

# Birmingham Anchor Network: leadership report 2024



# Introduction

The Birmingham Anchor Network was established in September 2019, following an eighteen-month project - led by the Centre for Local Economic Strategies (CLES) and funded by the Barrow Cadbury Trust - to understand the role that anchor institutions play in the Birmingham economy. In 2023 the Network signed a Memorandum of Understanding including a further seven year commitment to the partnership.

The Network supports the six participating organisations to maximise the benefit they bring to the Birmingham economy. With combined budgets of approximately £4bn and a workforce of over 40,000, these anchor institutions are major economic agents in the city. By collaborating on work in the key areas of procurement, employment and the management of land and assets, they have the potential to play a powerful role in shaping the Birmingham economy.

The Network:

- Provides advice, technical support and training to anchor institutions to build their capacity in harnessing their spending power and to utilise their role as employers and asset owners to stimulate local economic development.
- Brings anchor institutions together to collaborate on shared priorities, amplifying the impact of their individual activity.
- Provides a streamlined mechanism for other Birmingham-based economic initiatives to engage with the members.
- Extends the take-up of community wealth building approaches among anchor institutions in Birmingham and the West Midlands through advocacy activities.

## What is an anchor institution?

Anchor institutions are central to the concept of community wealth building as a result of the scale of the jobs they provide, the scale of their spend through procurement, their land and assets, and the fact that they are unlikely to leave that place.



# About the Network

Every year, members of the Birmingham Anchor Network advertise approximately 5,000 vacancies, raise an apprenticeship levy of £6m and spend £2bn on goods and services.

The diversity of its members - from the largest local authority in Europe to neighbourhood-level housing associations - enables the Network to mobilise these resources collectively and to direct them to where they will make the biggest difference.

For example:

- Modelling by CLES indicates that if Network members were to increase the proportion of their procurement spending to Birmingham-based businesses by just 1% per year, this would add £13m annually to the city economy and create nearly 450 new jobs.
- Across the Network we estimate that there are approx. 1,250 entry level vacancies per year which, if directed to unemployed residents from traditionally low-income communities, could result in £28.9m per year for the Birmingham economy (based on the financial benefit to

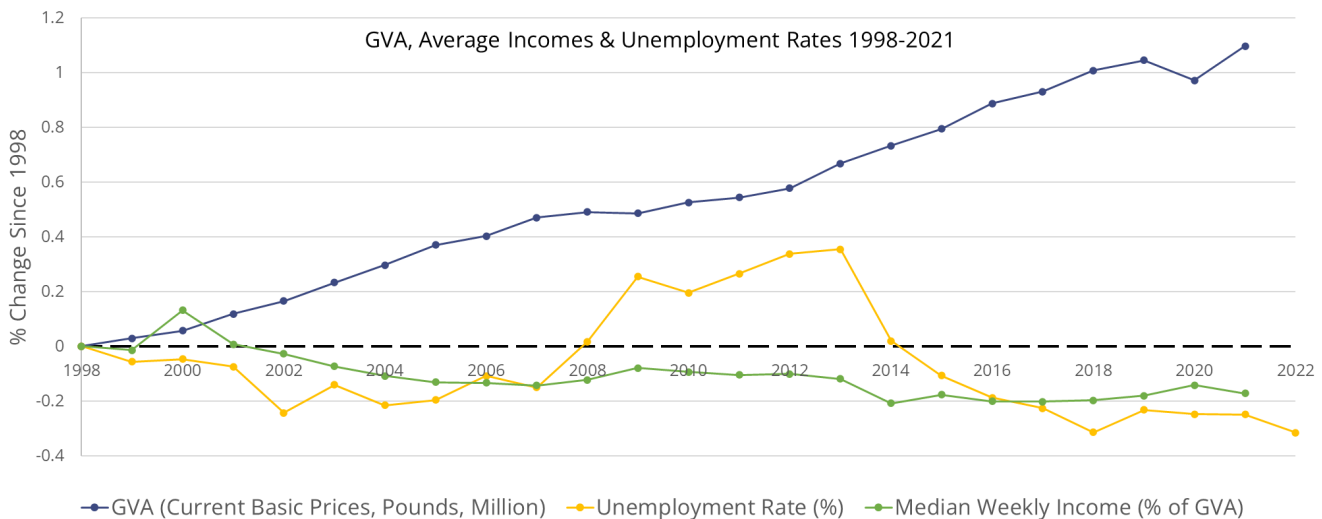
the individual, increased spend in the local economy and healthcare cost savings).

The Network’s leadership group meets once per year to receive an annual report, oversee the progress of the Network and agree priorities for the coming year. A co-ordination group meets every two months to guide the work of the Network’s Co-ordinator, who then:

- Facilitates working groups on key themes and for specific projects.
- Engages other key partners who can assist in the pursuit of theme and project objectives.
- Acts as a link between the Network and other key economic strategies affecting the city.

The Network Co-ordinator is a post that has been joint funded by the Network partners since March 2020 and is managed by CLES.

## Birmingham



The measure for the value of goods and services (GVA) produced in Birmingham has more than doubled since 1998. And yet:

- The city has one of the highest levels of child poverty in the country with 46% of children living in absolute poverty.
- 87% of neighbourhoods in Birmingham are

below the national average for deprivation.

- Birmingham has the highest unemployment claimant rate of all the core cities in the UK and all the local authority areas in the West Midlands.

## Our work: employment

To date, the employment work of the Birmingham Anchor Network has focused on using entry level vacancies to support those in greatest economic need.

This has meant learning how to support and encourage those furthest from the job market - often without the usually required qualifications or experience - into jobs that could be the start of sustainable, secure, well-rewarded careers.

**I Can** - The Network's flagship employment project I Can, led by the Birmingham & Solihull ICS, has been designed, managed and delivered by a partnership of stakeholders including three Network members – University Hospitals Birmingham NHS Foundation Trust, Pioneer Housing and Birmingham City Council. The initiative aims to support unemployed Birmingham residents into entry level NHS vacancies. I Can has now resulted in:

- Over 550 job offers to unemployed Birmingham residents.
- A further 250 either in or awaiting training.
- The recruitment of a more diverse workforce in terms of age, ethnicity, geography and disability.
- A retention rate for successful I Can candidates of 90% in 2022/23 which has risen to 97% in the first six months of 2023/24.

I Can has achieved this through a radical redesign of how the NHS recruits which includes greater partnership working and support for the individual through every step of the process.

**Loconomy** – Originally delivered by Pioneer, the community engagement element of I Can has now been launched as a groundbreaking Community Benefit Society. Loconomy aims to be the “bridge” between disadvantaged communities in East Birmingham and employment opportunities with all anchor institutions, not just I Can.

**Pre-Pre-Employment** – The success of I Can and Loconomy now means people even further from the job market are coming forward to access entry-level public-sector career opportunities. To help these individuals become “work ready” the Network is now working with Birmingham Adult Education Services and DWP to set up three community-based employment training centres in Bournville, Castle Vale and Bordesley Green. These centres will deliver a standardised training package that has been designed by University Hospitals Birmingham NHS Foundation Trust.

**Youth Employment** – The Network has now developed good links with a number of leading youth employment initiatives in the city including Steps-to-Work, the Children's Trust, the Princes' Trust and Digital Innovators. The next step will be to develop a way for these organisations to work collectively with Network partners to deliver something at a scale that will impact on the city's challenging youth unemployment figures.

*The launch of Loconomy in November 2023.*



## Our work: procurement

Since June 2020, the procurement leads from the six Birmingham Anchor Network partners have been discussing and sharing ideas as to how they can increase their contribution to the Birmingham economy.

This work has identified a series of challenges and barriers that currently stand in the way of unlocking these opportunities. To help work towards a solution, Birmingham City Council has funded the Initiative for Social Entrepreneurs to deliver an action research project working with local businesses as they attempt to tender for public sector contracts.

The project concluded that an additional resource is necessary, one that can act as a bridge between the Network partners and local businesses by:

- Working with procurement teams to identify influenceable spend opportunities.
- Mapping the local economy to identify businesses that match those opportunities.
- Then working with those businesses to help them successfully tender.

This has now resulted in the East Birmingham Enterprise Support initiative, funded through the Shared Prosperity Fund and managed as part of the East Birmingham Inclusive Growth Strategy.

A partnership of Newable (an experienced employee-owned business support company) and the Birmingham Chamber of Commerce will deliver this project during 2024/25 with the expectation that they will work hand-in-hand with the Network Procurement Working Group. Aston University has already joined the steering group.

### The Procurement Act (2023)

The Procurement Act (2023) will come into force later this year. At its heart is the following commitment:



*One of many local social enterprises who could supply Anchor Network members*

*“To effectively open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts”.*

To deliver on this commitment the Act includes a new duty for commissioning institutions which is to:

*“Have regard to the particular barriers facing SMEs, and to consider what can be done to overcome them”.*

As well as being a timely opportunity to support the progressive procurement ambitions of the Network, the wording of this duty also presents risk in that it is so open to interpretation, meaning that its impact could be diluted if different institutions interpret and look to implement this duty in different ways.

This is why the Network Procurement Working Group is working with Anthony Collins Solicitors to explore a joint interpretation of this duty that can then be delivered through a shared approach (based on the practice developed through the East Birmingham Enterprise Support initiative). This will both greatly increase and simplify the Network procurement opportunities that could be won by local Birmingham businesses.

# Wider impact

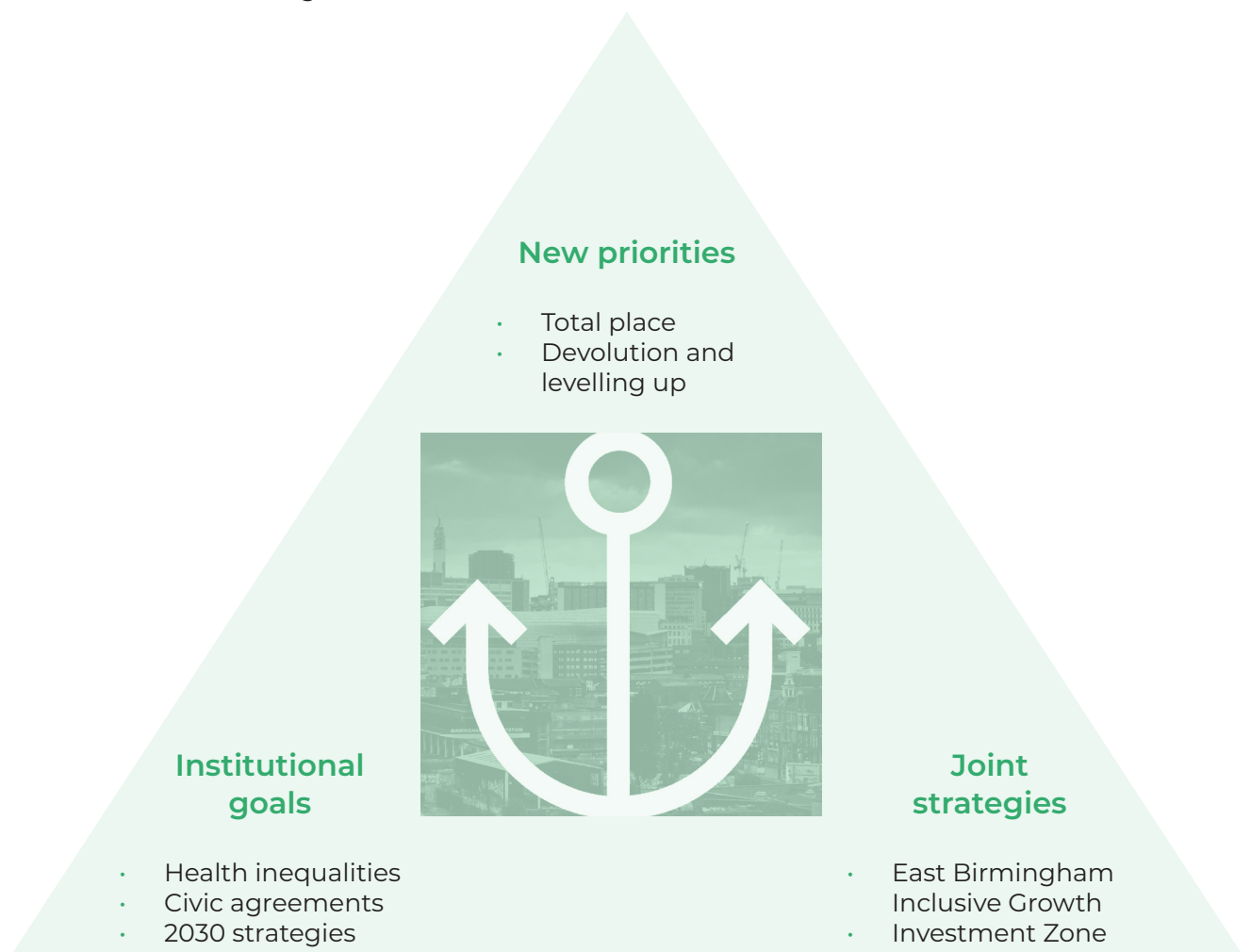
One of the growing advantages of the Network is how having a partnership of anchor institutions helps both members and external stakeholders deliver against their own strategic targets.

## Internal Connections

- Developing practice, partnerships and processes that help deliver against localism, place based and thriving community strategies by building effective links that can connect large institutions to local neighbourhoods.
- Supporting major capital investment programmes by creating an infrastructure that helps source local construction jobs and supply chain opportunities where they will create the greatest social benefit.
- Creating the mechanism to deliver economic outcomes linked to different institutional long-term visions and strategies.

## External Connections

- Supporting the East Birmingham Inclusive Growth Strategy (EBIGS). EBIGS is a major City Council-led initiative to economically regenerate the eastern part of the city. There is significant overlap between the goals of EBIGS and the aims of the Network.
- Advising Birmingham Public Health on the development of an anchor network for the city's creative institutions including the Birmingham Royal Ballet, Birmingham Symphony Orchestra and the Hippodrome.
- Working with Birmingham and Solihull ICB to help make the connection between health and economic inequality.
- The Network has also supported the growth of anchor networks elsewhere in the country. This work has so far included passing on our developing knowledge to over 40 different local authorities and NHS Trusts.

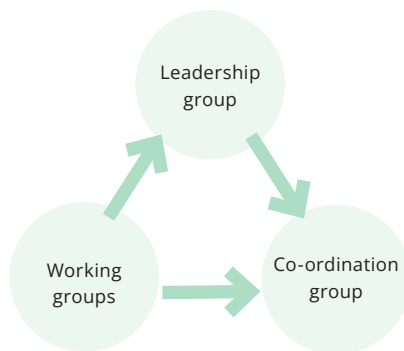


*Ways in which the Anchor Network is delivering on strategic priorities beyond its remit.*

## Goals for next year: the next phase

The Birmingham Anchor Network has now been operating with a co-ordinator for four years.

The original vision and direction for the Network was set by the Leadership Group. Creating actions from this has been the role of the Co-ordination Group, while the translation of these into practice has been the task of a variety of working group partnerships.



We are now approaching the completion of the first iteration of this cycle, whereby the Leadership Group will take the findings from the working groups and support the development of the Network into phase two.

### Key findings from the last four years

- Unlocking anchor institutions as economic assets is a complex undertaking that often works against other institutional priorities – such as budget pressures, resource allocation and compliance.
- As a consequence the Network has taken a role in developing approaches which can be adapted by each partner to suit their circumstances and partnerships that can help with delivery by providing the resources and expertise required.
- As a result the Network is now in a position where its design and delivery approaches create projects that are applicable to all anchor institutions in the city.

**With this replicability and potential for scale, as it approaches phase two, the Birmingham Anchor Network is now in a position to take the lead for the city.**

### Birmingham Anchor Network, phase two: taking the lead for the city

- Making it easier for Birmingham residents further from the job market to access entry level careers.
- Developing a collective approach to maximise apprenticeship and work experience opportunities for young people in the city.
- Designing a shared response to the new Procurement Act in order to maximise the impact for local small businesses.
- Agreeing a joint approach to working with Tier 1 suppliers to push the quality of delivery on targets for local employment and supply chain opportunities.
- Being the pioneers of good practice for place based working that successfully links the assets of large institutions to neighbourhoods.



**The Centre for Local Economic Strategies**

52 Oak Street, Swan Square, Manchester, M4 5JA

[info@cles.org.uk](mailto:info@cles.org.uk)  
[www.cles.org.uk](http://www.cles.org.uk)  
[@clesthinkdo](https://twitter.com/clesthinkdo)