



CLEES
the national organisation
for local economies

How to build an anchor network

Learning from the West Midlands

About the Centre for Local Economic Strategies (CLES)

CLES is the national organisation for local economies. Established in 1986, we are an independent charity 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.

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This guide was produced by CLES as part of the Reclaiming Our Regional Economies (RORE) programme, which is a five-year programme developed by CLES, the New Economics Foundation (NEF), Co-operatives UK and the Centre for Thriving Places (CTP). The programme brings communities together with political and institutional leaders to test ideas that help to re-wire and reform their regional economies, so that they deliver good lives now and for generations to come.

RORE is funded by National Lottery Community Fund, Power to Change, Friends Provident Foundation and Barrow Cadbury Trust.

Introduction

Anchor institution networks are an idea whose time has come.

As the challenges facing the UK deepen and multiply, the institutions in our towns, cities and even regions are increasingly motivated to work collectively to influence the creation of better lives for people in the places they serve.

This is evident in policy circles too, as a renewed interest in the last Labour government's Total Place pilots signals a resurgence in the idea that public money should work more explicitly in the interests of local communities. Anchor institution networks, after all, are not about drawing down new money for your place - instead they focus on using what money you already have to create the most impact for those who need it.

Having worked across this agenda since the beginning of the decade, CLES have been able to observe a monumental growth in anchor networks; there are now dozens across the UK. This growth in networks also means that there is a growing community of practitioners who have been on the journey. This guide uses the West Midlands as a case study to bring together some of their "lessons learned" to act as inspiration and guide to those who would like to build their own network. From starting up a network to maximising its impact, from big city to satellite town, local authority-led networks to those that have engaged the private sector, we provide an overview of the different types of networks and the advantages (and disadvantages) associated with them, and how best to exercise your collective power once it is harnessed.

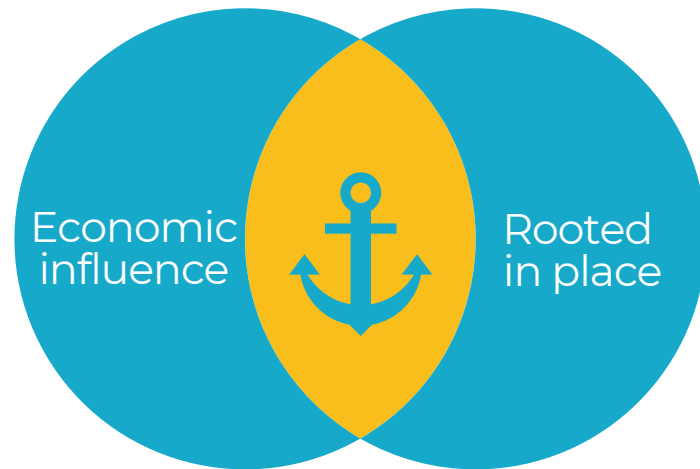
Post general election, and with an air of change in the wind, now is the time to think hard about how we pull together to unpick some of the most complex problems in our places. We hope you feel inspired to step into creating your own network or to breathe new life into your existing network. We'd love to hear from you if you do.

**“inspiration and
guide to those
who would like
to build their
own network”**

**What is an anchor
institution?**

**What is an anchor
network?**

What is an **anchor institution**?



An anchor institution is one that has the necessary economic impact to be able to play a role – beyond their prime function – as a force for good in the local economy. They must also be an organisation that is anchored in – and could not move from – a particular geography.

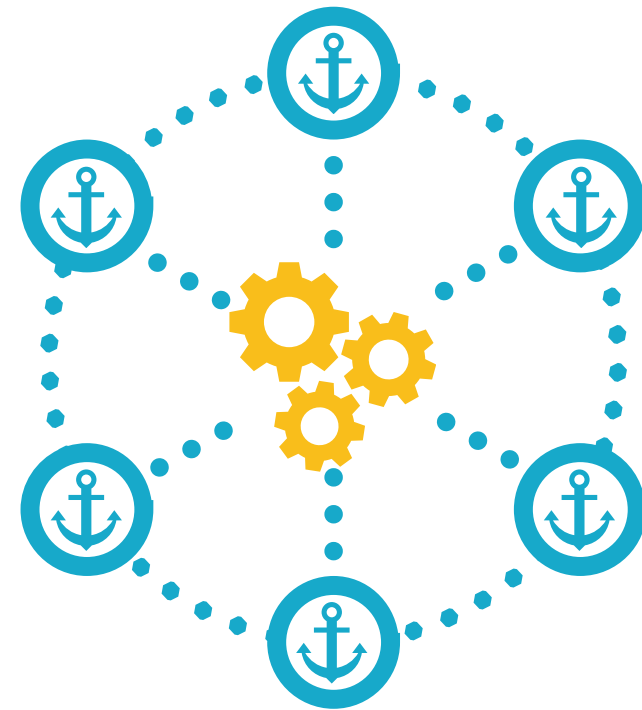
Traditionally, this definition has been applied to public institutions such as local authorities, the NHS, housing associations and higher and further education. However, increasingly, organisations in the private and VCSE sectors are beginning to play a role.



Examples

- An NHS trust working with partners to direct vacancies to communities where a good job will help address both health and economic inequality.
- A university simplifying its procurement procedures for small contracts to make it much easier for small local businesses and social enterprises to win the work.
- A housing association setting up a Heritage Development Trust to let local people have their say in the redevelopment of a number of heritage listed assets.

What is an anchor network?

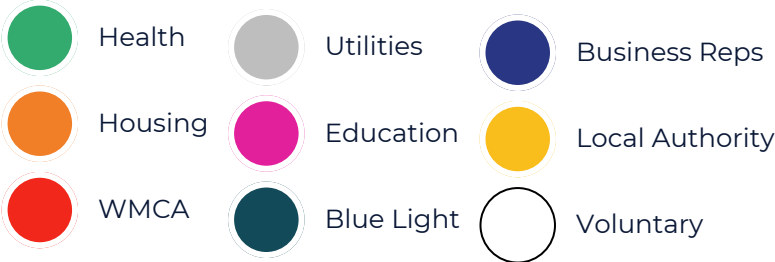


An anchor network is a group of anchor institutions that come together to work collectively for the benefit of a shared geography. Working in this way allows the institutions to share resources, devise solutions to shared problems, combine their different strengths, share good practice and magnify their individual efforts.

Examples

- Network partners working together to set up a shared apprenticeship programme to support local young people leaving the care system.
- A network adopting a shared cross-sector approach to working with Tier 1 suppliers, to ensure a consistent and sustainable approach to delivering local employment and business opportunities.
- Network partners sharing future retrofit needs with local colleges to help stimulate a local workforce plan and with the local chamber of commerce to help stimulate interest in the local business community.

Why build a network?



In the West Midlands Combined Authority (WMCA) Area there are approximately 60 anchor institutions, in sectors ranging from the local authorities and blue light services to business representative organisations.

The combined impact of these networks is huge; with a collective spend of over £10bn annually, employment of nearly 200,000 people and land ownership of over 15,000 hectares. Collectively, these institutions also emit over 1bn kg of Co2e every year.

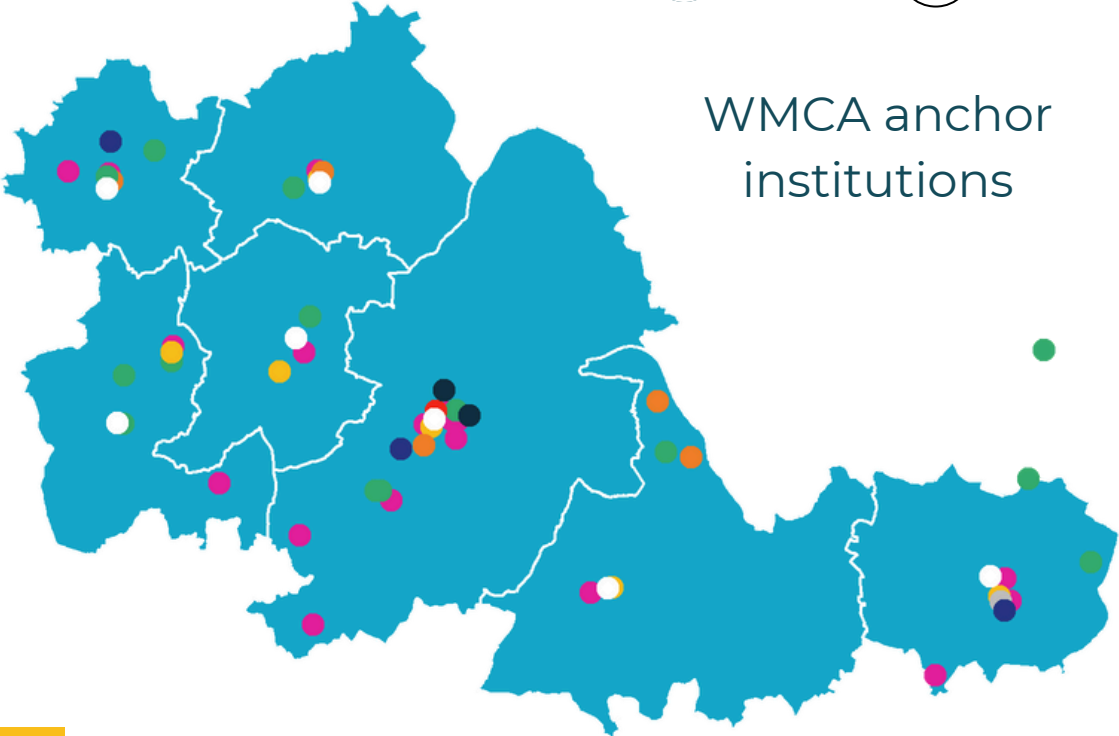
Imagine what can be done when these institutions work together to achieve their collective goals?

Case studies from the West Midlands

Bringing jobs to the people who need them most

Supporting local business

Supporting a just transition



It's all about **impact.**

What role do anchor institutions play **in the West Midlands economy?**

Over...
£10.5bn

Collective
procurement
spend annually*

That's nearly double the
entire UK Levelling Up Fund
(which was over four years)

* Based on 76% of anchor organisations reporting a total of £10.2bn in FY23

** Based on 40% of anchor organisations reporting a total of 7,224 hectares

£3.7bn
of which is
spent in the
West Midlands

Ten times the
annual revenue
budget of the
WMCA

They own over
15,000
hectares**
of land

That's 21,000
football pitches

197,000
employees[†]

More than double the number of
employees in the 50 largest
automotive manufacturing firms

† Based on 85% of anchors reporting total employment of 186,726

†† Based on 42% of anchors reporting total emissions of 579,390,062 kg CO₂e

Last year they
produced scope 1
& 2 emissions of

1bn
kg CO₂e^{††}

Enough to fly
everyone in
Birmingham to
New York and
back.

What's **your** impact?

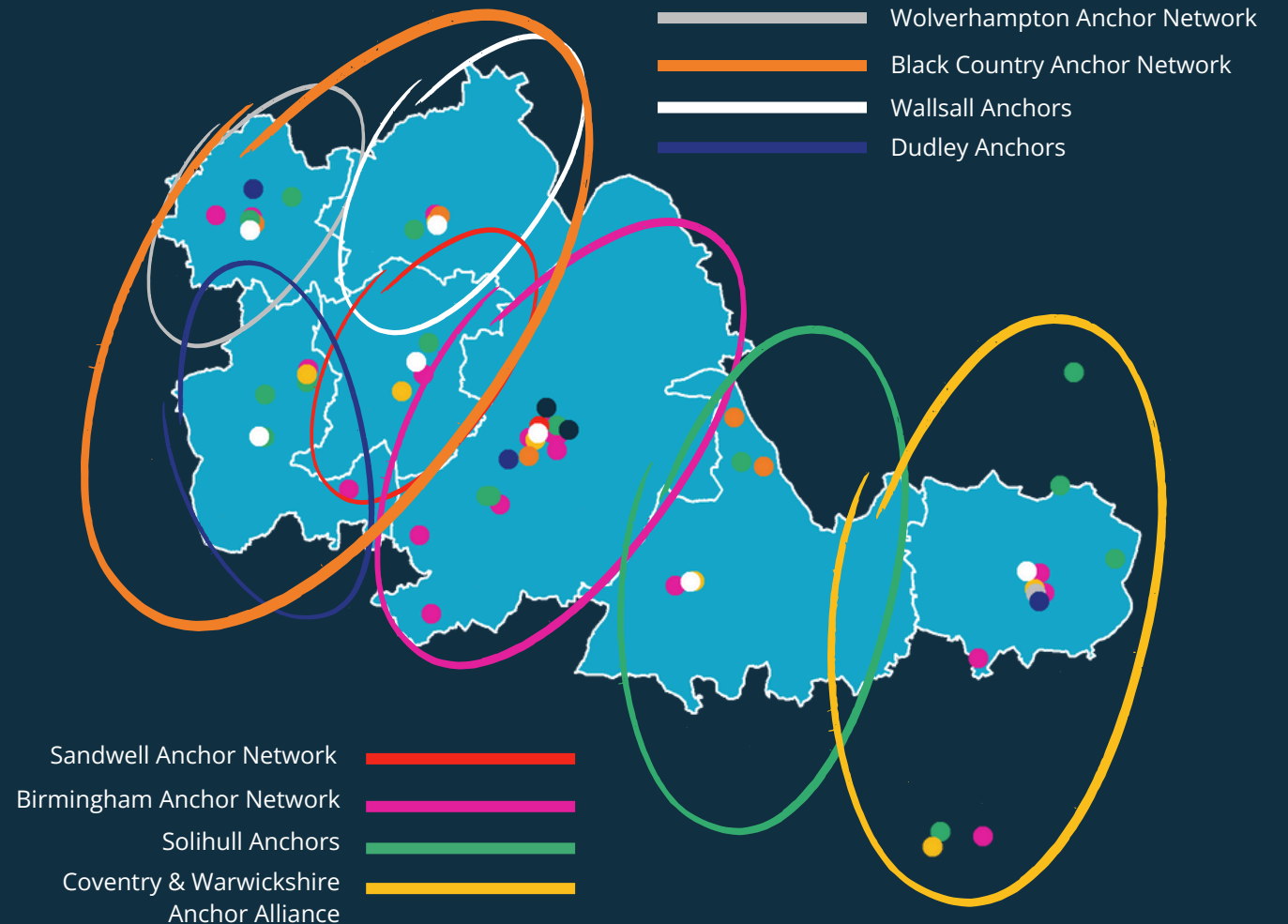
Would you like to understand the collective power of the anchor institutions in your area? Using public and private data sources, desk analysis and FOI requests, CLES's anchor analysis allows you to get an overview of your anchors' impact, including how much they spend (including their local spend), employment, land and building space ownership and CO₂ emissions. We can also accommodate bespoke requests. If you'd like to know more, please [get in touch](#).

The **West Midlands** network story...

There is no one-size-fits-all approach to developing an anchor network. This becomes particularly evident when we look at a region like the West Midlands.

Although the five networks currently in operation in the West Midlands share similar aims – to use their spending, employment and land and assets to positively influence their local economy – different areas, as they do everywhere, have very different contexts – economically, socially and geographically – which are reflected in their different models of governance, membership and priorities (see Table 1 and Figure 1).

In the following sections you will find some of the key lessons learned by each of the networks as they formed and began to realise their ambitions to work together to create better outcomes for their place.



...and what **we can learn** from it

West Midlands' anchor networks (Table 1)

Source: CLES, 2024

	Birmingham the big city one	Sandwell the one with the private sector	Wolverhampton the one co-ordinated by the Council	Black Country (including Walsall and Dudley) the one co-ordinated by the NHS	Coventry and Warwickshire the one which is an alliance, not a network
Established	2019	2020	2021	2022	2020
Area population	1.15 million	330,000	260,000	1.2 million	900,000
Members	6	15	5	15	14
IMD ranking	7/317	12/317	24/317	3/38	81/317
Membership	Non-private sector institutions of over 250 employees and £5m annual spend on goods and services.	Non-private sector institutions plus representative organisations (Chamber of Commerce, Sandwell Council of Voluntary Organisations) plus Sandwell Business Ambassadors	Non-private sector institutions.	Non-private sector institutions including institutions that cross boundaries of the four Black Country Authorities.	Key public sector organisations in Coventry and Warwickshire including universities, councils and NHS institutions.
Governance	Stand alone reporting structure. Rotating Chair. Full-time joint funded Co-ordinator.	Stand-alone reporting structure. Full-time Local Authority funded co-ordinator, previously funded by grant funding	Full-time Local Authority co-ordinator.	Black Country Integrated Care Board-led partnership, ICB funding for external project management support (delivered by CLES).	Informal alliance.

Timeline: anchor activity in the West Midlands (Figure 1)



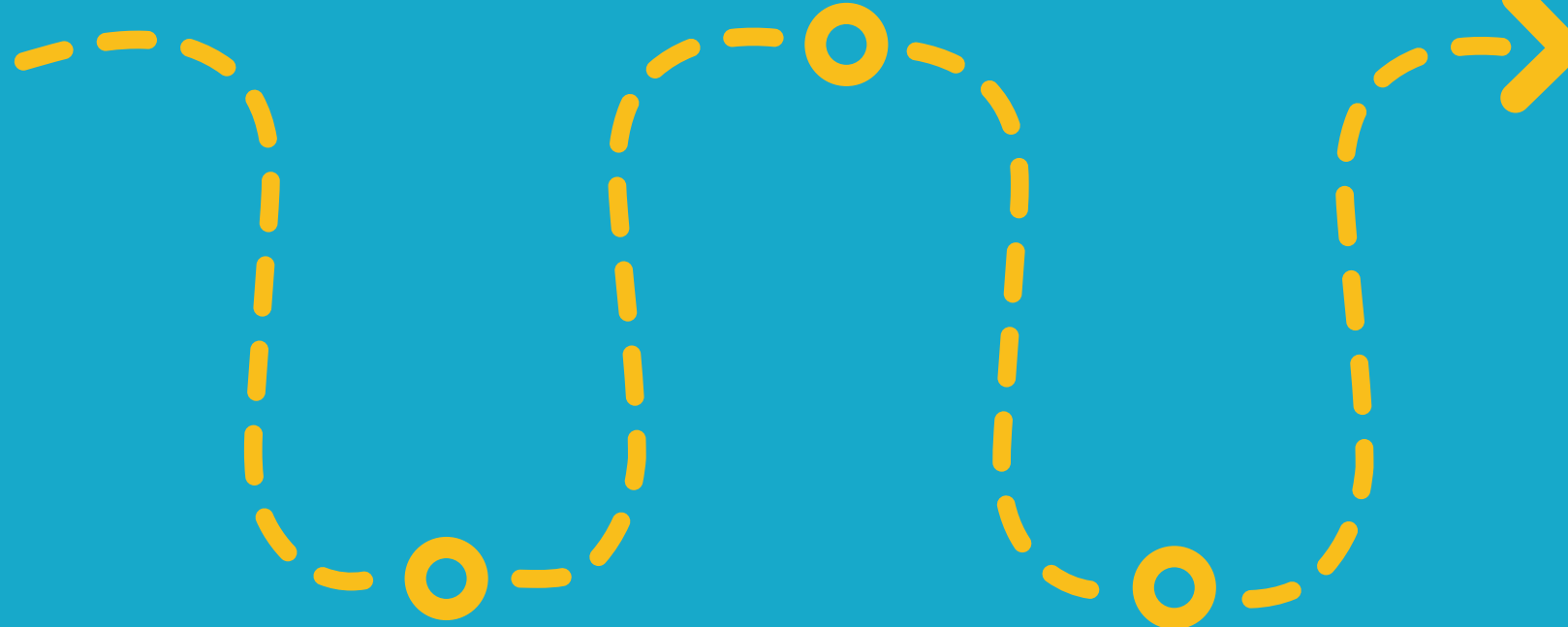
How to get started

By working with the anchor institutions of the West Midlands since 2018 to help them develop and run their networks, and by working with dozens of other networks across the UK, the team at CLES have been lucky enough to have a ring side seat to their challenges and the lessons they've learned along the way. Below we present our recommendations for how to get started on your network journey and our answers to some of the most common questions we have encountered along the way.



Understand anchor impact

Baselining the impact gives you a place to start and the knowledge of where to target action.



Choose your model

Network membership should reflect local need, activity and interest.

Identify opportunities for action

Tempting as it is to strategise, identifying specific actions will help to get your network moving and demonstrate impact from the outset.

But what if...?

We get why a network would work for us, and we're excited to get going - **how do we turn that intent into action?**

When the **Birmingham Anchor Network** was launched in September 2019 the Network members quickly realised there was going to be a challenge to translating their strategic ambitions into operational action.

Their solution was to appoint a jointly funded Network Co-ordinator who provides advice, technical support and training to the members of the Network; brings the Network members together to collaborate on shared priorities; connects the Network to other Birmingham-based economic initiatives; and provides an evaluation function for the Network's activities.

The **Wolverhampton Anchor Network** used top-level buy-in to conduct a data analysis work with each organisation providing data on their local spend, where their employees came from (mapped against the most deprived wards in the city) and the land and assets they owned. This provided the network with a baseline of their collective impact and, armed with this data, senior leaders were able to cascade the value of the approach throughout their organisations and to ensure collaboration across the anchors.

Sandwell, a metropolitan borough to the north west of Birmingham has significantly less institutions than the neighbouring city. That said, the area's history as one of the Black Country boroughs that was pivotal to the industrial revolution, means that the public sector has a strong relationship with private sector businesses who are well rooted in the geography. Sandwell's Anchor Network therefore decided to supplement some of the "gap" with representation from the private and voluntary sectors.

Many private sector businesses have existing CSR and ESG strategies. Bringing them into your network could help align this activity with your own strategic objectives. The Sandwell Anchor Network also includes cross-authority organisations who believe in its mission and who could help unlock relationships, such as the Black Country Chamber of Commerce.

We're a small town or a rural area and we don't have many public sector anchors, should we involve **the private sector**?

What about **VCSE organisations**?
What role can they play?

Few voluntary sector organisations have the assets in terms of jobs and spend to play an anchor institution role in the local economy, but they can play a crucial role as “community anchors”. This impact can, to some degree, be influenced by the geography they operate in, with VCSE organisations in rural locations often having a disproportionately large impact in their economies. For any community anchor, it is their knowledge, expertise and connections to link larger anchor institutions to neighbourhoods and communities where they can help make the biggest difference.

Despite the lack of an anchor network in **Walsall**, the Borough has a successful, cross-sector, multi-partner employment project supporting unemployed residents into NHS jobs, named Work4Health which includes multiple anchor institutions including the NHS, councils, colleges and housing associations collaborating together.

This work stands as proof that a formal anchor network is not always needed in an area to progress with anchor partnership projects. Sometimes, particularly in smaller boroughs, it is easier to identify a need in an area and get to work collaborating on a project that addresses this problem, rather than spending time developing formal membership structures, strategies and processes.

Our anchors are already working together in an informal way, **how do we build on that momentum?**

We already have several smaller anchor networks - **how do we bring them together on a larger scale?**

The **Black Country Anchor Network** brings together the anchor networks and other partnerships in Dudley, Sandwell, Walsall and Wolverhampton to maximise communication and information sharing across opportunities in the four local networks, grasp opportunities best addressed at a larger geography, link the local networks to key regional stakeholders; and include organisations who exist at the larger geography, such as the Black Country ICS.

Whereas other networks have set up working groups on the topics of employment, procurement and land and assets, the Black Country Anchor Network decided from the off to focus on specific projects that worked well at a regional level, so as not to duplicate activity at the local level. This has included a focus on retrofit as well as expanding the Birmingham and Walsall Networks’ successful employment projects to other Black Country areas.

Building on the Black Country's regional focus, CLES are now collaborating with the West Midlands Combined Authority on the Inclusive Economies Partnership, which is a part of the larger **Reclaiming Our Regional Economies (RORE)** programme. This new programme – developed by CLES, alongside the New Economics Foundation, Co-operatives UK and the Centre for Thriving Places and funded by the National Lottery Community Fund, Friends Provident Foundation, the Barrow Cadbury Trust and Power to Change – is bringing communities together with political and institutional leaders to understand how they can design economies that build better lives.

In the West Midlands, we are testing a number of ideas around the social economy, health, employment, community engagement and a culture and creative industries ownership hub. The partnership also has a focus on **bringing together the West Midlands anchor institutions and networks together with the Combined Authority** for the first time. Through their powers and funding, the Combined Authority can grow and connect the anchor networks of the West Midlands and unlock routes to delivering a better regional economy.

Could this work at a
**regional or combined
authority level?**



Where next for anchor networks?

As anchor networks have become more recognised in recent years as a means of using the money that is already in a place to create better outcomes for people, so their popularity has grown. CLES has been on this journey with dozens of places and in doing so have developed four **key questions for how the anchor network movement can develop.**

- 1** What role can the English devolved regions play in fostering anchor networking activity? And how does this apply in the devolved nations?
- 2** Is there a role for legislation to play in encouraging anchor networking activity? Or could this be done through national strategies, as in the [NHS Long Term Plan](#)?
- 3** What role can private sector institutions play in anchor networks? Are they limited in their ability to create fairer local outcomes by shareholder duty?
- 4** Where do VCSE organisations fit in? Their size often means that they are not considered anchors, and yet they more than pull their weight in terms of their duty to support better place outcomes.

These are key lines of enquiry for CLES as we continue to support and grow anchor networks across the UK, Ireland and Europe and we are actively seeking partners to help us get to the answers.

If you would like to know more or have any ideas about how we can start to unpick these questions, please get in touch.

Want to set up a network?

Are you considering setting up your own network, or in the early stages of doing so? Get in touch with the team at CLES for an informal discussion about your approach – we can point you in the direction of useful resources and connect you with people who have already done it.

Already involved in one?

CLES would like to hear from you if you have already set up a network – we can provide advice, support and guidance and connect you with peers from across the UK to ensure that you are able to maximise the impact you are creating.



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