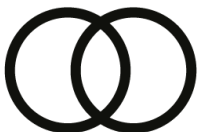


# The Preston Model and Community Wealth Building

*(Lokal gemensam  
välståndsutveckling)*

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**CLES**  
the national organisation  
for local economies



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# About CLES

- The **national organisation** for **local economies**
- Progressive economics for people, planet and place
- Think and do!



# A new economic model is emerging

# CAPITALISM. TIME FOR A RESET.

Business must make a profit but  
should serve a purpose too.

Visit [FT.com/NewAgenda](https://www.ft.com/NewAgenda)



THE NEW AGENDA



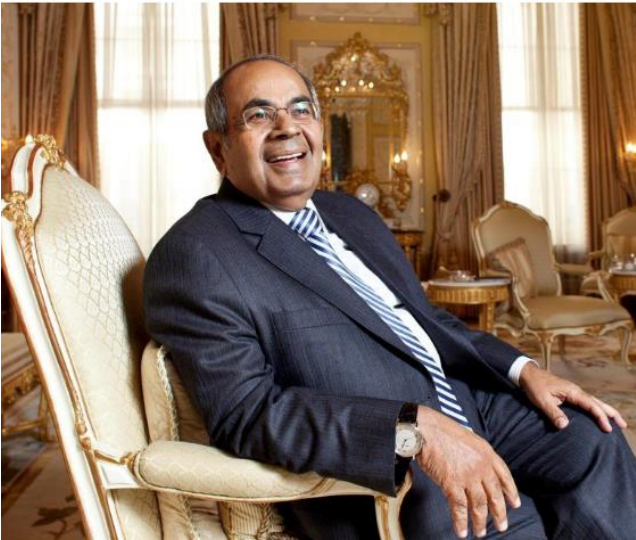
8 richest men have the same wealth as 3.6bn people







**Hinduja Brothers £12.8bn**



**Sir James Radcliffe £9.2bn**



**Michael Platt £6.1bn**



**5 men= same wealth as 13m people**

**David and Simon Reuben £5.4bn  
EACH**

Equality Trust (2019), Billionaire Britain



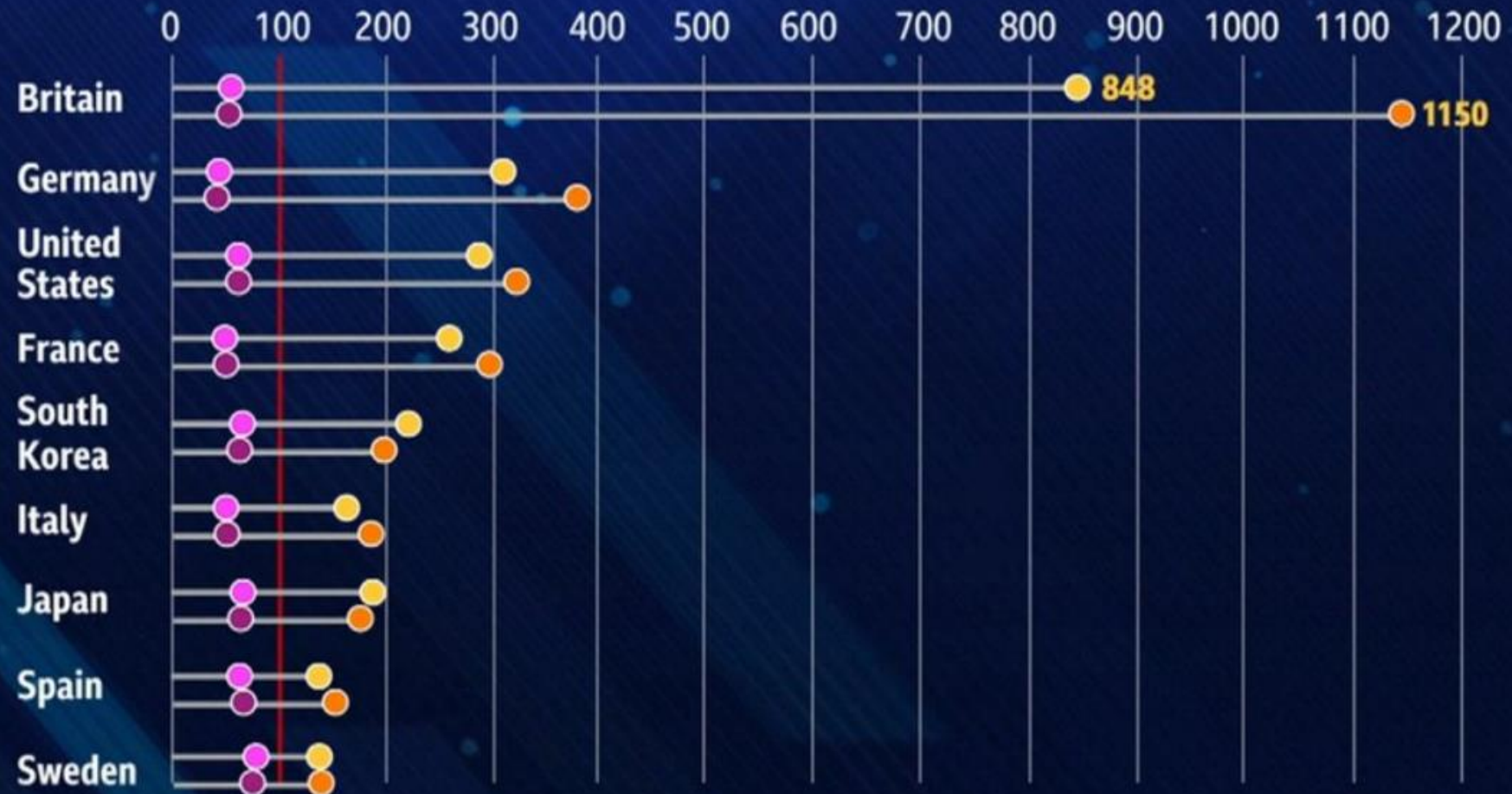
## Since 2007....

- Number of billionaires has doubled...
- But also...
  - 14 million in poverty (4m children)
  - Homelessness- highest in a generation
  - 3 million using food banks
  - Property market broken
- *“Not an accident...but a product of government policy and a social disgrace” (UN Report, 2019)*

# THE RICH GET RICHER

GDP per person\* of poorest and richest regions

National average = 100



Sources: OECD; *The Economist*

Poor Rich  
2000 ● — ●  
2015 ● — ●





# The Preston Model







# Preston – developing an anchor approach



- Northwest England
- Population of 135,100
- Historic cotton town
- deindustrialization
- BUT...
- Strong municipal traditions!
- Many anchor institutions!
  - E.g. University of Central Lancaster

# Community wealth building

## Five principles



### Fair employment and just labour markets

Anchor institutions have a defining impact on the prospects of local people. Recruitment from lower incomes areas, paying the living wage and building progression routes all improve local economies.

### Progressive procurement of goods and services

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: SMEs; employee-owned businesses; social enterprises, cooperatives and community business.

### Plural ownership of the economy

Developing and growing small enterprises, community organisations, cooperatives and municipal ownership is important because they are more financially generative for the local economy – locking wealth in place.

### Socially just use of land and property

Deepening the function and ownership of local assets held by anchor institutions, so that financial and social gain is harnessed by citizens. Develop and extend community use – public sector land and facilities as part of “the commons”.

### Making financial power work for local places

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists, as opposed to attracting capital. This includes redirecting local authority pension funds, supporting mutually owned banks.



Social  
Economic  
Environmental



# Preston – developing an anchor approach



- Procurement
  - Increased total spend by anchors
  - £70m more in Preston
  - £200m more for Lancashire
- Workforce
  - = 1,600 new jobs
  - = 4,000 on Real Living Wage
- Also:
  - Food co-op and tech co-ops supported by anchors
  - Using local pension funds to invest in local area
  - Looking at municipal energy
- Outcome- Most improved place to live in UK 2018!

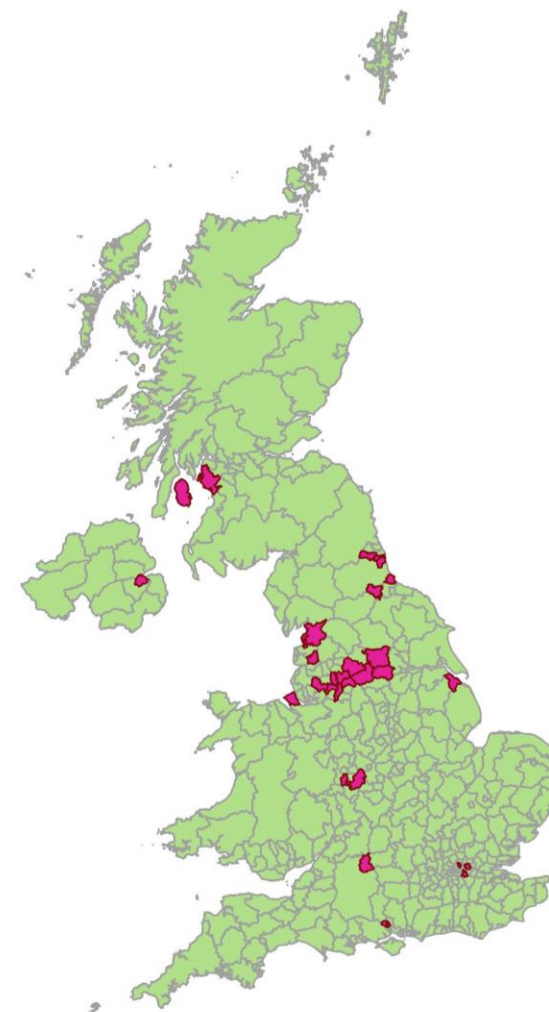




# Community wealth building: practice

Belfast  
Birmingham  
Bury  
Darlington  
Dudley  
Gateshead  
Hartlepool  
Islington  
Kirklees  
Lancaster  
Leeds  
Lewisham  
Manchester

Newham  
North Ayrshire  
North East Lincs  
Oldham  
Preston  
Rochdale  
Salford  
Southampton  
Sunderland  
Swindon  
Wakefield  
Wigan  
Wirral





# Newham



- 2012 Olympics
- Highest poverty rates in London
- How can the Council stop gentrification?
  - CWB Strategy
  - municipally owned Council housing
  - Being more forceful with developers-  
e.g. Royal Docks Enterprise Zone



# North Ayrshire



- Rural, coastal economy in Scotland.
- No industry since the 1970s.
- Local Council committed to Community Wealth Building
- Focus on democratising the economy





# Wales



- Left behind coal towns in the Valleys. Deep rural poverty
- Government intervention to support local cooperatives, social enterprises, etc.



# URBACT- EU Procure movement

Albacete - Spain

Candelaria - Spain

Bologna - Italy

Koprivnica - Croatia

Satu Mare - Romania

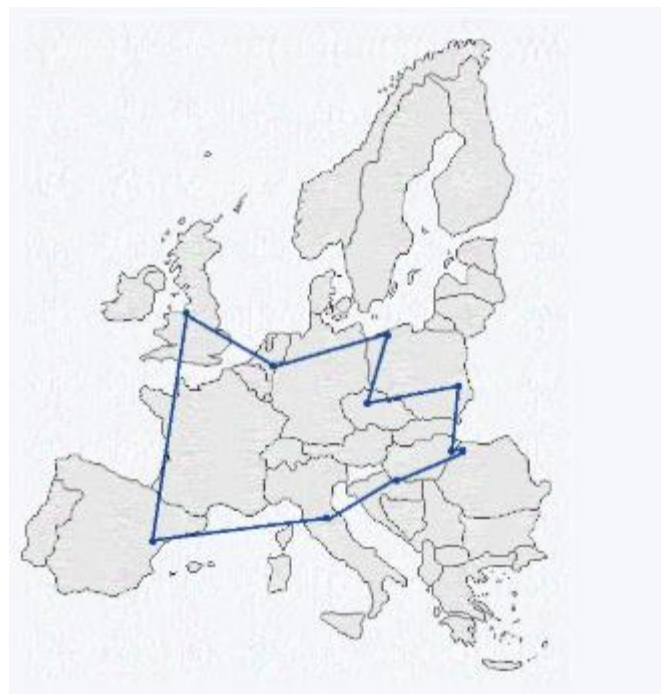
Nagykálló - Hungary

Lublin - Poland

Koszalin - Poland

Almelo - Netherlands

Prague District 9 - Czech Republic



- Spreading the 'Preston Model' across Europe
- Context: changes to EU procurement regulations?



# Barcelona

- Barcelona en Comu coalition took power in 2015
- Reclaim the city for local people from tourism and wealth extraction
- Enhance role of ‘the commons’
  - Remunicipalisation of assets- e.g. water
  - Procurement of energy providers
  - Super blocks



The long read

**Is this the world's most radical mayor?**





# So much more to be done

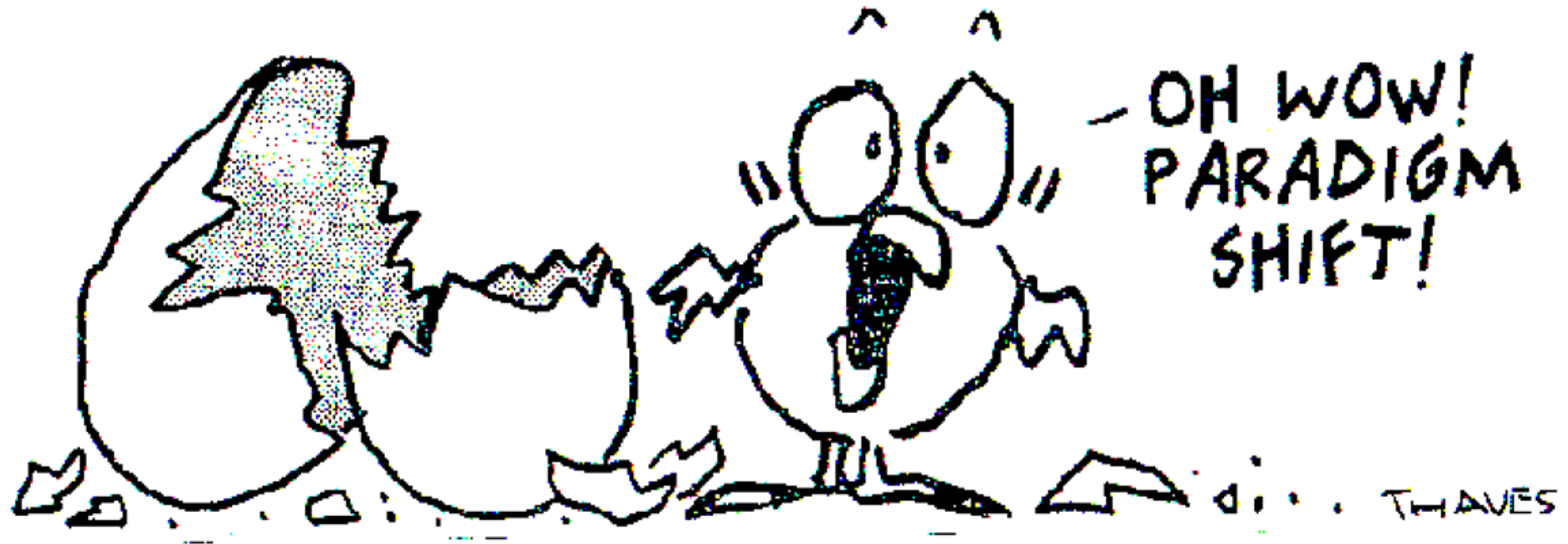
Baltimore → Mayor setting up vehicle to buy up companies and convert them into worker-owned cooperatives.

Berlin → Referendum on banning big landlords and nationalising private rented housing.

European cities → Procurement spending

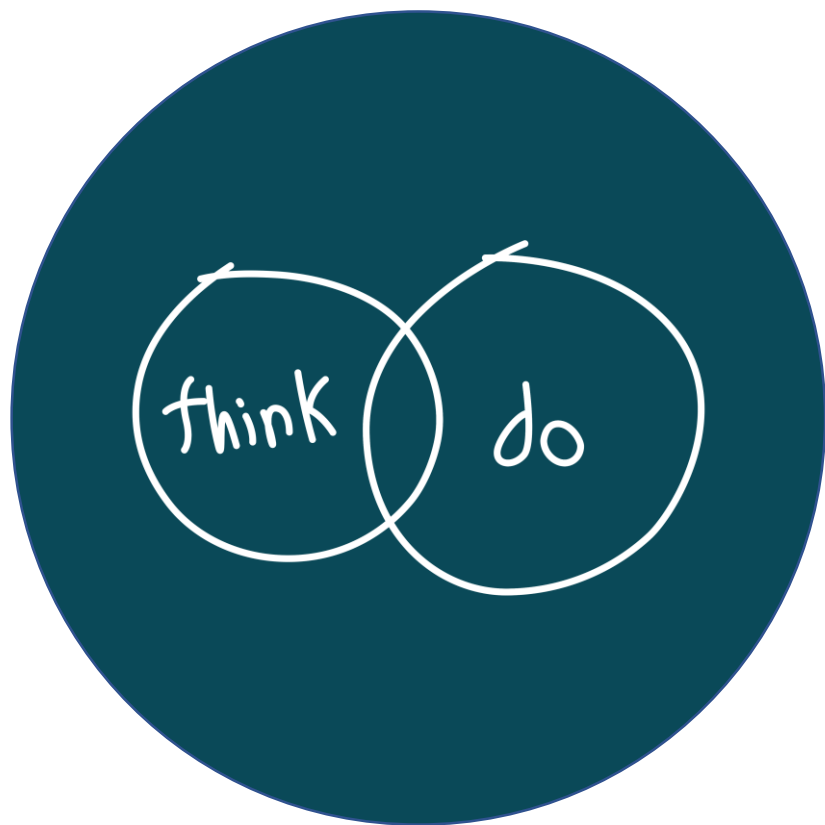
**FEARLESS CITIES**

# A new economic model is emerging





# Thank you



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