



the national organisation
for local economies

Community wealth building 2024

A guide for new council members



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

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.

We are currently facing the worst cost of living crisis in a generation, record levels of inflation, spiralling levels of child poverty, environmental crisis, the legacy of a two-year pandemic, a labour market in huge flux and the impact of nearly 15 years of austerity.

Conventional economic development approaches tell us that the solution to our woes is to focus on economic growth, but this is an overly simplistic solution to a set of very complex problems.

Although growth has roughly doubled in the UK over the last 30 years, this growth has failed to produce social, economic and climate benefits for all but a select few.

The logic says that as the economy grows, wealth for all will flow. But we've focussed on growth for years and our challenges are getting worse, not better. Economists are increasingly recognising by focussing on growth alone, wealth

that is generated locally can end up bypassing 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 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.

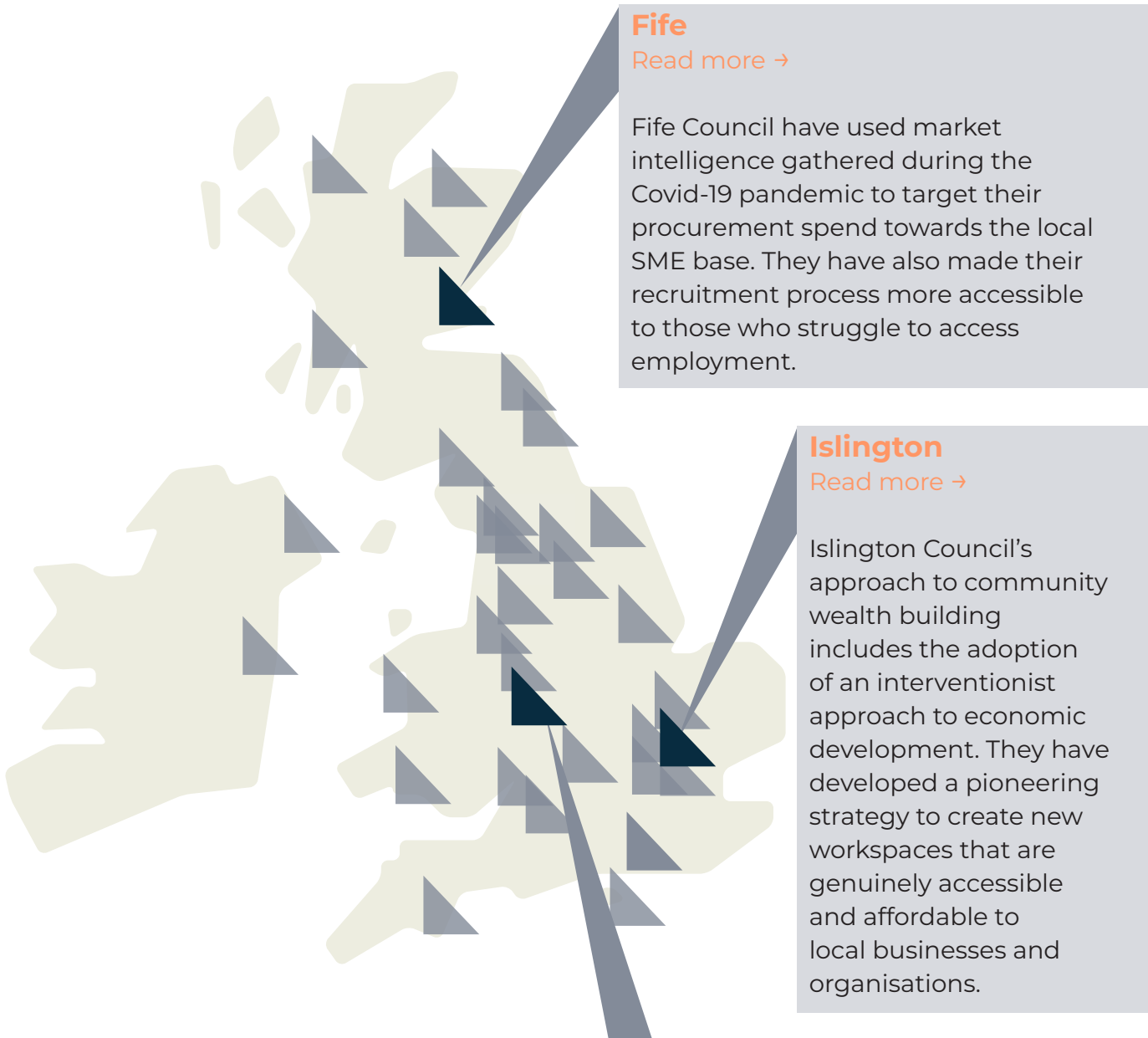
How does it work?



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.



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 →

Birmingham

Read more →

Following an initial pilot developed by two members of the Birmingham Anchor Network, a progressive employment intervention is targeting disadvantaged communities and settling residents into secure employment within the NHS.

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 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? Have you got a social value framework for our spending?
 - Who does your council currently employ?** Are people from more deprived communities and marginalised backgrounds able to secure jobs and progress within the organisation?
 - What support is available for local businesses** and social organisations to establish and thrive in your area?

2

3

At executive level

- Carefully scrutinise your corporate plans - are they really designed to deliver inclusive economies?
- 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. For example, Integrated Care Systems (ICSs) have been introduced with the intention to help the NHS support broader social and economic development which is specific to place context. They have the potential to drive improvements in population health and tackle health inequalities by reaching beyond the NHS.

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.

Introduction to community wealth building webinars

CLES hosts regular webinars explaining the fundamentals of community wealth building and exploring how they apply to your new role as a local councillor.

[Find out more here →](#)



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