon the entire local economy. In order for this to happen, activity requires buy-in from local residents as well as public-sector actors. By supporting grassroots activity, popular legitimacy develops organically, in a way that is impossible for external, state or large multi-national actors to replicate.

### **4. Invest in social and civic infrastructure.**

Local government needs to prioritise investment in social and civic infrastructure to allow communities to come together and start developing new methods of economic development more simply. Every group we visited on the tour was reliant on a community asset from which to operate. Often these had been sold, rented or given to the community by the local council. The result is that community groups are reliant on the public sector and the local council to support their endeavours, undermining the autonomy of community groups. As we

saw in Headingley, occasionally assets require significant investment that may make them nonviable for groups looking to incubate CWB practices at a hyper-local level. Assets must be maintained and handed to communities in viable states. In addition, in those 'left behind' neighbourhoods (Local Trust, 2019) that lack social infrastructure, investment must be made to ensure that communities have assets around which to congregate and discuss decisions, otherwise they will always remain passive actors in the local economy.

### **5. Real power must be handed to residents in the most deprived communities to ensure neighbourhoods thrive.**

For the last 40 years, the most deprived communities have repeatedly missed out on the relative economic prosperity enjoyed by the rest of the UK. In order to break this cycle and achieve the change that these communities need, residents in the most deprived neighbourhoods must be given power and control over the key local decisions that impact them and their quality of life (Local Trust, 2019).



Ted Howard's keynote address at Toynbee Hall, London.

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# Appendix 1:

## The tour programme

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### Tour participants

**Margaret Bolton**

Director of policy, Local Trust

**Matt Leach**

Chief executive, Local Trust

**Rob Day**

Policy assistant, Local Trust

**Ted Howard**

Co-founder and president of The Democracy Collaborative

**Frances Jones**

Associate director, Centre for Local Economic Strategies

**Sophie Macken**

Head of market development, Power to Change

**Catherine Park**

Programme specialist economic justice programme, Open Society Foundations

**Rachel Casey**

Housing policy and partnerships officer, Joseph Rowntree Foundation

### What we did, where we visited and who we met

The programme for the week is set out below. Each day of the tour focused on a different foundational principle of CWB, to better understand how each might impact communities at the neighbourhood level and also how they might fit together to drive wider systemic economic change.

### Thursday 13-Friday 14 November, St George's House, Windsor

Immediately before the tour began, Local Trust brought together participants for a two-day-long consultation at St George's House, Windsor, on CWB at the neighbourhood level. There were 29 participants from across academia, think tanks, government, the charitable sector and the private sector.

This consultation helped to stimulate initial thinking about CWB and how we might begin to build a broader, more inclusive CWB movement. Further information on the consultation and the main takeaways from it can be found in our *Community wealth building in neighbourhoods* report.

### Monday 18 November, London: the need to focus on the neighbourhood level

#### Community Wealth Building at the neighbourhood level, Toynbee Hall

A keynote lecture by Ted Howard, director and co-founder of The Democracy Collaborative, covering the work of The Democracy Collaborative in the US, how similar approaches have been adapted in the UK, and insights about the American experience of wealth building projects at the neighbourhood – rather than municipal – level. A response to the lecture was provided by Frances Jones of the Centre for Local Economic Strategies (CLES), followed by a Q&A.

### Cross-Whitehall roundtable

This round table was set up in collaboration with the Ministry of Housing, Communities and Local Government. It considered the evidence-base for community empowerment initiatives. Ted Howard spoke about economic benefits before Prof Mike Egan analysed the benefits for health and community cohesion. Officials from across a range of government departments attended, together with experts from thinktanks and funders.

## Tuesday 19th November, Dover: unlocking the economic power of communities to keep wealth local

### Dover Big Local Co-Innovation space

This was a participatory session, led by CLES, to establish a shared understanding of CWB, how it can manifest at the neighbourhood level, and the themes to be covered during the week.

### Project visit, tour and roundtable

Representatives from Dover's Big Local partnership presented their work and took us on a tour of the town centre, showcasing the economic development projects including: their Co-Innovation Space, the work on attracting tourism to Dover and their focus on youth employment.

### Roundtable discussion

We heard contributions from Ted Howard (The Democracy Collaborative) Ross Millar (Dover Big Local) and Liz Minns (Social Enterprise UK), as well as representatives of Dover Council, Dover Technical College, Kent Savers Credit Union and other organisations from the south-east who have been involved in local regeneration efforts.

Discussion focused on the importance of using local skills, assets and anchor organisations to ensure that economies work for local people.

## Wednesday 20 November, Morecambe and Manchester: plural forms of ownership

### The Exchange – Arts and creativity in the community

The learning group visited the Exchange Creative Community CIC, a venue for arts and leisure activities in Morecambe's West End.

### Panel discussion

This discussion heard from Jo Bambrough and Becki Melrose (The Exchange Creative Community), James Wright (Coops UK) and Ted Howard (The Democracy Collaborative) about the importance of fostering a diverse range of business models and plural forms of ownership such as workers' co-ops, employee ownership, and Community Interest Companies.

### Inspire Community Centre, Levenshulme: dinner and presentation

This was a dinner and discussion event examining how local economic development at the neighbourhood level can link to economic strategy developed for wider geographies – at the level of local authority areas or regionally. Greater Manchester Centre for Voluntary Organisations (GMCVO) and the Institute of Public Policy Research (IPPR)-North presented findings from research commissioned by Local Trust examining the development of local industrial strategies, and how they connect with or support economic development at the neighbourhood level.

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## Thursday 21 November, Leeds: community housing and asset ownership

### Visit to ChaCo housing project

A tour around the Chapeltown Cohousing project in Leeds, which is building 29 low cost, energy efficient homes with shared facilities. At least two-thirds of residents are being drawn from the immediate neighbourhood.

### Visit to Headingley Development Trust

A presentation on the work of Headingley Development Trust, including the community owned arts and business venue (Heart) and their community housing work.

### Roundtable discussion

This roundtable discussion explored different models of housing and land ownership and how these can benefit neighbourhoods across Britain.

## Friday 22 November, Leicester: transforming neighbourhood economies through progressive procurement

### Tour of B-Inspired community development work

This was a presentation and tour of the work of B-Inspired, detailing how they have been supporting new and existing community businesses for almost 20 years. They are working with the aim of centring Braunstone's entire economy around community business models that benefit residents.

### Closing learning session

Finally, Fran Jones of CLES led a participatory session with all partner organisations to reflect on learning from the week and pull together conclusions from the tour.

## Organisations visited

### Dover Big Local Co-Innovation Space

Dover is a former industrial port town on the Kent coast, which until the early 1980s was the economic powerhouse of the district. We heard how the 1983 recession and the 1984 miners' strike led to the loss of considerable wealth in the area, which became an unemployment blackspot. Many of the town's wards now ranked in the top 10 per cent most deprived areas in England and Wales.

Over the last five years Dover Big Local partnership has worked to "facilitate the skills and competencies of people in town and channel these to make a difference to the wellbeing of the town and its residents". There have been numerous strands to this work, including:

- the development of the Destination Dover partnership of 24 organisations, which has worked to capture and boost the value of tourism and connect local people to the business and job opportunities this brings
- an employment support service in partnership with the local Job Centre Plus and a local housing association
- the creation of the Co-Innovation Space, a business incubation centre providing affordable, low risk, flexible spaces for people who want to test out new business ideas in a supportive environment.

There is a dual purpose to this final approach: firstly, to provide a space for people who would otherwise struggle to find affordable, flexible space to test out their business ideas, and secondly to grow locally rooted businesses who can ultimately migrate onto the struggling high street and generate local flows of wealth. The Co-Innovation Space is housed in a former supermarket building acquired by the council as part of town centre redevelopment plans and transferred on a peppercorn rent to Dover Big Local for meanwhile use, pending redevelopment. The space is currently home to 44 businesses, housed in a variety of spaces from market stalls to shop units.

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### **The Exchange Creative Community CIC, Morecambe, Morecambe**

Like many seaside towns, over the last 20 years Morecambe has gone from being a bustling tourist destination to a town where poverty is entrenched. The town's West End, formerly home to tea rooms and toy shops, is now largely shuttered. It was against this backdrop that a group of local residents came together in 2015 to explore how they could create a community space run by and for local people. Through conversations and engagement, a consensus emerged that people would like an art gallery dedicated to showcasing the art and crafts of local people, to highlight the creativity and talent that exists in their communities and provide a space where people could come for a host of different reasons – to make use of practical equipment and facilities, to connect with each other and develop shared ideas and projects. For many people, The Exchange is a place to get the support they need to set up enterprises or projects as they progress towards financial viability.

The Exchange has expanded significantly over the last five years, forming a CIC and generating a £90,000 annual turnover. Plans are now under development to bring a local authority building into community use and create a coworking space, as well as exploring the possibility of a community land trust to take over areas of poor-quality housing in the area.

### **Chapel Town Cohousing (ChaCo) project**

Chapel Town in north-east Leeds is one of the most deprived neighbourhoods in the country, with a high proportion of private rented properties. Poor-quality housing and insecure tenure are significant issues for local people. In 2010 a group of residents involved in a small housing co-op in the area set out to explore the idea of setting up a cohousing scheme. They wanted to create an alternative to the poor-quality housing in much of the area, but also build a better way of living with low-energy

homes, shared facilities and a diverse and intentional community of residents attracted from the vicinity.

While strongly connected to the wider cohousing movement in Leeds and nationally, the project set out to adapt existing cohousing models to meet the needs of a community with low levels of home ownership. In 2018 the ChaCo cooperative bought a one-hectare site from Leeds City Council for the development of 30 homes, including 5 for rent. Finance for the development phase of the scheme was raised from the sale of members own homes and the existing housing cooperative properties and a long-term mortgage as well as some grant funding from government. The terms of the shared ownership help-to-buy grant has required some adjustment to the cohousing model, as it requires those accessing the grant to have the ability to buy 100 per cent of the value of their property. This means that should a leaseholder decide they want to purchase the entire value of their home, technically ChaCo Cooperative cannot retain an ownership stake. However, leases have been drawn up so as to stipulate that all communal facilities (including the laundry, gardens and parking area) are owned by the Cooperative, ensuring that a strong element of mutual ownership is maintained.

Work was well underway on the foundations for the homes when we visited in November, and the scheme is due to complete in 2021.

### **Heart Headingley**

Headingley is a suburb of Leeds with a high proportion of student housing. In 2005, a school building was closed by the city council, and the Headingley Development Trust was established to take on the building and retain it for community use. The trust acquired the building on a 125-year lease for a peppercorn rent after considerable debate within the council about whether the building should

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be sold for redevelopment as student accommodation or transferred to the trust. With repair bills for the Victorian building escalating, the trust set about raising funds to repair the structure and make it suitable for community use. In 2008 the trust launched the UK's first community share offer, raising £105,000.

The centre now houses a café and community orchards and hosts a wide-ranging programme of community activities and events, from art and music to TED talks and energy-transition workshops. The trust has gone on to acquire a community health food shop and greengrocers on the nearby high street to retain them for the community when their owners were seeking to sell. In 2018 the trust launched a second community share offer, raising £480,000 to refinance an existing loan and to invest in a variety of local projects, including the expansion of their portfolio of homes to be renovated and rented out at affordable rates for local people.

### **B-Inspired, Leicester**

The Braunstone Foundation is based in the Braunstone suburb of Leicester, a garden estate built in the 1930s to clear inner-city slums. The 16,500 residents all live in neighbourhoods in the top 20 per cent most deprived in the country, with high levels of unemployment and low healthy life expectancy.<sup>3</sup> The estate is rich in physical assets, with a large park and several community buildings, as well as a wealth of good-quality council housing. However, there are no large employers in the area, shopping facilities are poor, and many adults work in low-paid jobs.

Over the course of 19 years the foundation has supported the residents of Braunstone with a wide range of activities including employment and training support, befriending, food-growing, welfare advice, a food bank serving 70 families a week and a range of sport and physical activities. In addition, the foundation established a trading arm – B-Inspired – which operates the Business Box, a 52-unit office workspace accommodating micro-businesses and SMEs and four family homes for affordable rent. These trading activities provide approximately £120,000 per year to the charity.

Most recently, B-Inspired has begun a programme of work to grow new community businesses and support existing ones in the area. This work has been rooted in a year of consultation with local people to identify the businesses local people most want, including a community shop, café and sports club and facilities. B-Inspired has acquired a council building to accommodate these and is supporting two existing businesses to transition to become community businesses, as well as working with residents to set up others.

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<sup>3</sup> Healthy Life Expectancy is defined by Public Health England as “the number of years lived in self-assessed good health” (2017).

# Appendix 2:

## learning summary

The table below outlines the key findings from the tour. We have broken these down into different policy themes in order to clearly highlight the key barriers and enablers to grassroots organisations undertaking CWB activity.

Policy area	Practice examples (for community groups and activists)	Barriers and enablers to CWB
<b>Business</b>	<p><b>Business incubation: B-Inspired (Leicester); Co-Innovation Space (Dover)</b></p> <p>These models (see above for more detail) demonstrate how a holistic approach to meeting the needs of new, socially productive businesses can provide a low-risk route for individuals to test out business ideas and build networks of professional and social support before stepping into commercial markets. Both examples combine low-cost flexible workspace, formal and informal business support and hosting within organisations dedicated to serving the needs of local communities, targeted specifically to the needs of local people often from deprived neighbourhoods</p> <p><b>Cooperative forms of business: The Exchange Creative Community (Morecombe)</b></p> <p>In a bid to fight the threat of gentrification from large corporations, The Exchange CIC has been investigating how it might become a cooperative. By increasing the plurality of owners in the business, this will allow them to ensure that their work remains routed in the needs of the community.</p>	<p><b>Business support</b></p> <p>While there are excellent examples of business incubation in the social sector, it is important to note that these are largely being sustained by a combination of time limited philanthropic funding, temporary use of publicly owned buildings and some limited commercial income.</p> <p>This work illuminates a gap in the resourcing of mainstream business support which is geared at businesses focused on commercial productivity often in high growth sectors operating to conventional business models rather than more socially productive organisations that may take slightly longer to yield such high profits.</p>

Policy area	Practice examples (for community groups and activists)	Barriers and enablers to CWB
<b>Funding</b>	<p><b>Community share offers: Headingley Development Trust (Leeds)</b></p> <p>In 2008 Heart launched one of the first community shares offers in the UK and raised £105,000 to enable it to repair the Victorian school-building they had been gifted by the local council and make it suitable for community use. This was followed in 2018 by a second share offer intended to raise funds for the Headingley Investment Fund (the pot of money used by Headingley Development Trust to invest in local businesses and properties). The share offer raised £381,843 from 247 investors, almost all from the local community. The money raised will enable Headingley Development Trust to expand their portfolio of homes to meet the need for more affordable, rented homes in the area, and purpose new business opportunities to benefit the local community including taking on the lease of a local greengrocer and health-food shop. This mechanism provides a means of enabling local people to channel their private wealth into socially valuable activity.</p>	<p><b>Locally productive financial services</b></p> <p>Community share offers are part of a wider range of finance tools that have been developed to address shortcomings in the mainstream financial market and enable local wealth to be harnessed and circulated around socially productive parts of local economies. Other examples range from mutual credit networks for small businesses to community banking and local pension fund investment. However, these operate at the margins of the financial system, which is dominated by global banks that do not prioritise community-focused funding.</p> <p>Many of the organisations we engaged with during the tour, accessing this type of alternative financial services extremely challenging. Most relied on grant funding, either through charity or Government programmes such as Big Local, the New Deal for Communities or the Empowering Places programme by Power to Change.</p> <p><b>Liability transfer</b></p> <p>Although Headingley Development Trust were able to raise the money, being gifted an asset that requires over £100,000 of repairs would make it nonviable for many communities. The trust were lucky, but councils must ensure that they are providing the community with an asset, not offloading a liability that will drain the community's wealth and resources.</p>

Policy area	Practice examples (for community groups and activists)	Barriers and enablers to CWB
<b>Housing</b>	<p><b>Community-owned housing: ChaCo (Leeds) and Headingley Development Trust (Leeds)</b></p> <p>Both of these examples were tackling shortages of good quality, affordable and secure housing. In the case of Headingley Development Trust, they were using community finance to purchase and refurbish homes, renting them out at affordable rates to residents from the local community. In the case of ChaCo, a cohousing model suited to an area of low owner occupation was developed (see above).</p> <p>In both cases these activities were responding to an unsustainable system that was forcing residents out of the community. The community-ownership of both projects protects residents and improves diversity within the community. In addition, rental fees paid by tenants help to maintain the community, meaning that they are both mutually regenerative programmes.</p>	<p><b>Flaws in housing policy</b></p> <p>The ChaCo scheme reveals significant flaws in current policy and financing for housing in the UK. Because of the low home-ownership rates in the area, finance for the development phase of the scheme relied on grants from the government’s shared ownership help-to-buy scheme. However, this grant requires those accessing it to have the ability to buy 100 per cent of the value of their property. This undermines the cooperative housing approach, which prevents owners from buying property outright, thus dampening rising house prices in the area. By accessing this critical form of grant funding, technically ChaCo Cooperative cannot retain an ownership stake in the homes. A legal workaround has been found whereby leases have been drawn up so as to stipulate that all communal facilities (including the laundry, gardens and parking area) are owned by the cooperative, ensuring that a strong element of mutual ownership is maintained. But this has required costly investment of time and expertise.</p> <p>It is clear that housing policy in the UK needs to be rectified so that it no longer disproportionately favours sole owner occupation. Greater flexibility with funding is required to support less convention, mutual forms of co-habitation.</p>

Policy area	Practice examples (for community groups and activists)	Barriers and enablers to CWB
<b>Social infrastructure</b>	<p><b>Importance of social infrastructure</b></p> <p>All the organisations we visited were dependent on space, buildings or land in order to operate successfully.</p> <p>Often this space was either bought or rented from the council at free or sub-market costs. Many groups spent significant time negotiating the use of the land, and in the case of Headingley Development Trust ensuring it was fit for purpose.</p> <p>This is reflective of land ownership in the UK whereby the public sector has for generations been the sole arbiter of social and civic infrastructure. Much of which is either in disrepair or has been sold into private ownership in recent years, at a significant cost to community life (Locality 2018).</p>	<p><b>A lack of community-led social infrastructure</b></p> <p>The nature of the rental arrangements for many of the organisations we visited reveal the extent to which their activities are operating at the margins of well-resourced, core public activity in local areas. In Dover, the Co-Innovation Space is housed in a former supermarket site acquired by the council for redevelopment and provided at a nominal rent to the Big Local partnership while the site awaits redevelopment. Examples such as these demonstrate the need for the investment and protection of social and civic infrastructure, led by and for communities to ensure that activities are designed to build more socially productive local economies.</p>

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