

The logo features a teal anchor icon on the left. The word "Anchored" is written in a teal serif font, with the letter 'A' being significantly larger and partially overlapping the anchor. Below "Anchored", the words "IN GREENWICH" are written in a smaller, red, all-caps sans-serif font.

Anchored
IN GREENWICH

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The logo for the Royal Borough of Greenwich, featuring a stylized black wave above a small circular emblem containing a rose.

ROYAL *borough of*
GREENWICH

The logo features a teal anchor icon on the left. To its right, the word "Anchored" is written in a large, teal, serif font. Below "Anchored", the words "IN GREENWICH" are written in a smaller, red, sans-serif font.

Anchored IN GREENWICH



On behalf of the Royal Borough of Greenwich, it is my pleasure to launch our Community Wealth Building Strategy. This strategy furthers our goal to cultivate an inclusive, resilient borough where all our residents can benefit from economic growth and activity, an inclusive economy for our residents. As we recover from the impact of the COVID-19 pandemic, and tackle the cost-of-living crisis, there has never been a more important time as this one for a Community Wealth Building-led approach to create an inclusive, sustainable local economy.

Our borough has a long history of community wealth building. It is home to co-operative development dating back to the very start of the movement in the 19th century, when the Royal Arsenal Cooperative Society (RACS) was started by workers in the Royal Arsenal, Woolwich. This strategy builds on this rich foundation, taking its unique history, politics, partners and institutions as its starting point to develop a 'Greenwich model' approach to this innovative form of economic development. Our Council plays a well-recognised, key role leading and supporting work which contributes to community wealth building including intervening in the housing market to deliver social and affordable homes, enabling Community-Led Housing through Greenwich Citizen Housing, investing in, and growing small and medium sized local businesses that bring social benefits to the borough, and pioneering fair employment practices, such as promoting the London Living Wage. We also provide practical support for organisations seeking to build greater ownership of the economy by local people, such as Greenwich Cooperative Development Agency.



This strategy brings the considerable work already being done in the borough, by the Council and our partners, into focus, while also setting a framework of analysis and strategic aims. Key to this is joining up our efforts under the 'Anchored in Greenwich' partnership brand. We believe that through combining the Council's work with local community organisations' deep-rooted connections and expertise and the employment and the economic development power of the borough's large anchor institutions, we can achieve change at scale. This strategy will be intrinsic to everything we do, from promoting progressive procurement, to tackling low pay and poverty in the borough through the London Living Wage and providing the tools for socially-based, community-interest businesses to thrive. We are optimistic that this strategy will guide us on how we move forward in a way that supports the wellbeing and resilience of our communities and economy. It will leave us a better prepared borough in the face of threats, from future pandemics to the climate emergency.

We are very grateful to the Centre for Local Economic Strategies (CLES), who we commissioned as the UK's leading body in this area of expertise, to work with us on this bold and progressive strategy and action plan. This is the result of many months of research and engagement with partners. I thank our Cabinet Members, Cllr Mariam Lolavar and Cllr Denise Hyland for leading this excellent work and formulating this strategy.

I am delighted to be working closely with our partners and anchors to take this work forward and enable this borough-wide, people-led approach to shaping a more inclusive local economy.

Councillor Anthony Okereke
Leader of the Royal Borough of Greenwich

Anchored in Greenwich

A Community Wealth Building strategy for Greenwich



CLES
progressive economics
for people and place

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Summary

This is a summary of 'Anchored in Greenwich', a report produced by the Centre for Local Economic Strategies (CLES) exploring how the Royal Borough of Greenwich could utilise a community wealth building approach to further its goal of building an inclusive local economy. In it we set out the key findings of the report and its recommendations for moving forward. Central to these is our proposal for the development of the 'Greenwich model' for community wealth building. This approach seeks to marry the deep-rooted connections and expertise of the borough's community organisations with the economic firepower of the borough's large anchor institutions to achieve change at scale.

The scope of the report

To inform this report CLES were commissioned by the Royal Borough of Greenwich (RBG) to:

- Briefly review the Council's approach to community wealth building to date and analyse capacity to further develop this
- Support the Council to shape the scope, brand and governance for a partnership of local anchor institutions, the 'Anchored in Greenwich Partnership'

Context

What is community wealth building?

Community wealth building is a powerful new approach to local economic development which has emerged in the UK in response to the failures of the current economic model to translate growing wealth into increased wellbeing for all. The approach aims to influence the way wealth is created and flows around local economies so that less money is lost (through profits for distant shareholders and absentee landlords), more wealth is owned and controlled locally (by locally rooted, 'generative' businesses, VCSE and public sector organisations) and citizens benefit from increased opportunity, dignity and well-being. In this, community wealth building seeks to hotwire social, economic and ecological priorities into the economy, generating what is commonly referred to as social value.¹ It is an approach which has gained widespread recognition and support over the last

¹ H Power and TL Goodwin (2021). Community wealth building: a history. CLES. [Link](#).

decade, with a growing movement of places seeking to apply these ideas across the UK and internationally.

The context for community wealth building in Greenwich

The context for advancing community wealth building in Greenwich is shaped by its socio-economic challenges, its economic, natural and human assets and the leadership and capacity of key organisations people across the borough:

- In common with many places, **economic growth in Greenwich has gone hand in hand with rising inequality in recent years**. Persistent poverty is in large part driven by above average rates of low pay and unemployment with half the households in the borough earning below £35,000². At the same time demand for housing and last mile logistics is increasing pressure on existing local businesses.
- In the face of these pressures the council has taken a proactive approach, **recognising that some forms of investment in the borough threaten to exacerbate inequality rather than reducing it**. It has therefore:
 - **Intervened in the housing market** to directly deliver affordable homes and create an HMO licencing scheme
 - It has **recognised and invested in growing small and medium sized local businesses** which bring social benefits to the borough
 - It has a **long history of pioneering and promoting fair employment practices**
 - Provided **practical support for organisations seeking to build greater ownership of the economy by local people**, such as Greenwich Cooperative Development Agency
- Both within the council and across the 'Anchored in Greenwich Partnership' we heard a **strong appetite to build on work to date to adopt a cross cutting community wealth building approach**.

Moving forwards: The Greenwich model

While the core principles of community wealth building are common across all areas and organisations, there is no one size fits all approach to how these are applied. In this section we reflect on the economic and policy context in Greenwich and how a CWB approach can be tailored to build on the unique assets and challenges facing the borough and its population.

A locally tailored approach

The economic, historical and policy context of Greenwich give the borough powerful foundations to build a more socially just economy. There are two key elements to this:

² Indices of Deprivation, 2019, Royal Borough of Greenwich

- Firstly, the presence of existing, locally rooted infrastructure to support communities to create, own and benefit from the wealth in the borough
- Secondly, significant buy-in and support for this agenda among the borough's large public and social sector organisations (referred to in community wealth building as 'anchor institutions')

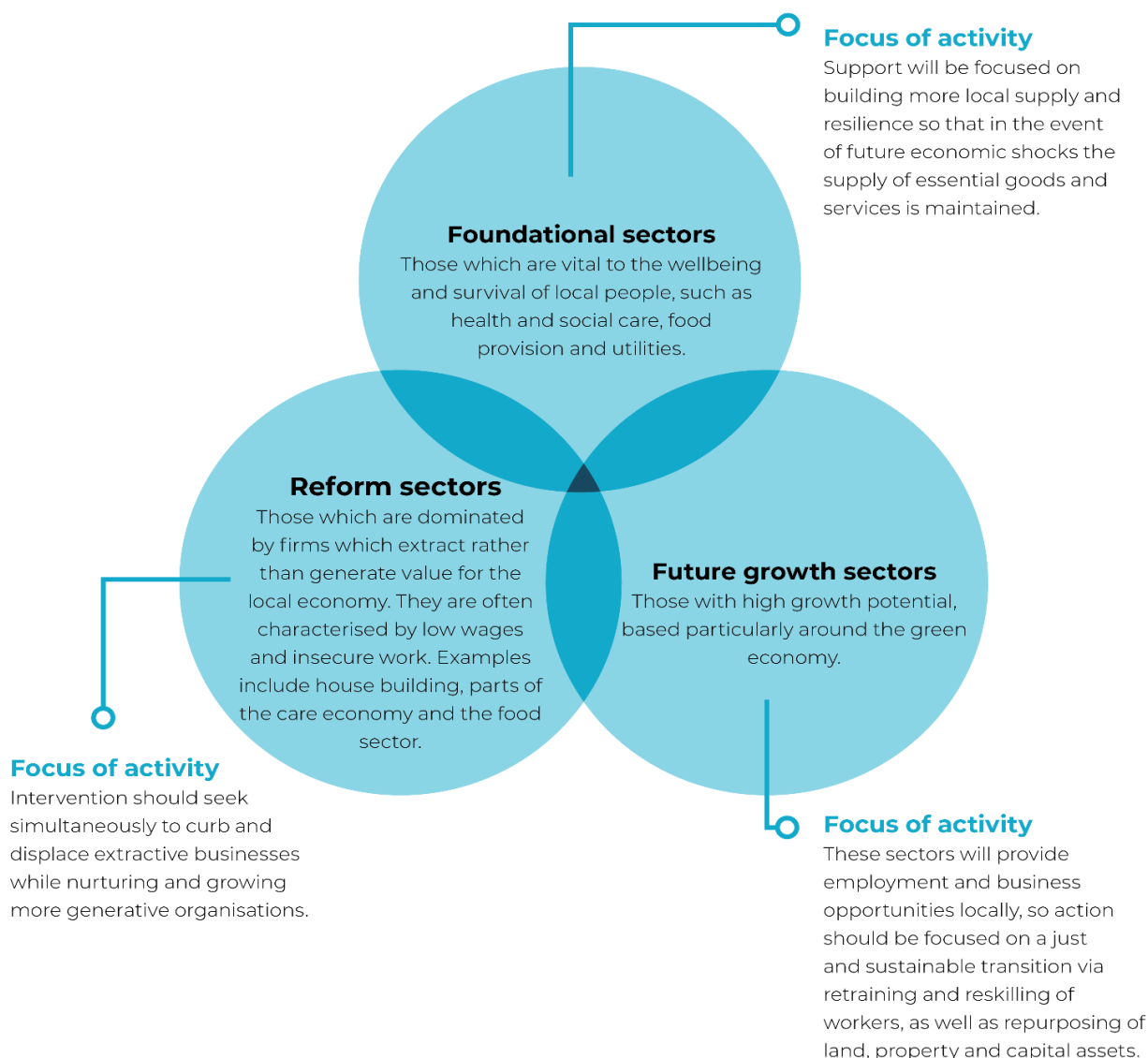
By developing a shared commitment to community wealth building, the council and its partners can build on these foundations, marrying the deep-rooted connections and expertise of community organisations with the economic firepower of the borough's large anchor institutions to achieve change at scale.

To realise this potential, we believe that the Greenwich Council should develop a bespoke approach to CWB characterised by:

- A commitment to invest in the development of 'Anchored in Greenwich' as the delivery partnership for building a more inclusive economy in the borough.** It is clear from the Anchored in Greenwich network introductory sessions held by CLES and the council that there is significant commitment to and enthusiasm for this agenda across a broad range of partner organisations. The diversity of this group (combining on the ground infrastructure organisations such as Greenwich Cooperative Development Agency (GCDA), along with successful social businesses and large public sector organisations) is a key asset for this work. In practical terms this means encouraging the growth of potential anchor institution suppliers in the most deprived neighbourhoods of the borough (specifically BAME and women owned businesses) and proactively seeking to recruit people experiencing barriers to good quality work into roles within the council and other anchor institutions.
- A local Economic Development Strategy that incorporates inclusive economy goals focused on: tackling extraction, improving conditions in low pay sectors and, growing worker & community ownership in future growth sectors.** In our work we heard of examples of RBG utilising all five pillars of community wealth building to achieve local economic benefit for the people of the borough. However, to date these activities have largely been taken forward in isolation from each other. We believe that combining action across the five pillars to target specific sectors of the Greenwich economy, would maximise the impact of community wealth building activity and secure lasting benefits for local people. The development of the Economic Development Strategy provides a timely opportunity to identify these target sectors, which could include:
 - **Reform sectors:** These are the sectors of the local economy where low pay and insecure employment are common and activity is dominated by large national chains and multinationals. Common examples include house building, hospitality and some parts of adult social care. The five pillars of community wealth building offer a range of tools for limiting the reach of extractive businesses in

these sectors (for example designing procurement exercises to limit access to public sector markets by suppliers who do not adhere to ethical employment standards) and growing alternative, generative suppliers (through targeted business support and enabling them to compete for public sector contracts).

- **Foundational sectors.** These are sectors of the economy which are vital to the survival and wellbeing of local communities. They include services such as care and health, the supply of food, housing, transport and energy and sectors such as construction, tourism, and retailers on the high street. These sectors have tended to be less of a priority for local economic development but they represent a significant part of the economy and critical to local resilience and wellbeing.
- **Future growth sectors:** These are sectors such as low carbon construction which are widely projected to grow locally over coming years. There is an opportunity for anchor institutions act at a formative stage to shape the market, encouraging the growth of generative, locally rooted businesses and building pathways for local people to transition into jobs within them.



c) Explicitly harness community wealth building to target racial and gendered wealth gaps.

In all elements of CWB it is important to understand that the way the Greenwich economy currently functions perpetuates race and gender inequality. An approach to CWB that seeks explicitly to address these inequalities is crucial to driving meaningful change. In practical terms this could mean supporting the growth of

BAME and women owned businesses and targeted anchor institution recruitment and progression programmes for these groups.

d) **Royal Borough of Greenwich and anchor institution partners commit to exploring viable use of their spending power, employment power and land and assets to achieve these goals.**

The potential for impact]

The four characteristics outlined above are intended to help shape community wealth building activity in Greenwich. We believe that with strong commitment from across the Anchored in Greenwich Partnership and enabling leadership from the council, within five years' the following outcomes could be realised:

- Targeted business support and anchor supply chain development lead to the **growth of generative local businesses** in key sectors, eg: food supply, retrofit of homes and commercial space, health and care
- **Existing and new locally generative businesses** have been able to secure **affordable workspace** and are bringing vibrancy to communities across the borough.
- Progressive procurement strategy and practice in anchor institutions has led to **improvements in pay, skills and conditions of lowest paid workers in key sectors** such as health and care.

Moving forward

RBG has already made a commitment to develop this approach through the initiation of the Anchored in Greenwich Partnership. Translating the model outlined above into practical action will require clarity of intent, sustained commitment of resources to coordinate activity across a range of service areas and partners and support from a diverse range of stakeholders. In the full 'Anchored in Greenwich' report we set out proposed short-, medium- and long-term actions to move forward. These recommendations span three thematic areas:

- Building a generative green economy
- Public procurement as a tool for community wealth building
- Creating a fair and just local labour market

1. Introduction

This report for the Royal Borough of Greenwich is intended to support the council's work build an inclusive economy in the borough through a progressive approach to economic development – community wealth building. In doing so, the council is joining a progressive movement of UK and international local authorities and areas using this approach.

Greenwich's history and development has been shaped by the Borough's long association with the industrial waterfront, and scientific and maritime history. This history encompasses both enormous economic success and decline, great prosperity and great inequality, both of which have spurred radical thought and new ideas. This legacy of both economic change and political debate makes it a uniquely interesting area in which to develop a community wealth building approach to economic recovery from the Covid-19 pandemic.

Today Greenwich faces significant economic and social challenges. Whilst the Borough has seen substantial investment in new transport infrastructure, the tourism industry, national and regionally significant regeneration projects such as the O2 Centre and Woolwich Works, too many people in the borough struggle to have a reasonable living standard. Benefit claimant count is over 25% higher than the national average, with large disparities between wards within the borough. Nearly two fifths of all children live below the poverty line, a third higher than the national average. Despite the growth of inner London in recent years, neighbouring boroughs like Greenwich have not seen proportional benefits of this growth on their quality of life.

Looking forward, the Council has got plans for some of the most ambitious and extensive regeneration schemes in the country. Despite providing much needed housing, environmental and public realm improvements schemes can put pressure on local businesses and areas in the Borough where high levels of unemployment, economic inactivity and low incomes prevail. However, the Council is adopting a comprehensive and inclusive approach and using community wealth building as a tool helps in supporting residents and businesses.

What is community wealth building?

Broadly, the current economic growth model is failing many locations and communities,³ and those same communities are suffering the most from the Covid-19 pandemic.⁴ Recent OECD data showed that the UK is the only developed

³ H Power and TL Goodwin (2021). Community wealth building: a history. CLES. [Link](#).

⁴ M Stafford and S Deeny (2020). Inequalities and death involving Covid-19. The Health Foundation. [Link](#).

economy in which wages fell while the economy was actually growing, albeit meagrely.⁵ The UK is an economy where 14 million people are now living in poverty,⁶ and where 1.3 million people (including children) rely on food banks.⁷

These problems are not caused by a lack of wealth, but rather where wealth is going, who owns it and who benefits from it. Fuelling this inequality is the fact that the fruits of growth are often too readily extracted. At a local level, the prevailing model of economic development has often failed to engage with questions of wealth distribution, focusing instead on generating contributions to GDP.⁸

In response, community wealth building has emerged as a powerful new approach to local economic development. Community wealth building aims to reorganise the local economy so that wealth is not extracted but is instead broadly held and generative, with local roots, so that income is recirculated, communities are put first, and people are provided with opportunity, dignity and well-being. In this, community wealth building seeks to hotwire social, economic and ecological priorities into the economy, generating what is commonly referred to as social value.⁹

The inclusive economy agenda is decidedly different to the inclusive growth agenda. In practice, Inclusive Growth is about what happens once we have growth, no matter how unfairly it is created, or the narrowness of those involved in creating it. By contrast, an Inclusive Economy offers a genuine progressive conceptual frame in which greater consideration is given to social benefits that flow from, and feed into, economic activity¹⁰. The inclusive economy frame is as important in high growth economies such as Greenwich as it is in low growth economies, for the simple reason that it focuses on the ownership of wealth, and the tools for wealth creation and the social outcomes that wealth produces.

Community wealth building has a particular focus on the activities of anchor institutions. These anchor institutions are mainly large public, and social sector organisations which have a significant stake in a place. At the heart of the community wealth building approach are five strategies for harnessing existing resources to enable anchor institutions to use their economic, social and environmental footprint to generate social value. These are summarised in figure 1 below.

Deployed in a progressive way, these approaches can be used to generate wealth, jobs and opportunity for local people and give as many people as possible a stake in the local economy.¹¹

⁵ V Romei (2017). How wages fell in the UK while the economy grew. The Financial Times. [Link](#).

⁶ Joseph Rowntree Foundation (2020). UK Poverty 2019/20: The leading independent report. [Link](#).

⁷ The Trussell Trust (2020). End of year stats. [Link](#).

⁸ CLES (2021). Devolve, redirect, democratise: The future of local economic development in the UK. [Link](#).

⁹ H Power and TL Goodwin (2021). Community wealth building: a history. CLES. [Link](#).

¹⁰ [Policy-Provocation We-need-an-inclusive-economy-not-inclusive-growth_191218.pdf \(cles.org.uk\)](#)

¹¹ CLES (2020). Owing the economy: Community wealth building 2020. [Link](#).

Figure 1: Five pillars of community wealth building



Plural ownership of the economy – community wealth building seeks to develop a more diverse blend of ownership models: returning more economic power to local people and institutions. As such, community wealth building asserts that small enterprises, and generative businesses such as community organisations, co-operatives and forms of municipal ownership **are more economically and socially generative** within the local economy than large companies or public limited companies.

Making financial power work for local places – community wealth building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally, rather than by seeking to merely attract national or international capital. For example, local authority pension funds can be encouraged to redirect investment from global markets to local schemes. Mutually owned banks are supported to grow, and regional banks charged with enabling local economic development are established. All of these are ideally placed to channel investment to local communities while still delivering a steady financial return for investors.

Fair employment and just labour markets – often anchors are the biggest employers in a place, and so the approach they take to employment can have a defining effect on the employment prospects, incomes, and overall prosperity of local people and local communities. Commitment by anchors to pay the living wage, have inclusive employment practices, recruit from lower income areas, build

progression routes for workers and comprehensive union recognition can stimulate the local economy and bring social improvements to local communities.

Progressive procurement of goods and services – progressive procurement is a means through which greater economic, social, and environmental benefits can be achieved for local places and people. Increased local spend creates jobs, contributing to a multiplier effect which in turn creates additional jobs via increased demand for local goods and services. CLES pioneered and have continued to be at the forefront of work around progressive procurement in the UK, helping to develop a dense local supply chain of local enterprises, SMEs, employee-owned businesses, social enterprises, co-operatives and other forms of community ownership.

Socially productive use of land and assets – anchors are often major land, property, and asset holders. These represent an asset base from which local wealth can be accrued. In community wealth building the function and ownership of these assets is deepened to ensure any financial gain from these assets is harnessed by citizens. Furthermore, there is a desire to develop local economic uses, and extend local social/community use of those assets. Indeed, much public sector land and facilities are the commons, and should be used to develop greater citizen ownership of open space and the built and natural environment.

CLES has worked with dozens of institutions across the UK to develop the community wealth building movement, with each locality taking on a different blend of activities based on the five elements outlined above. 14 million people now live in community wealth building neighbourhoods, which is 21% of the UK's population.

The scope of this report

RBG has also recently commissioned New Economics Foundation Consulting to contribute towards the development of an Economic Development Strategy (EDS). While the EDS will work to identify the overall objectives for economic development, we see a community wealth building strategy as part of the work to outline the tactics and methods to reach these objectives. This report presents the findings from CLES' work in Greenwich outlining the potential of community wealth building in the area and how it can be realised. The report is split into the following sections:

- **Section two** outlines the methodology for this work
- **Section three** sets out the context for community wealth building in Greenwich
- **Section four** sets out our recommendations for advancing community wealth building in Greenwich. This section is in two parts: Firstly, we outline proposals for a bespoke 'Greenwich model' which is tailored to the specific challenges and assets of the borough; secondly, we set out detailed recommendations for translating this approach into practical action.

- **Appendix One** summarises work to date on the Anchored in Greenwich Partnership and presents suggested next steps for advancing the network.

2. Methodology

This section of the report outlines what CLES were commissioned to do and the methodology employed for completing the work.

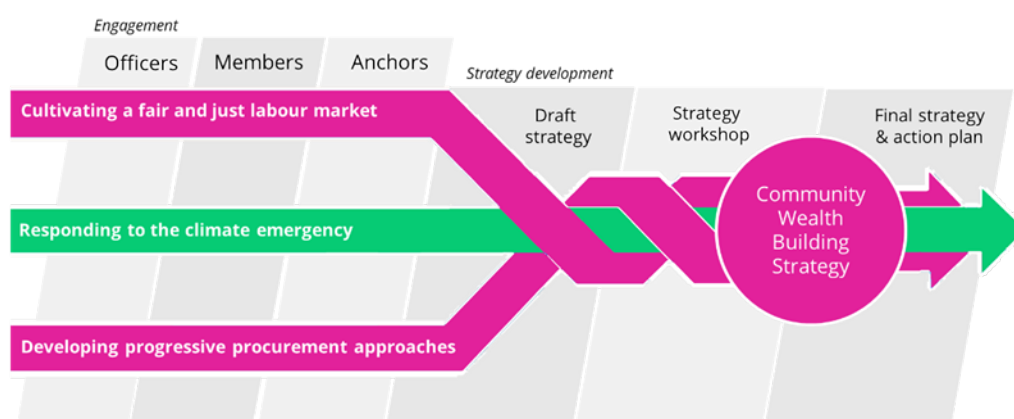
What CLES were asked to do

CLES were commissioned to do three things:

- Briefly review what the Council is already doing by way of an inclusive local economic approach and analyse capacity to further develop this, drawing together the component parts of a community wealth building model for Greenwich and frame this in a strategy.
- Identify work that anchor institutions in the Borough are already underway with and to develop a brand for this work and help shape the governance for an Anchored in Greenwich Partnership.
- Recommend ways to demonstrate and evidence the increased social value investment within the Borough.

How CLES approached the work

Our approach to this work is based around an exploration of the cultivation of a fair and just labour market, the development of progressive procurement practice and responding to the climate emergency. As such, a community wealth building strategy for Greenwich will seek to deliver social, economic and climate justice for the people of Greenwich.



CLES designed the following methodology to meet the requirements noted above.

Document review

CLES undertook a desk review of 30 policy and strategy documents to understand the key economic and social challenges and opportunities facing Greenwich and

how the Council and key partners have responded to date. This review has provided insights into how a community wealth building approach could provide new perspectives and ideas to help the Council and partners develop an inclusive economy in the context of climate emergency and post-covid recovery.

Anchor institution workshops

CLES held two anchor institution workshops with major public and private institutions rooted in the Borough. The first workshop was an awareness raising and fact-finding workshop exploring the size of the anchors' collective influenceable budgets and encouraging institutions to begin thinking about the role they could play in the delivery of community wealth building in Greenwich.

The second workshop started to explore governance models, priority areas for the network and the development of a shared statement of intent/charter allowing them to come together behind a more co-ordinated approach to community wealth building in Greenwich.

Focus groups

We also held a series of focus group with lead members, the Labour Group, procurement leads and environment officers to explore the findings of our desk review, identify common understanding of the gaps in the policy objectives, the challenges of adopting community wealth building interventions and understanding the capacity (internally and of partners) to adopt new approaches.

Procurement workshop

We held a workshop with members of the capital programmes team to explore opportunities for building community wealth through construction spending. In the session we explored the example of the Woolwich Works project to understand the current approach to securing social value. We then worked with the team to identify opportunities to increase the value created for local residents and the resourcing required to realise these.

Briefing Session

Before the finalisation of this draft report, briefing sessions will be held with officers them members. The workshops will be to build ownership of and buy in to the recommendations set out in this report. The session will have a practical focus, with an objective of setting out short-, medium- and longer-term actions, within an incremental framework that is feasible and realistic.

Attendance at Retrofit Industry Skills Working Group retrofit working group

A member of the CLES team attended the retrofit working group, established by the previous Head of Sustainability at the Council and now temporarily convened by South-East London Community Energy (SELCE), for two months. The group comprised of many of the anchor institutions present in our anchor network workshops, so the working group provided a good opportunity to understand how

the organisations collaborate on mutual areas of interest. More significantly, the working group sessions were invaluable in terms of helping us understand the most needed and feasible interventions for the council to accelerate the retrofit opportunity,

3. Context

This section of the report explores the context for community wealth building in Greenwich. Drawing on our review of key documents and interviews with officers and members in the council we explore the history of progressive economics in the borough and the economic and social context which shape the life chances of the people who live and work there.

Socio-economic context

Persistent poverty and inequality, driven by low pay & unemployment

Despite significant growth over recent years, **poverty is a persistent feature of the borough**. Almost a third of the borough's Local Super Output Areas (LSOAs) are within the 20% most deprived in England and half the households in the borough earn below £35,000¹². This is **due in large part to higher than regional average levels of low paid jobs** (workplace wages are 28% lower than the London average¹³) and unemployment (5.9%, compared to 5.3% for London). Moreover, job growth over recent years has been concentrated in low paid sectors, with health and social care accounting for 41% of job growth between 2007-17 and accommodation and food the next biggest growth sectors¹⁴.

In Greenwich, as in many other places in the UK, race inequalities are evident in the economy, with **people of colour often the most marginalised from the wealth created in the borough** – for example Black Caribbean people are 2.7 times more likely to be JSA claimants compared with White British people¹⁵. Recent research by the Runnymede Trust and Greenwich Inclusion Partnership highlighted that highly qualified people from migrant communities, especially those of African origin, are over-represented in low-skilled, low-paid occupations where they are also at greater risk of contract termination, despite many being educated to degree level and above¹⁶.

Demand for housing & logistics leading to pressure on existing local businesses

Greenwich is located within a rapidly expanding sub-region with strong growth in population and employment across east London. The borough has the third highest housing growth targets in London and is home to **significant**

¹² Indices of Deprivation, 2019, Royal Borough of Greenwich

¹³ Greenwich 2030: London's next success story, Volume 1. Page 4

¹⁴ XXXX

¹⁵ Greenwich Race Equality Scorecard, 2019. Page 23

¹⁶ Ibid. Page 24

regeneration projects which will add tens of thousands of new residents over the next decade. This means that the population of Greenwich is forecast to increase by 14% between 2017 and 2030, faster than the average forecast population growth rate for London¹⁷. This **demand for housing has in turn put huge pressure on employment land.** Most recently this has been added to by the boom in last mile logistics during the pandemic which has driven up prices for industrial land and seen key regeneration sites earmarked for residential development being bought up by logistics investors¹⁸. Taken together these have created a difficult operating environment for existing local businesses.

Policy responses

Local economic development strategy

As described in the introduction to this report, across the UK the dominant model of local economic development is focused on generating **'inclusive growth'**. The premise of this approach is that driving up GVA creates greater wealth in places which residents ultimately benefit from through the creation of new, high value jobs and wider place-based investment. Resources are focused on connecting people further from the labour market to these jobs. This **has been a strong theme in Greenwich's economic development strategies to date**, with commitments to 'ensuring that Greenwich is an attractive place for companies that offer high value jobs'¹⁹. This approach is reinforced at a Greater London level by the GLA's focus on supporting the growth of innovation sectors (particularly in digital and technology) alongside employment and skills initiatives²⁰.

However, the council has **not taken a narrow inclusive growth approach.** Instead, it has **recognised that some of the investment in the borough threatens to exacerbate inequality rather than reducing it.** It has therefore:

- **Intervened directly in the housing market** to establish Meridian Home Start as a vehicle for delivering affordable homes in the borough and rolling out an HMO licencing scheme.
- It has **recognised and invested in growing small and medium sized local businesses** which bring social benefits to the borough. The Woolwich Works is a high-profile example of this, providing a major new creative and cultural destination based in historic buildings within the former Royal Arsenal at Woolwich.
- It has a long history of promoting fair employment practices. The council became an **Accredited Living Wage employer in 2013** and was one of the first local authorities in the country to offer a discounted business rate scheme to local firms who committed to paying the real living wage to their workers.

¹⁷ Greenwich 2030: London's next success story, Volume 1. Page 10

¹⁸ '£300m London residential scheme switches to logistics as values converge', React News, 11/01/22

¹⁹ Royal Borough of Greenwich Corporate Plan 2018-2022, page 11.

²⁰ Need to add reference here

Commitment to tackling poverty and inequality

Beyond economic development policy, the council has a **strong track record of progressive policy and action**. For example:

- In 2016 the council established the **Greenwich Fairness Commission** to generate recommendations for new action to tackle inequality and poverty
- In 2019 the council commissioned the Runnymede Trust and Greenwich Inclusion Project to produce a **Race Equality Scorecard** for the borough to document race inequalities in the borough, inform decision making and enable local people to hold public bodies to account.

The development of a new economic development strategy is an opportunity to put the insight and imperatives set out in these reports at the heart of an inclusive economy approach. Community wealth building in turn provides many of the tools for translating these priorities into action.

Support for organisations seeking to build greater ownership of the economy by local people

Within the borough there is a small but significant network of well-established and successful community and worker owned organisations as well as regionally and nationally significant social enterprises:

- **Greenwich Cooperative Development Agency (GCDA)** was founded in 1982 and has since that time provided free support to people in the borough. It has incubated successful regional organisations including South East London Community Energy, Greenwich and Bexley Credit Union and major national players including Greenwich Leisure Limited.
- **London South East College** – which is constituted as a social enterprise. This is unusual in the sector.
- **Greenwich Local Labour and Business (GLLaB)**– established by the council in 1996 and one of the UK’s leading local labour schemes.

In our interviews and focus groups with officers and elected members we **heard strong support for these organisations and examples of this support translating into practical action**. For example, the council transferred the ownership of Woolwich Common Community Centre to GCDA and the public health team works closely with them on initiatives including Good Food in Greenwich.

A strong foundation for community wealth building

In our focus groups and workshops with elected members and officers we heard a **strong appetite to build on the commitments, partnerships and action described above to adopt a cross cutting community wealth building approach**. There was a shared sense that while much good work is taking place, to date this has not been brought together in a coherent programme. Encouragingly, evidence from the two meetings of the Anchored in Greenwich Partnership demonstrate that **this enthusiasm is shared by anchor institutions and key**

VCSE organisations in the borough. This provides an unusually strong foundation for community wealth building, with potential to support the expansion of generative local enterprise at scale.

4. Moving forward

In this section we set out our recommendations for advancing community wealth building in Greenwich. There are two elements to this. Firstly, we outline our proposal for how community wealth building principles can be applied to the specific context of Greenwich, its assets and challenges, to create a bespoke 'Greenwich model'. Secondly, we set out a series of recommendations to translate this model into practical action in three thematic areas: The green economy; public procurement and the local labour market.

The Greenwich model

While the core principles of community wealth building are common across all areas and organisations, there is no one size fits all approach to how these are applied. In this section we reflect on the economic and policy context in Greenwich and how a CWB approach can be tailored to build on the unique assets and challenges facing the borough and its population.

A locally tailored approach

The economic, historical and policy context of Greenwich (described in section 3) give the borough powerful foundations to build a more socially just economy. Key to this is the existing locally-rooted infrastructure to support communities to create, own and benefit from the wealth in the borough and significant buy-in and support for this agenda among the borough's anchor institutions. By developing a shared commitment to community wealth building, the council and its partners can build on these foundations, marrying the deep-rooted connections and expertise of community organisations with the economic firepower of the borough's large anchor institutions to achieve change at scale.

To realise this potential, we believe that the Greenwich Council should develop a bespoke approach to CWB characterised by:

- a) **A commitment to invest in the development of 'Anchored in Greenwich' as the delivery partnership for building a more inclusive economy in the borough**

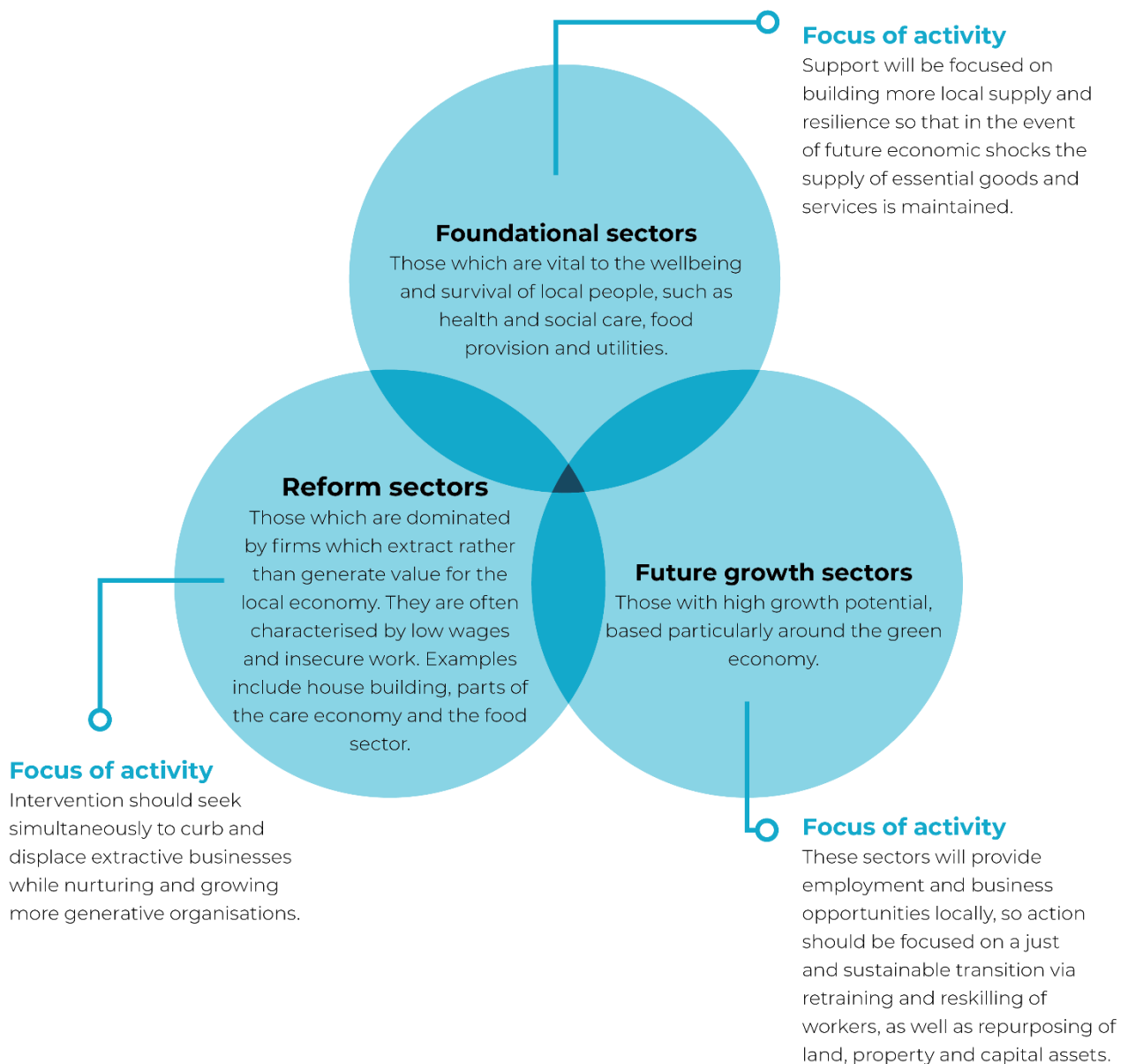
It is clear from the Anchored in Greenwich network introductory sessions held by CLES and the council that there is significant commitment to and enthusiasm for this agenda across a broad range of partner organisations. The diversity of this group (combining on the ground infrastructure organisations such as GCD, along with successful social businesses and large public sector organisations) is a key asset for this work. In practical terms this means encouraging the growth of potential

anchor institution suppliers in the most deprived neighbourhoods of the borough (specifically BAME and women owned businesses) and proactively seeking to recruit people experiencing barriers to good quality work into roles within the council and other anchor institutions.

b) **A local Economic Development Strategy that incorporates inclusive economy goals focused on: tackling extraction; improving conditions in low pay sectors and; growing worker & community ownership in future growth sectors.**

In our work we heard of examples of Greenwich utilising all five pillars of community wealth building to achieve local economic benefit for the people of the borough. However, to date these activities have largely been taken forward in isolation from each other. We believe that by combining action across the five pillars to target specific sectors of the Greenwich economy, the council and its partners could maximise the impact of their community wealth building activity and secure lasting benefits for local people. The development of the Economic Development Strategy provides a timely opportunity to identify these target sectors, which could include:

- **Reform sectors:** These are the sectors of the local economy where low pay and insecure employment are common and activity is dominated by large national chains and multinationals. The five pillars of community wealth building offer a range of tools for limiting the reach of extractive businesses in these sectors (for example designing procurement exercises to limit access to public sector markets by suppliers who do not adhere to ethical employment standards) and growing alternative, generative suppliers (through targeted business support and enabling them to compete for public sector contracts).
- **Foundational sectors.** These are sectors of the economy which are vital to the survival and wellbeing of local communities. They include services such as care and health, the supply of food, housing, transport and energy and sectors such as construction, tourism, and retailers on the high street. These sectors have tended to be less of a priority for local economic development but they represent a significant part of the economy and critical to local resilience and wellbeing.
- **Future growth sectors:** These are sectors such as low carbon construction which are widely projected to grow locally over coming years. There is an opportunity to act at a formative stage to shape demand and ensure that the wealth generated in these sectors is shared with workers and the wider community.



c) Explicitly harness community wealth building to target racial and gendered wealth gaps.

In all elements of CWB it is important to understand that the way the Greenwich economy currently functions perpetuates race and gender inequality. An approach to CWB that seeks explicitly to address these inequalities is crucial to driving meaningful change in the Greenwich economy. In practical terms this could mean supporting the growth of BAME and women owned businesses, targeted Anchor recruitment and

progression programmes for these groups and working proactively to shift the ownership and governance of key assets.

d) Royal Borough of Greenwich and anchor institution partners commit to utilising its spending power, employment power and land and assets to achieve these goals.

The potential for impact

The four characteristics outlined above are intended to help shape community wealth building activity in Greenwich. We believe that with strong commitment from across the Anchored in Greenwich Partnership and enabling leadership from the council, within five years' the following outcomes could be realised:

- Targeted business support and anchor supply chain development lead to the **growth of generative local businesses** in key sectors, eg: food supply, retrofit of homes and commercial space, health and care
- **Existing and new locally generative businesses** have been able to secure **affordable workspace** and are bringing vibrancy to communities across the borough.
- Progressive procurement strategy and practice in anchor institutions has led to **improvements in pay, skills and conditions of lowest paid workers in key sectors** such as health and care.

Moving into action

In this element of the report we set out a series of recommendations for practical action to translate the 'Greenwich model' for community wealth building into practical action. The actions are grouped into three themes based on the areas of interest that RBG commissioned us to investigate:

- Building a generative green economy
- Public procurement as a tool for community wealth building
- Creating a fair and just local labour market

Summary of recommendations

In the tables below we summarise our recommendations and provide an indicative timescale for completion:

- Short term: Feasible to complete within the next 12 months
- Medium term: Feasible to complete within 1-2 years
- Long term: Likely to take longer than 2 years to complete

Develop a bespoke approach to community wealth building characterised by;

	Recommendation	Timeframe
A	A commitment to invest in the development of 'Anchored in Greenwich' as the delivery partnership for building a more inclusive economy in the borough.	Short
B	A local Economic Development Strategy that incorporates inclusive economy goals focused on: tackling extraction; improving conditions in low pay sectors and; growing worker & community ownership in future growth sectors.	Medium
C	Incorporate into the Economic Development Strategy an explicit commitment to harness community wealth building to target racial and gendered wealth gaps.	Medium
D	Royal Borough of Greenwich and anchor institution partners commit to exploring utilising their spending power, employment power and land and assets to achieve these goals.	Short

Building a generative green economy

	Recommendation	Timeframe
1	Enable pipeline retrofit contracts to be delivered locally Three stages: a, b, c	a = short b = medium c = long
2	Explore the development of a local renewable energy approach	Short
3	Consider alternative funding solutions such as Community Municipal Investments (CMI) to crowdfund low carbon and other priority projects.	Short

Creating a fair and just local labour market

	Recommendation	Timeframe
4	Health and care commissioners in the Council and NHS:	-
A	Undertake market development in health and care with intent to shift spending to locally rooted, ethical and social providers	Long
B	Shape clear and stretching social value requirements for health and care suppliers to drive up employment conditions for all staff	Short

	Recommendation	Timeframe
5	Work collaboratively through Anchored in Greenwich to build routes into green jobs for people who are working in low paid roles in carbon dependent sectors	Long

Public procurement as a tool for community wealth building

	Recommendation	Timeframe
6	To help officers tailor the social value approach for different types of spending, we suggest you consider a differentiated approach for goods, works and services. (See GMSVN example on page 30)	Medium
7	Consider investing in capacity of corporate procurement team to provide social value advice and support to commissioners and contract managers to develop tailored approaches.	Medium
8	Create a Common portal for jobs with aim of smoothing the 'lumpiness' of construction spending and enable employment support organisations to connect to job opportunities being created. Explore the possibility of GLLaB playing a role in this.	Medium
-	Explore the creation of a Royal Borough of Greenwich construction framework with locally tailored social value criteria	Medium
-	Explore cash payments in lieu of social value for smaller value / specialist contractors and voluntary contributions for higher value contracts. With a clear explanation of the benefits of this support for potential suppliers these funds could be ringfenced for use to support the creation of the infrastructure above.	Medium
9	Identify a small number of target categories to focus targeted market shaping and social value activity. (See Islington Working example on page 31). These could relate to the target sectors described in section 3.	Short

Building a generative green economy

Context

RBG has an ambitious Carbon Neutral Plan which sets the Council on the path to become carbon neutral by 2030. It was developed following the Council's declaration of a climate emergency in 2019, and targets the remit of the Council's

activity whilst recognising its role in the wider Greenwich economy to encourage other players in the Borough to decarbonise.

While consulting and reading the Council's strategies and policies, CLES has found widespread commitment to and understanding of the ambition and challenges within the plan. While this level of enthusiasm is impressive, there remain sizeable hurdles to successful implementation, primarily around funding, prioritising potential activity and practical action to enable coordinated activity in the Greenwich economy to tackle the environmental emergency. Our recommendations work to alleviate these issues.

Achieving a just transition is a huge task. It spans many industries, impacts huge numbers of jobs and requires collaborative working on a scale that will be alien to most. As such, CLES has prioritised three focus areas for RBG – the retrofit opportunity, alternative financial levers and local renewable energy generation. These areas have been chosen as we believe they sit at the intersection of activity that would be most beneficial and most viable for the people and environment of Greenwich.

With regards to retrofit, the Retrofit Industry Working Group comprising of Greenwich Anchor Institution representatives highlighted the enthusiasm and recognition of the importance of this agenda. However, it was evident that insufficient funding is a major issue, particularly with regards to retained rented council stock (approx. 20,000 dwellings). Additionally, there is a local business gap in terms of skills and enterprises - there are only nine companies out of several thousand who are PAS 2030 certified.

However, there still remains a huge community wealth building opportunity that can come from addressing these challenges, particularly with regards to supply side development. Community wealth building traditionally looks at well established markets and sectors and seeks to divert wealth back into the places from which it has been extracted.

The retrofit of our buildings creates a whole new market – meaning there is the opportunity to hardwire economic justice into the way it is delivered from the outset. We have a choice: we can either rely on the “usual suspects”, namely large extractive providers, to deliver this retrofit and dominate the market, or we can lay the foundations for retrofit that builds community wealth and retains investment so that it benefits local people and businesses. Fixing a system before it is established is easier than trying to change it once it is embedded. RBG should seize this opportunity now if it hopes to drive the economic benefits of retrofit towards our people and our places.

CLES has also recommended exploring the development of a local energy approach. This meets the challenges of encouraging coordinated activity and the emergent cost of living crisis and ongoing fuel poverty crisis, builds on and supports the excellent and pioneering work of SELCE and is potentially a source of income for the RBG to subsidise other initiatives in the Carbon Neutral Plan.

Evident in the Borough's Carbon Neutral Plan is the lack of finance for many other components of the strategy, in common with other Local Authorities often relatively small interventions such as around electric vehicle charging points and innovative use of green space. To answer this challenge, RBG has an opportunity to tap into community investment for small scale green activity and plug the financial gap in the RBG net zero strategy.

Like many places, some of Greenwich's residents will be emerging from the pandemic with increased savings. Some people are also likely to be viewing their neighbourhood and neighbours through a new lens, wanting to contribute to where they live and thinking about the future of their community. CMIs offer councils an opportunity for more affluent members of a place, or those who have left the area but still have strong links, to fund projects like solar panels, tree-planting, community growing or other low carbon projects in more deprived areas whilst earning a small return.

Recommendations

Assess feasibility of enabling pipeline retrofit contracts to be delivered locally
CLES believes there is a huge opportunity to collaborate across the Anchored in Greenwich Partnership on mapping out a retrofit pipeline and stimulating the local supplier base to enable the work to be carried out by local firms. Additionally, understanding the size of the retrofit challenge will be a crucial component of understanding anchors' pathways to net zero, and thus enabling anchors to confidently set a net zero target date. We believe this work should be carried out in two three stages;

- (a) In the first instance, RBG must lead by example. The estate teams should work to understand the scale and timeframe of retrofit contracts needed to achieve net zero. This pipeline should then be compared with an audit of the local supplier base's ability to deliver those contracts, with gaps identified. Timeframe: Short (under 12 months)
- (b) A cross-anchor strategy should then be developed to stimulate the local supplier base and 'close the gap', and aim to work with further education colleges, trade bodies and generative forms of business. The strategy should work to understand the barriers to tender from the existing supplier base and provide resource to upskill and train residents, prioritising those from disadvantaged or marginalised backgrounds. Timeframe: Medium (1-2 years)
- (c) This recommendation could, in turn, be replicated across the other key components of achieving net zero estates, including solar panel, heat pump and electric vehicle charging point fittings. The London Assembly's 'Retrofit Revolution' initiative could dovetail as a model for a progressive green jobs approach for Greenwich. Retrofitting insulation has been chosen in the

first instance as it will make the largest impact on carbon reduction of the anchors' estates.²¹ Timeframe: long (2 years+)

Explore the development of a local renewable energy approach

CLES proposes that RBG explores the development of a local renewable energy approach which:

- Is owned and controlled by users
- Delivers affordable energy for users
- Generates financial investment in improved domestic energy efficiency
- Accelerates transition away from fossil fuels

Unused municipal roof space has much underexplored solar panel potential. A municipally owned renewable energy scheme could more than provide for the Council's future energy demands, potentially with excess energy sold to other public anchor institutions across the Borough. South-East London Community Energy has secured some funding from the Greater London Authority for this, which could be used as a catalyst for the Council to engage with this work. Additionally, the Public Sector Decarbonisation Scheme should be explored as a potential additional funder for this work as the scheme has delivered many air source heat pumps and has aligned objectives. Income from this initiative could be ringfenced to fund home energy improvements or to subsidise the fuel poor. See North Ayrshire's work in this area [here](#).

Indeed, in time the approach could expand to include excess land and roof space from other anchors in the borough. Much like our recommendation around retrofit, RBG should lead by example in this area ahead of the Anchored in Greenwich Partnership becoming more established. See [Saving Lives with Solar](#), a similar initiative with University Hospitals of the North Midlands, Southern Staffordshire Community Energy (SSCE) and Beat the Cold fuel poverty charity.

Crucial to renewable energy initiatives successfully establishing themselves are citizen understanding and buy-in. To this end, RBG should ensure they run community engagement activities aimed at generating community insight and ideas about community energy generation potential in their area.

Consider alternative funding solutions such as Community Municipal Investments (CMI) to crowdfund low carbon and other priority projects.

At the core of the finance pillar of community wealth building is the idea that the benefits of financial returns should be shared as broadly as possible. Alternative forms of funding present ways to extend ownership to groups who have traditionally been excluded. These alternative finance mechanisms can also be used strategically by RBG to advance specific small projects that address fairness and climate change. Introducing a CMI or other crowdfunding solutions would provide an opportunity to tap into community investment for smaller scale

²¹ London Assembly (2021). Mayor declares a "retrofit revolution" to tackle climate emergency. [Link](#).

greening or other community projects in Greenwich that may otherwise be unfunded.

CMI typically look to raise around £1M and there are several successful examples in England including West Berkshire. See the West Berkshire case study on the following page for more details. Crowdfund Angus is a Scottish example of using a crowdfunding platform to support smaller scale projects that aim to reduce child poverty, improve mental health and wellbeing and increase accessibility and connectivity. These projects can vary widely in terms of size and scope but have the opportunity to tap into local financial resources and strengthen people's connection to place.

Consideration should be given to how people without the necessary capital to invest can also benefit from these programmes. See the below study on for one approach which emerged in Eeklo, Belgium.



West Berkshire: Community Municipal Investments

Community Municipal Investment (CMI) bonds are being used by a growing number of English local authorities as a way of giving individuals the chance to support and invest in local low-carbon projects.

Working in conjunction with [Abundance Investment](#), West Berkshire Council raised £1 million through a CMI in 2020. The CMI is a 5-year bond offering a fixed return of 1.2%. The council crowdfunded the £1 million from 600 investors, one fifth of whom were local residents. The minimum investment was set at £5.

The funds raised through the CMI will be spent on projects to help West Berkshire become carbon neutral by 2030 which is 20 years ahead of the UK government target date of 2050.

The first projects funded by the fund were:

- A carbon audit to better understand the scale of the net -zero challenge in the district. Results of this are expected soon.
- The installation of more Electrical Vehicle charging points throughout the district. (Over 100 have already been installed and 36 are being delivered on residential streets in Hungerford and Newbury.)
- Installing solar panels on council buildings.

The council hopes to issue more CMIs in the future following the success of this initial bond. At least five more local authorities were planning to issue CMIs before the end of

2021. A link to a local authority guide on assessing the suitability of crowd-funding developed by Dr Mark Davis of the Bauman Institute at the University of Leeds can be found [here](#).



Eeklo, Belgium: Social shares in community energy

In Belgium, cities in the Flanders region are stating a preference for citizen owned energy supply in their tenders. Eeklo's local authority required a 100% renewable energy target and a minimum of 30% citizen ownership for a new district heating network.

Eeklo has also broken down barriers to citizen ownership of a wind farm, providing 750 people with a pre-financed share of the citizen energy cooperative Ecopower based on the local authority's 25% ownership of one wind turbine. These shares are specifically for people in energy poverty (particularly if they are paying high prices for electricity). This gives them the advantages of being a full member of the cooperative, enabling them to use electricity at cost, lowering energy bills and enabling them to pay off debts related to energy.²²

Creating a fair and just local labour market

Context

As described in Section 3 low pay and precarity are major drivers of poverty and inequality in the Borough. Race inequality is key to understanding how this, with people of colour (and especially women of colour) more likely to be employed in precarious, low paid work²³. Much national and regional strategy focuses on the creation of more highly paid jobs as the primary solution to the issue of low pay. However, there is a very significant risk that without comprehensive skills development and job transition schemes local residents will not benefit from these job opportunities. This is particularly true of the growth of green jobs which tend to be higher level with most people moving into them from other skilled roles

²² REScoop (2020). Community Energy: A practical guide to reclaiming power. [Read](#).

²³ Runnymede Race Equality Scorecard, 2019

rather than coming into them from education²⁴. Moreover, all local economies require workers in the foundational sectors (which tend to be among the lowest paid) and it is therefore critical to include action to drive up employment standards in these sectors within local economic strategies.

In terms of employment support, the Council has been at the forefront of intermediate labour market programmes for several decades, establishing GLLaB which has become a nationally recognised exemplar model. Historically these interventions focused on supporting people who are out of work secure jobs rather than supporting those in poorly paid jobs to progress into better paid positions. Reflecting the emergence of in work poverty across the country in recent years there has been a change in national funding priorities to focus on duration of employment and progression within roles. Greenwich has performed well in this area but there still remains a gap in relation to advice and support to people who already have a job to move into a better paid one.

Recommendations

Health and care commissioners in the Council and NHS:

Undertake market development in health and care with intent to shift spending to locally rooted, ethical and social providers

Shape clear and stretching social value requirements for health and care suppliers to drive up employment conditions for all staff

As described in the green economic section above (through Anchored in Greenwich) work collaboratively to build routes into green jobs for people who are working in low paid roles in carbon dependent sectors

Public procurement as a tool for community wealth building

Context

It was clear from our research that recent work to transform the council's procurement function has **created strong foundations** for securing greater social value from spending. The move to category management and production of contract forward plans for each category provides excellent intelligence to support market shaping activity. However, it was clear that there are challenges to realizing the potential of these changes to secure greater social value. Paramount among these are ongoing budget pressures which mean that driving down **cost is often considered to be the primary goal of spending.**

Where social value is considered, we heard feedback that there are **competing demands** (including net zero ambitions, real living wage commitments and local job generation) **in relation to social value**, "it's almost impossible to prioritise!". While it was clear that officers were committed to securing social value from council

²⁴ Green jobs and skills in London, October 2021

spending, there was not a clear sense of what good looked like in this area. Within the scope of the areas we investigated, we didn't hear of any instances where **market development had been used to support the growth of locally generative suppliers.**

Recommendations

To help officers tailor the social value approach for diverse types of spending, we suggest you consider a differentiated approach for goods, works and services. The following example of this has been developed by Greater Manchester Social Value Network:



Greater Manchester Social Value Network

Differentiating between spend types

GMSVN has drawn on the experience of its members to establish the following principles for embedding social value into tenders across different categories:

Goods: specifications are concise, the product is clear and price is highly weighted. Social value scoring should be more about the 'added value' that can be brought by the best 'local, social and ethical' provider.

Works: with works contracts there is much to be gained from 'added (social) value'; local opportunities for employment, skills and work experience, local supply chains, and investment in local civil society, for example. Environmental measures often have high industry standards and can be part of the core specification.

Services: with services contracts, the position is more complicated. Many outcomes which could be 'social value' in goods or works contracts could also be the focus of the services and therefore be contained in the core specification. In some cases, so much that there is little left over to be 'added social value', and we have found several examples of confusion and double counting between the core specification scored under quality, and the additional social value score in a tender situation.

Consider investing in capacity of corporate procurement team to provide social value advice and support to commissioners and contract managers to develop tailored approaches.

To provide greater insight into the potential for procurement to generate local economic and social benefit we ran a workshop with officers from the capital

projects team to explore the potential for leveraging greater social value in this spend category.

Findings

Given scale of current and future housing growth and wider development (including transport investment) there is a **strong case for investing in capacity** within this area to secure maximum local benefit from public investment. The irregular nature of construction spending makes securing long term benefit for local people a particular challenge – spending is project specific and time limited, which militates against long term investment in people or place. It was clear to us that the capital projects team **are committed to securing local benefit** but are operating at limits of capacity to deepen their impact.

Recommendations:

- Create a [Common portal for jobs](#) with aim of smoothing the ‘lumpiness’ of construction spending and enable employment support organisations to connect to job opportunities being created. Explore the possibility of GLLaB playing a role in this.



Islington Working Employment Portal

A single portal for suppliers with job opportunities and employment support organisations with links to local people
Islington Working is a partnership of agencies, working together to help local residents to access good local jobs. All suppliers are required to register jobs on the site which can be accessed directly by Islington residents and by employment support organisations. [Islington Working Portal](#)

- Explore the creation of a Royal Borough of Greenwich **construction framework** with locally tailored social value criteria
- Explore **cash payments in lieu** of social value for smaller value / specialist contractors and voluntary contributions for higher value contracts. With a clear explanation of the benefits of this support for potential suppliers these funds could be ringfenced for use to support the creation of the infrastructure above.

- **Draw on the example above to identify a small number of target categories to focus targeted market shaping and social value activity.** These could relate to the target sectors described in section 3.

Appendix 1: Developing the 'Anchored in Greenwich' Partnership

As part of this commission, CLES was asked to scope the potential of and enthusiasm for a Greenwich based anchor network. Through this process we were asked to identify work that is underway through 'anchor' institutions in the Borough and develop a brand for this work and help shape the governance for an Anchored in Greenwich Partnership.

Why an anchor network in Greenwich?

In 2017, data from the OECD showed that the UK was the only developed economy where wages have fallen while the economy has grown. This dichotomy can be explained in part many local economies function: Large proportions of the wealth that flows into places through private and public investment flows out again as payments for shareholders while wages for local people stagnate and working conditions worsen.

These patterns are evident in the Greenwich economy. Workplace wages in the Borough are 20% below the London average. Despite Greenwich's growth, it is still the 78th most deprived local authority area (of 326) on the deprivation index. In fact, rapid growth in the sub-region risks existing businesses being squeezed out and residential areas without employment opportunities could become isolated.

This type of extractive economics fuels inequality. The problem is not just a lack of wealth but where the wealth goes, who owns it and who benefits from it. In the face of this challenge, the game-changing role of anchor institutions – large public and private organisations rooted in place - is gaining increasing recognition. As a result of their scale anchor institutions have the power to affect the way wealth flows in their local economies by changing the way they spend their money, recruit and train employees and manage their land and assets.

Since 2007 CLES has been working with anchor institutions across the UK and internationally to develop practical strategies to use their sizable assets to create economic and social value in their local communities.

Progress to date

Over the last four months, CLES and RBG have worked together to:

- **Host** two meetings with an engaged group of anchors who have all shown high levels of enthusiasm

- **Identify** priority areas emerging of procurement, recruitment and low carbon initiatives – aligned with RBG CWB strategy
- **Draft** a statement of governance and governance model of match funding, and there was strong agreement in principle from those in attendance

In the two workshops, we explored how anchors can work collectively to build community wealth in Greenwich. We brought in colleagues who have worked on other anchor networks nationally to show the scope of potential that comes from collective action, as well explore how the anchors in Greenwich can use their combined power to address the issues the Borough faces.

During the workshops, we had representation from the following anchors operating in Greenwich: London South East Education Group (LSEC), The University of Greenwich, Trinity Laban Conservatoire of Music and Dance, Old Royal Naval College, Royal Museums Greenwich, Visit Greenwich , Greenwich and Bexley Credit Union, Greenwich Hospital, Greenwich Leisure Limited, The O2 /AEG, Peabody Group, Greenwich Enterprise Board, SELCE : South East London Community Energy, GCDA : Greenwich Co-operative development Agency, Lewisham and Greenwich NHS Trust and METROGAVS.

Not only was this an incredibly impressive spread of industries and type of organisations, in general representatives came from the top of these organisations. The level of enthusiasm and seniority of attendees is by far the most impressive and promising CLES has seen within an initial anchor network meeting and bodes very well for the future of this network. Ahead of the anchor network meeting, we worked with colleagues across the anchor institutions to approximate the size of the spend and employment influence of the network. This resulted in us approximating that:

- The combined spending power of the network is around £1billion, and the size of the workforce is over 7000
- An increased local spend of 1.8% per year would:
 - add £18m to the local economy per year
 - mean up to 590 additional jobs could be supported per year
- Supplier re-spend: 32p in every £ spent with suppliers is re-spent in local economy, which would mean an additional £5.7m in the Greenwich economy
- By increasing local employment there is:
 - £3,500 financial benefit to unemployed individuals moving into work

- £23,100 benefit to state from unemployed person moving into employment

Statement of intent and Governance Model

As mentioned previously, during the second meeting of the anchors CLES proposed a collective statement of intent and hypothetical governance model. These were developed following the initial meeting with the anchors in which we explored thematic priorities. Overall, there was strong agreement in principle with both, and they can be found below.

A statement of intent for the network

The Anchor Network has been established to support participating organisations to maximise the benefit they bring to the Greenwich economy both individually and collectively. These Anchor Institutions are major economic agents. By collaborating on work in key areas of procurement, employment and management of land and assets, they have the potential to play a powerful role in shaping the local economy.

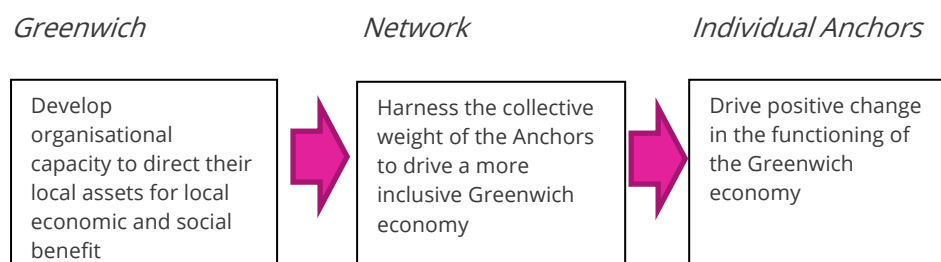
ACTIVITIES

The Anchor Network will:

- Provide advice, technical support and training to Anchor Institutions to build their capacity to harness their spending power, role as employers and asset owners to stimulate equitable local economic development
- Bring Anchor Institutions together to collaborate on shared priorities, amplifying the impact of their individual Anchor Institution activity
- Extend take-up of Community Wealth Building approaches among Anchor Institutions in Greenwich through advocacy activities
- Pioneer new forms of Community Wealth Building in the UK, working alongside CLES in areas such as land and asset management, employment and community finance

OBJECTIVES

The Anchor Network will seek to deliver change at three levels:



OUTCOMES

Over the next two years the Network will focus on the following outcomes:

- Grow dense local and socially virtuous supply chains which will achieve wider social and local economic value
- Increase the proportion of Anchor employees from the most deprived areas of the borough
- Develop approaches to the management of Anchor land and assets that maximise economic and social benefit to Greenwich

Governance proposal

A proposal for governance and delivery arrangements for anchor institution collaboration in Greenwich.

Anchor leadership group

This group would be made up of senior representatives from participating Anchor Institutions and act as a sponsor of the Network's activities.

Network Coordination Group

Made up of representatives from each of the participating Anchor Institutions who would act as champions for community wealth building in their own organisations. They would meet regularly to coordinate activity between different workstreams and engage across Borough.

Network Working Groups

These thematic groups would be made up of officers from relevant services/teams, for example procurement, business engagement, human resources and estate management.

Anchor Institution Leaders

Network Coordination Group

Network Working Groups

Proposals for next steps:

- **Recruitment of anchor network coordinator** with link to CLES. We are working on a proposal to cover how CLES could help with the recruitment and onboarding of, and ongoing support for a Greenwich Anchor Network Coordinator to chair the network. It was agreed that this post will not be a direct recruit to CLES, but CLES will propose an ongoing support package to this post. This package will link the Coordinator to other anchor network coordinators across the country and enable the coordinator to have access to the latest CLES research into and advocacy for anchor networks.
- **A spend analysis training package.** This proposal has been sent through in full separately to RBG, but in summary focuses on a programme of support delivered by CLES to develop a more progressive approach to

commissioning and procurement across the anchor institutions. To develop denser local supply chains and support local enterprises (SMEs, employee-owned businesses, social enterprises, cooperatives) and other forms of community owned enterprise, it needs to be understood how existing supply chains operate so that we can put in place interventions, shift purchasing behaviours and influence institutional approaches to commissioning and procurement so that it produces greater community wealth. Please note, this proposal is a comprehensive spend analysis training package, CLES can also offer a more piecemeal approach.

- **Dovetail launch of network with CWB strategy.** As we currently understand it, the Council is considering a launch of the strategy, once members have fully considered it. As there is such synergy between the strategy and the anchor network, both in terms of high level objectives and specific policy priorities, CLES recommends RBG works to dovetail the launch of both, and the potential for a joint launch should be explored.



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