Building Community Wealth in Preston and across the UK and overseas
The Great Recession of 2007/8 onwards
Consequences of the crash of 2008 and accompanying austerity

Huge amounts of public money has had to go into bailing out the financial system.

Austerity measures mean continuing squeeze on most of population, despite some increase in jobs and modest growth.

Investment and productivity remain weak & bank lending to business is paltry.

Little sign of improvement in living standards and inequality continues to rise.

A systemic failure – the 21st century model of capitalism has failed – but not been replaced.

Current macro economic approaches seeking to prop a deformed system up – do not address inherent problems.
This systemic failure hits Preston with the abandonment of £700m Tithebarn Regeneration Scheme in 2011.
A democratic economy now emerging in Preston based on common sense alternatives (1)

• Our anchor institution strategy with CLES has large placed based institutions in Preston and Lancashire with a combined spend of nearly £1 billion per annum increasing spending to local suppliers to benefit our community and we encourage insourcing.
• There is a £100m placed based investment by our local government pension fund in student flats, hotel and office space through City Deal we want to build on with a potential Lancashire Wealth Fund.
• We are expanding worker owned cooperative businesses through an innovative partnership with Mondragon Cooperative Corporation, UCLan and Preston Cooperative Development Network.
• We are looking to establish the North West Community Bank and support credit unions and our CDFI (Lancashire Moneyline).
A democratic economy now emerging in Preston based on common sense alternatives (2)

- Preston City Council is working with the Living Wage Foundation to make Preston one of the UK’s first **Living Wage Places**.
- We are promoting **municipal ownership and enterprise** of a major city centre development as part of our economic strategy.
- We are establishing a **housing delivery vehicle** and looking at opportunities to use local public sector land to adopt a more prominent housing development role.
- **Our planning policies** encourage locally based suppliers and labour on both public and private sector developments in the wider Preston economy.
- We are refreshing our CWB policies post COVID19 to support a new **Community Land Trust**, targeted **anchor recruitment, district and community energy** and the **renewable energy sector** including supporting democratic companies.
Public and community banking
Community banking to serve the north west

**Staffed branches**
- Branch director with lending authority
- Local knowledge

**Satellite branches**
- Most of what you can do in a staffed branch
- Call centre video link
- Extended opening

**Digital channels**
- Web, mobile, tablet fully integrated

**Safe deposit box**
- Automated safe deposit box service

**Current accounts**
- High functionality
- Simple & transparent charges: £5 personal, £10 business pcm
Who gets the loans now?

Big 4 Balance Sheets

SME Loans – North West
Investments in place (Retirement Systems of Alabama public pension fund)
Public pension fund investments in place – Friargate Court, Preston
Public pension fund investments in place – Park Hotel, Preston
Municipal Ownership - Market Quarter Cinema Development
Public sector spend repatriated to Preston and Lancashire

SPEND ANALYSIS 2017

Centre for Local Economic Strategies in collaboration with Preston City Council

£16,863,091.08 is the total amount spent procuring goods & services by 6 anchor institutions 2016/2017. Compared to £746,730,478.83 in 2012/2013.

Preston: a total of £112,337,690.64 was spent with organisations based in Preston (18.2% of total spend)

Lancashire: a total of £488,659,587.40 was spent with organisations based in Lancashire (equivalent to 79.2% of collective spend)
The Avenham Park Pavilion Café brought back into local authority management.
Members of the Preston Larder Coop
Ethical, Local, Digital

We are a worker owned Co-operative specialising in Digital Transformation

WORK WITH US
Employee Owned Businesses in Preston
<table>
<thead>
<tr>
<th>Location</th>
<th>2011</th>
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<tbody>
<tr>
<td>Preston</td>
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<tr>
<td>Burnley</td>
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<tr>
<td>Lancaster</td>
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<tr>
<td>Pendle</td>
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<tr>
<td>Ribble Valley</td>
<td>#</td>
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<td>North West</td>
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<tr>
<td>Great Britain</td>
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<table>
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<td>Fylde</td>
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<td>North West</td>
<td>£185.20</td>
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<tr>
<td>Great Britain</td>
<td>£187.30</td>
</tr>
</tbody>
</table>
Economic policy

Preston named as most most improved city in UK

Labour-run council with localist economic policies tops Good Growth for Cities index
Figure 5: Change in Preston’s Index score, 2014-16 to 2015-17

In 2017
44% of 16-24 year olds in Preston held at least an NVQ level 3 qualification compared to only 34% in 2014.

*Preston’s new businesses score is 0.
Building community wealth in the UK and overseas
Examples of Community Wealth Building in the United Kingdom

**INSOURCING OF SERVICES WHEN POSSIBLE**
E.g. Islington & Haringey Council, Lancashire Constabulary post Carillion/Capita.

**THE WELSH ASSEMBLY IS ESTABLISHING A WELSH COMMUNITY BANK TO COMPLIMENT THE WELSH DEVELOPMENT BANK.**

**PLYMOUTH AND OXFORD ARE COMMITTED TO DOUBLING THE SIZE OF THE COOPERATIVE ECONOMY. NORTH AYRSHIRE IS ENCOURAGING WORKER AND EMPLOYEE OWNERSHIP. TRADEMARK BELFAST HAS ESTABLISHED WORKER COOPS IN NORTHERN IRELAND.**

**HACKNEY AND BIRMINGHAM HAS A MANIFESTO COMMITMENT TO ESTABLISH MUNICIPALLY OWNED ENERGY COMPANIES.**

**LONDON COUNCILS ARE SUPPORTING THE EXPANSION OF COMMUNITY LAND TRUSTS AND LOOKING TO INVEST PUBLIC PENSIONS IN SOCIAL/AFFORDABLE HOUSING**

**THE NHS LONG TERM PLAN AND CIVIC UNIVERSITIES COMMISSION BOTH REPORT ON THE ROLE OF HOSPITALS AND UNIVERSITIES AS ANCHORS.**
News and Updates

Latest News

Prosperity
You can be part of

Interview with Jamie Driscoll, Labour Mayor of North Tyne Combined Authority
19 Sep 2019
Jamie Driscoll – the Labour Party candidate – was elected as Mayor of the North...

The Convergence of Workers and Wealth Building
13 Sep 2019
Paul Bell, Unison Trade unions are about community wealth building. We believe in fighting for...

How Labour in Preston and Bispham are building a new economic movement
13 Sep 2019
This article appears in the latest print issue of Tribune. Councillor Matthew Brown is...
Examples of Community Wealth Building overseas

**KIGOMA, TANZANIA** is exploring expanding cooperatives and community banking with Preston Connection.

**CITY OF SYDEY COUNCIL, AUSTRALIA** has adopted a community wealth building approach to procurement.

**GOVERNOR OF CALIFORNIA** has passed legislation to commit to explore establishing a publicly owned bank.

**NEW YORK CITY** is committed to expand worker owned businesses including exploring through anchor procurement from not for profit hospitals.

**EUROPEAN UNION’S MAKE SPEND MATTER** project to enhance impact of procurement by public / anchor institutions to bring additional economic, social and environmental benefits in 7 European cities.

**CINCINNATI UNION COOP MOVEMENT AND 1 WORKER 1 VOTE** with Transatlantic Dialogue with United Kingdom to replicate concept in UK with major unions.