

Community wealth building

A guide for new council members



This short briefing summarises the core principles of community wealth building – a people-centred approach to economic development – and the important role that councillors have in supporting its adoption in places.

It also contains sources of further information and support for new councillors who want to learn – and do – more to progress economic justice in their places.

Why do we need community wealth building?

As a politician you'll be all too aware of the hardships affecting your constituents.

Knocking on doors over the last few months, you will have met with families struggling with insecure work and poverty wages, seen the local businesses which have been forced to close, the distressed state of many town centres.

These are the visible signs of an economic model which, far from delivering on the promise of prosperity for all, too often leaves many people less secure and worse off. Instead it increases inequality and does little to address the climate emergency.

Traditional approaches to economic development assume that, as the economy grows, wealth for all will flow. However, economists are increasingly recognising that this often doesn't happen. Instead, wealth that is generated locally can end up bypassing local communities, with profits flowing to distant shareholders and absentee landlords.

Community wealth building is a practical response to these issues.

It aims 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, "generative" businesses that share the wealth they create with workers, consumers and communities.

To do this, community wealth building uses the economic power of large, locally-rooted organisations – commonly referred to as anchor institutions – such as councils, hospitals, universities, colleges and housing associations.

The way in which these institutions spend their money, employ people and use their land, property and financial assets can make a huge difference to a local area.

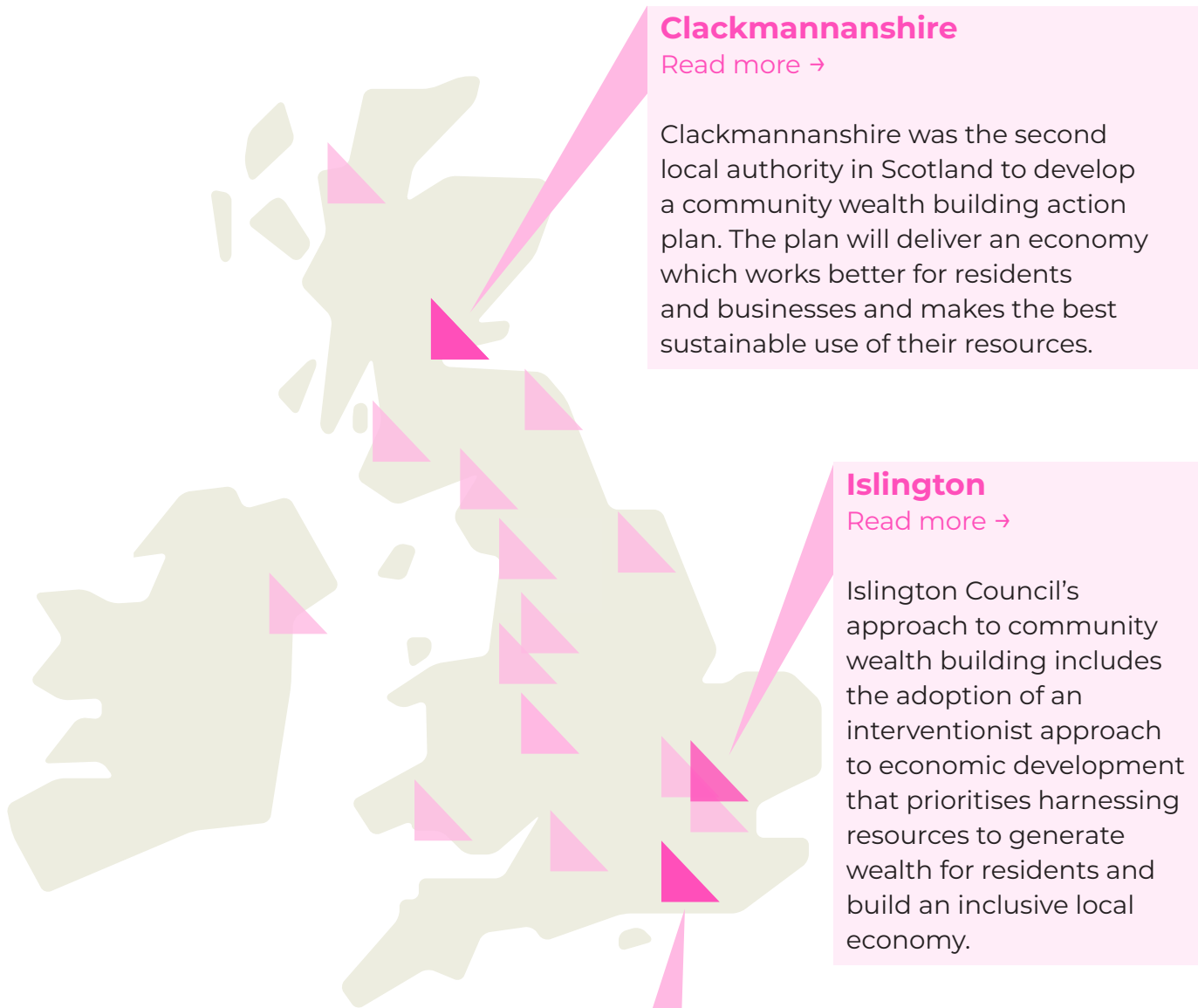
How does it work?



Where is it happening?

Dozens of places across the UK, Europe and US are developing community wealth building approaches.

Below are some highlights of this work.



Clackmannanshire

[Read more →](#)

Clackmannanshire was the second local authority in Scotland to develop a community wealth building action plan. The plan will deliver an economy which works better for residents and businesses and makes the best sustainable use of their resources.

Islington

[Read more →](#)

Islington Council's approach to community wealth building includes the adoption of an interventionist approach to economic development that prioritises harnessing resources to generate wealth for residents and build an inclusive local economy.

Lewes

[Read more →](#)

Lewes District Council have put community wealth building and the climate crisis at the heart of their work, focussing on mobilising assets to shape and grow green sectors which create economic opportunities for the people of Lewes.

Dozens of case studies exploring the work of local authorities, anchor institutions and place specific approaches to community wealth building can be found on the CLES website.

[Explore now →](#)

How can you support community wealth building in your place?

1

As a ward councillor

- Make links with local businesses, community groups, trade unions and local organisations in your area and advocate for their involvement in the creation of economic development policy and delivery.
- Consider how your local plan maximises community benefits from assets, strategic investment and regeneration initiatives.

Through overview and scrutiny

- You can raise the profile of community wealth building and the issues it seeks to address and prompt consideration of new policy approaches within your council and the wider local public sector, including NHS organisations, universities and colleges.
- Topics well suited to investigation include:
 - How does your council currently spend its money?** What proportion is spent with locally-based suppliers, with SMEs and with the VCSE sector?
 - Who does your council currently employ?** Are people from more deprived communities and marginalised backgrounds able to secure jobs and progress with the organisation?
 - What support is available for local businesses** and social organisations to establish and thrive in your area?
 - How are your council pension scheme investments contributing to local economic development?** Engage with your pension board to find out.

2

At executive level

3

- Carefully scrutinise economic development strategies - are they really designed to deliver inclusive economies? How they will ensure that the promised benefits help those who need it most in the area?
- Embed community wealth building as a cornerstone of your local economic strategy.
- Consider the creation of a cabinet community wealth building portfolio.
- Build partnerships with local anchor institutions to encourage them to adopt community wealth building approaches and share learning between organisations.

Find out more

CLES is the national organisation for local economies.

Established in 1986, we are working towards a future where local economies benefit people, place and the planet. This will happen when wealth and power serve local people, rather than the other way around, enabling communities to flourish. We have an international reputation for our pioneering work on community wealth building and are recognised as the curators of the movement in the UK.

Our work in supporting the community wealth building movement in the UK focuses on three main areas:

- We convene networks of community wealth building practitioners.
- We conduct research to develop community wealth building practice and influence policy.
- We offer events, workshops and tailored support to help individuals and organisations build community wealth.

To find out more about our work, visit www.cles.org.uk or contact us by emailing info@cles.org.uk.

Free webinar for new councillors

On **Thursday 9 June at 5.30pm**, CLES will be hosting a free one-hour webinar explaining the fundamentals of community wealth building and exploring how they apply to your new role as a local councillor.

The session will be hosted by CLES's Frances Jones. Before joining CLES as an Associate Director in 2018, Fran's work spanned local government, civil society and academia, where she developed and delivered local government policy and collaborated on national projects to generate new approaches to place leadership, equality and socially-just devolution. At CLES she has led dozens of projects with local government and anchor institutions.

[Sign up for the webinar here →](#)



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