



the national organisation  
for local economies

## BRIEFING NOTE

TO:

FROM: Sarah Longlands, Chief Executive, The Centre for Local Economic Strategies (CLEES)  
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SUBJECT: Community wealth building

PURPOSE: This briefing aims to provide information on the role of community wealth building in addressing challenges in local economic development and in supporting local growth plans. It details several key opportunities that could help achieve progressive and green growth while reducing regional inequality.

### SUMMARY

- Community wealth building is a people centred approach to local economic development which aims to increase the flow, circulation and ownership of wealth.
- There is evidence that it can support improvements in health outcomes, contribute to green growth and reduce regional inequality.
- It requires minimal investment because it uses tools already at the disposal of local and combined authorities and is being widely applied across the UK.
- You have a role to play in opening up discussions with your local and national colleagues about how they can adopt a community wealth building approach.

### THE ISSUE:

You are all too aware of the hardships affecting your constituents. As Labour begin to outline the new programme for government, the Party's ambitions for a new model of economic management that ensures economic growth is broadly shared is a bold and necessary vision of a new future for UK plc. Community wealth building is a practical approach to realising these ambitions.

### HOW IT WORKS:

Community wealth building requires minimal investment, because it harnesses the power already held by public institutions to redirect flows of wealth, so that workers, residents and consumers benefit from the economic activity happening in their communities. This means better paid, more secure jobs and more locally rooted businesses that share the wealth they create with workers, consumers and communities.

To do this, community wealth building uses the significant economic impact of large, locally-rooted organisations (such as councils, hospitals, universities, colleges and housing associations) by harnessing their power in, for example:

- procurement and commissioning, where local public institutions can use their spending power to support the development of good enterprises, fair work and shorter supply chains. A good example of this can be found in [Manchester](#), where they have been working for over a decade to inspire changes in the behaviour of both procurers and suppliers to realise real impacts for the city's economy, or in [Fife](#), where the Council have used market intelligence gathered during the pandemic to target their procurement spend towards the local SME base.

- employment, where their practice can encourage local labour markets that support the wellbeing of communities, as is happening in [Birmingham](#), where an employment intervention developed by a housing association and the NHS is targeting disadvantaged communities and settling residents into secure employment in healthcare.
- the ownership of land and assets that can be used to support the growth of the local economy and climate action, like in [Islington](#), where the Council have developed a pioneering strategy to create new workspaces that are genuinely accessible and affordable to local businesses and social organisations.

#### ADOPTION AND IMPACT:

- Adopted in dozens of councils and by devolved governments: the approach has been adopted in [dozens of places across the UK, Ireland and Europe](#) and has its roots in the US. The devolved nations too, are taking notice, with the Northern Irish Assembly convening a Ministerial Advisory Panel in 2022 to explore the potential of community wealth building and the Scottish Government committing to bringing forward a Community Wealth Building Bill in this term.
- Delivering green growth: [analysis conducted in 2022](#) found that, by using a community wealth building approach to develop the retrofit supply chain, registered social landlords in Dumfries and Galloway and the Scottish Borders could create more than 2,000 jobs and £112m in direct GVA by 2030.
- Reducing regional inequality: peer-reviewed analysis of a community wealth building programme [published in the Lancet Public Health](#), found that the approach “could potentially support the joint aims of economic regeneration, health and wellbeing improvements, and reduced regional inequalities.” It also found that community wealth building in the area under study was associated with a 3% decline in antidepressant prescribing and an 11% increase in wages, compared to expected trends.

#### RECOMMENDATIONS:

- That you connect with local and combined authority politicians and establish the role that they see for community wealth building in their local economic strategy.
- That you discuss this briefing with your colleagues in parliament, specifically to understand how community wealth building can be part of a new vision for economic management and how this will be supported by future funding and power arrangements for local and combined authorities.
- That you contact CLES using the details above to arrange a meeting if you wish to understand more about how community wealth building is being applied in different contexts across the UK.

#### FURTHER READING:

- [Community wealth building 2024](#) – a guide aimed at councillors which explains the mechanisms of the approach in depth and provides links to case studies.
- [This must be the place](#) – which draws upon insights gathered from local and combined authorities and makes recommendations for the next government to empower community wealth building delivery at a greater scale and pace.
- [Our places, our planet](#) – research that reveals five national policy barriers to operationalizing community wealth building to deliver climate action that can support the growth of more inclusive local and regional economies.
- [Womens work](#) – an account of using community wealth building principles to develop a local economic strategy for Leeds that centres the needs and strengths of women.