Communities in Charge

Give people the power to prosper after Brexit
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Summary

The Communities in Charge campaign

We are a coalition of local people, community groups, businesses and national organisations calling for communities to be put directly in charge of the government’s post-Brexit fund for economic regeneration.

The government has promised to create a Shared Prosperity Fund (SPF) after Brexit, to replace EU funds for economic development. We know how badly this money is needed in places which often feel forgotten. But there’s a real danger that the funds will follow spending patterns which benefit already prosperous areas, and be managed by unaccountable business networks which aren’t always responsive to communities’ needs.

So we’ve come together to ensure that communities themselves are given control of the fund. They know best what their places need, so let’s put them in charge. The Shared Prosperity Fund must be designed to tackle inequality and to support grassroots activity which benefit areas which have often been overlooked.

To do this, we’re calling for:

- Resources to be targeted at the people and places which need it most
- Local people to scrutinise all spending decisions through a dramatic increase in accountability, including citizen panels
- At least a quarter of the fund to go directly to local people to invest in their own priorities for the economy

Regions at Risk

The government has said that the SPF will be designed to reduce inequalities between communities. But no detail about the fund has been published and a long-promised consultation has faced ongoing delays. This lack of clarity is causing real concern that the fund could end up replicating default spending patterns which favour more prosperous places.

Given the lack of detail, we are highlighting the real risk that new funding will continue to make the same assumptions as government spending in recent years. We want to make sure that this risk is understood, and to make sure that the new Shared Prosperity Fund genuinely takes a different approach.

To understand the extent of the risk, this report assesses government’s track record on allocating spending for economic development across regions, and compares it to the recent track record of EU structural funding allocation in the UK.
Our analysis finds:

- Seven UK nations/regions are at risk of losing out on public funding if government continues on its default setting for economic development spending
- Wales could miss out on over £2.3bn over six years, and the South West risks losing over £1bn
- London and the South East are the biggest potential winners if default spending patterns are followed, in line for an extra £1.9bn and £1.2bn in public expenditure respectively between 2021 and 2027

We need to make sure the Shared Prosperity Fund doesn’t follow the government’s default pattern and is used to address the economic inequalities that drove the Brexit vote in the first place.

That’s why we’re calling for the SPF to be made available to the places that need it most. But we also know from all our experience on the ground that communities themselves are the best judges of how to develop their local economies and reduce inequalities. That’s why we’re calling for communities to be put in charge of the Shared Prosperity Fund.

Our proposed Shared Prosperity Fund structure

To put Communities in Charge, our campaign proposes the following structure for the SPF:

**75% - Core Strategic Funds for regional bodies**

- Devolved to Combined Authorities, or transformed LEPs where they don’t exist
- Address key priorities already set out for Shared Prosperity Fund: reducing inequalities between communities; sustainable inclusive growth linked to Industrial Strategy; targeted where needed most; boosting productivity in “left behind” areas
- Targeted towards area-based disadvantage, not high growth areas
- Funding comes with clear requirements that regional bodies focus on “left behind” challenge and make dramatic new commitment to accountability, with the centrepiece being citizens’ panels

**23% - Community-led Partnerships**

- Partnerships between community organisations, local businesses, residents and local authorities
- Creating neighbourhood-level “foundations for productivity” through: community economic development, supporting community businesses,
building community capacity, employment and skills training, community asset ownership, co-op development, enterprise support
• Targeted at the most deprived neighbourhoods
• Must be community controlled – not just giving funds to local authorities.
• Building on current Community-Led Local Development/LEADER models

2% - Community Innovation Fund
• Separate central pot for local communities to bid into
• Support smaller, sub £100k projects that are innovating at the grassroots level
• Should be easy to access, low monitoring, and at risk: supporting the great ideas that can transform communities but struggle for support
• Administered by existing arms-length funder

The Communities in Charge campaign is made up of a coalition of core organisations and community leaders. These are Co-operatives UK, Locality and the Plunkett Foundation.

Several community leaders have joined the campaign steering group, including Annoushka Deighton of Stretford Public Hall and David Baxter of Abram Ward Community Co-Operative in Wigan.
Introduction

We are a coalition of local people, community groups, businesses and national organisations calling for communities to be put directly in charge of the government’s post-Brexit fund for economic regeneration. This campaign is jointly led by a coalition of core partners: Co-operatives UK, Locality and the Plunkett Foundation.

People voted to leave the European Union for all sorts of reasons. But few would deny that a big part of the vote was the growing sense of powerlessness and decline in parts of the country which feel as if they have been forgotten.

As organisations rooted in our communities, we encounter that feeling every day. We know that simply leaving the EU won’t magically turn things around. Whatever the benefits or drawbacks of Brexit, we know that the story doesn’t stop with the international negotiations and deals. But we also know, from long experience, how much can be achieved by local people if they are given the chance to take ownership over their future.

That’s the power of community. People want real control. They don’t want to be told what to do or ignored. They want the resources to invest in building stronger, happier, more prosperous and more resilient communities. And they want to make those decisions themselves.

The government has said it will replace EU funding for economic development with a “Shared Prosperity Fund”. At stake is around £2.5bn a year – money which groups of local people all over the country desperately need to meet their aspirations for better lives, better opportunities and better places to live.

But there’s a real danger that this opportunity for renewal could be missed. This is a once in a generation chance to empower people all over the country so they can take control over their future and make the economy work for them. But powerful interests will try to ensure that the money all goes to unaccountable business networks which don’t understand the challenges people face and find it too easy to ignore their aspirations.

If that happens, we will have missed a rare chance at renewal. Instead of empowering people, the fund will bypass people altogether. We’ll get more of what we don’t need, and less of what we do. And it gets worse. Much-needed local community organisations which currently receive EU funds – youth clubs, community farms or hubs for small businesses – could go to the wall. Young people all over the country would see their horizons shrinking, their chances...
receding. And the divisions in our country – between old and young, Leavers and Remainers, cities and countryside – will just get wider.

We’re here to make sure that doesn’t happen. We want to make the most of this chance to heal the country’s wounds. We are a coalition of local people, local businesses, community groups and national organisations who all share a commitment to empowering people so they can transform the economy where they live. And we’re demanding that the government puts communities in charge of the Shared Prosperity Fund.

We know that if communities are in charge, amazing things can happen. We’ll see more inspiring examples of people improving their local areas. In Stretford, we’ve seen a group of passionate residents take ownership of the local Public Hall and turn it into a hub for community activity. In Wigan, we’ve seen a small co-operative organisation transform the life chances of an entire community.

On a housing estate in Brighton over 700 shareholders banded together to save their local pub and create a multi-functioning business with community need at its heart. In Hudswell, a village in Yorkshire, a small community group have transformed the local economy through running a community-led housing scheme, a shop and an award-winning pub.

If the Shared Prosperity Fund is put in the hands of communities, this kind of story would become the norm rather than the exception.

To make that happen, our campaign is calling for:

- Resources to be targeted at the people and places which need it most
- Local people to scrutinise all spending decisions through a dramatic increase in accountability, including citizen panels
- At least a quarter of the fund to go directly to local people to invest in their own priorities for the economy

This report sets out:

- The story of the Shared Prosperity Fund so far
- The “regions at risk” if we don’t take this opportunity to do things differently
- An outline of our proposed structure for the Shared Prosperity Fund
- The key policy detail of our proposal
- The evidence that sits behind our case for putting Communities in Charge
Shared Prosperity Fund

The Story So Far

In June 2017, the Conservatives committed to replace EU structural funds with a UK Shared Prosperity Fund (SPF). Their snap general election manifesto said the SPF will be: “specifically designed to reduce inequalities between communities across our four nations” and to “help deliver sustainable, inclusive growth based on our modern industrial strategy”. It will “be cheap to administer, low in bureaucracy and targeted where it is needed most”.

But that was a far as it went in terms of detail. So in May 2018, Locality published “Future Places: How replacing EU funding can unlock the power of community”.2 This set out strategic priorities for a SPF, with a particular focus on how it can support community economic development in more deprived places: the so-called “left behind” areas that the EU referendum had shone a dramatic spotlight on.

Since then, progress on the SPF has stalled and updates have been few and far between. The government’s long promised consultation has yet to materialise, with multiple deadlines missed. In July 2018, the communities secretary, James Brokenshire, gave an update to parliament to “set out our progress on designing the UK Shared Prosperity Fund”.

This essentially reiterated what was in the manifesto but added in a focus on productivity: “The UKSPF will tackle inequalities between communities by raising productivity, especially in those parts of our country whose economies are furthest behind.”

Alongside this, the government published its LEP review.4 LEPs have been key bodies in distributing the last tranche of EU structural funds. They are now central to the government’s industrial strategy and appear set to take a lead role in the SPF.

As such, the government recognises reform is needed to make them fit to play a more significant role in public spending. The review did clarify government

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expectations around how LEPs are organised and held accountable. However, it failed to meet the bar that was set in Locality’s SPF paper to widen “the experience of LEP boards to include representatives from the local social economy”. What’s more, as the Centre for Cities point out, the review failed to answer the fundamental question about whether LEPs are the right body to set spending priorities for public funds.
Regions at risk

The case for doing things differently this time

It is vital that the government’s replacement of EU funds (the Shared Prosperity Fund) is made available to the people and places which need it most. But our analysis of existing UK government economic development funding shows that it tends to flow to more prosperous places such as London and the South East. That causes alarm bells to ring.

We need to make sure the Shared Prosperity Fund doesn’t follow what has been the default pattern of UK governments, and is instead used to address the economic inequalities that drove the Brexit vote in the first place.

As the government has published almost no detail about the Shared Prosperity Fund, there is real concern that the fund could end up replicating default spending patterns which favour more prosperous places. Left to its own devices and without EU allocation criteria, there is a risk that Whitehall will continue to make the mistakes of the past – this time without the corrective of EU funding.

We have therefore assessed the UK government’s track record on allocating spending for economic development across regions, and compared it to the recent track record of EU structural funding allocation in the UK. This gives us a broad measure of the scale of risk each region faces if the government were to allocate its post-Brexit Shared Prosperity Fund along similar lines to its current economic development spending.

Our analysis (see below) finds:

- Seven UK nations/regions are at risk of losing out on public funding if government continues on its default setting for economic development spending
- Wales could miss out on over £2.3bn over six years, and the South West risks losing over £1bn
- London and the South East are the biggest potential winners if default spending patterns are followed, in line for an extra £1.9bn and £1.2bn in public expenditure respectively between 2021 and 2027

If the government goes down this path they will end up widening inequalities between people and places, not reducing them. That’s why we’re calling for the SPF to be made available to the places that need it most.

But we also know from all our experience on the ground that communities themselves are the best judges of how to develop their local economies and reduce inequalities. That’s why we’re calling for communities to be put in charge of the Shared Prosperity Fund.
Our analysis

Analysis of the distribution of EU structural funding across UK regions by the Sheffield Political Economy Research Institute (SPERI)\(^5\) shows that EU funding is weighted heavily towards less developed regions in the UK such as Wales, Northern Ireland, the North East and the South West (see Figure 1). This is not surprising, as one of the main purposes of EU structural funding is to support less developed areas\(^6\).

![EU STRUCTURAL FUNDS BY REGION (€m per capita)](chart.png)

In the limited public statements made in relation to the government’s replacement for EU funding, reference has been made to reducing inequalities between communities and supporting inclusive growth. So it is reasonable to hope that the Shared Prosperity Fund will be allocated according to a specific method for identifying those people and places which most need support for economic development.

However, the long delay in publishing the much-promised consultation on the SPF is creating high levels of uncertainty about the true nature of the fund. And there is a tendency for powerful voices within Westminster and Whitehall to view economic development through an ultra-orthodox lens – whereby the best way to support struggling people and places is thought to be continued investment in


the highest-growth, highest-productivity areas under the assumption that increases in wealth will “trickle out” or be redistributed.

Indeed, this is the worldview that has already won the day in the formulation of the government’s flagship Industrial Strategy. Here the government’s most significant attempt to reform the economy so that it “works for everyone” is overwhelmingly focused on big ticket infrastructure projects in big cities; major R+D investments in things like AI, big data and biotech; and agreeing “deals” with a few high-yield sectors.

These are all worthwhile in and of themselves – but will do little to spread prosperity into places that have traditionally missed out on the proceeds of growth. Indeed, SEUK’s response to the strategy noted: “that the Industrial Strategy does not even include the word ‘inequality’ speaks volumes about the priorities of this administration.”

One of the few bits of concrete information we do have about the SPF is that the Conservative Manifesto said it will be “based on our modern industrial strategy”. So there is an obvious risk that “business as usual” will assert predominance over post-Brexit policy choices, given the sizeable shift away from the traditional “Treasury-view” the SPF represents and the lack of detailed commitments for how this will be achieved in practice.

For these reasons, it is worth examining existing UK spending on economic development to assess the scale of the financial risk to UK regions if the SPF is allocated along similar lines.

To do this we use the Treasury’s own public expenditure statistical analyses, focusing on the “economic affairs” categories. These are enterprise and economic development; science and technology; employment policies; agriculture, fisheries and forestry; and transport. These categories broadly map on to the priorities of the EU’s structural funding, which include funds for employment support, regional development (with a focus on R&D and transport), agriculture, maritime and fisheries.

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Looking at spending on economic affairs between 2012 and 2017 per head, we can see a very different regional distribution compared to EU structural funds. London (along with Scotland) is one of the top recipients of economic affairs expenditure per head, while the Midlands and the South West lose out relatively speaking.

To illustrate the risk to specific regions posed by this disparity between UK economic affairs expenditure and EU structural funding, we express both in percentage terms per region (this time looking at total expenditure as well as per head, so that we can get a measure of the total cash risk to each region). The next round of EU structural funding is from 2021 to 2027.

There is currently no clarity from government on the size of the Shared Prosperity Fund, but anything smaller than the amount received via EU structural funds will be strongly opposed by the many interested parties including local and regional government and civil society organisations. So let us assume that funding is maintained at the current level (£2.4bn a year including match funding, making a six-year total of £14.4bn).

We can now assess the total cash risk for each region, i.e. the difference between the amount each region would receive under recent EU regional allocation trends and the amount they would receive under recent UK economic affairs public expenditure regional allocation trends. We have also expressed this risk per person.
### Shared Prosperity Fund allocations 2021-2027, under two illustrative scenarios

<table>
<thead>
<tr>
<th>Region</th>
<th>% EU allocation 2014-2020 10</th>
<th>% UK allocation 2012-2017 11</th>
<th>Total spend by EU allocation trend (£m) 12</th>
<th>Total spend by UK allocation trend (£m) 13</th>
<th>Difference between EU and UK (£) 14</th>
<th>Difference per head (£) 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wales</td>
<td>21.9</td>
<td>5.8</td>
<td>3152.2m</td>
<td>829.9m</td>
<td>-2322.4m</td>
<td>-743.11</td>
</tr>
<tr>
<td>South West</td>
<td>13.6</td>
<td>6.4</td>
<td>1953.0m</td>
<td>922.9m</td>
<td>-1030.1m</td>
<td>-185.29</td>
</tr>
<tr>
<td>North East</td>
<td>6.7</td>
<td>3.4</td>
<td>965.4m</td>
<td>486.3m</td>
<td>-479.1m</td>
<td>-181.16</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>5.6</td>
<td>4.0</td>
<td>800.8m</td>
<td>571.0m</td>
<td>-229.8m</td>
<td>-122.85</td>
</tr>
<tr>
<td>West Midlands</td>
<td>8.2</td>
<td>6.7</td>
<td>1187.5m</td>
<td>962.5m</td>
<td>-225.0m</td>
<td>-38.39</td>
</tr>
<tr>
<td>North West</td>
<td>10.3</td>
<td>9.1</td>
<td>1478.8m</td>
<td>1312.7m</td>
<td>-166.1m</td>
<td>-22.88</td>
</tr>
<tr>
<td>East Midlands</td>
<td>5.4</td>
<td>5.2</td>
<td>781.2m</td>
<td>750.7m</td>
<td>-30.5m</td>
<td>-4.95</td>
</tr>
<tr>
<td>Yorkshire and Humber</td>
<td>7.2</td>
<td>7.3</td>
<td>1037.2m</td>
<td>1058.2m</td>
<td>20.9m</td>
<td>3.84</td>
</tr>
<tr>
<td>East of England</td>
<td>3.5</td>
<td>7.6</td>
<td>505.6m</td>
<td>1089.2m</td>
<td>583.6m</td>
<td>122.31</td>
</tr>
<tr>
<td>Scotland</td>
<td>8.1</td>
<td>13.6</td>
<td>1169.2m</td>
<td>1963.7m</td>
<td>794.5m</td>
<td>146.46</td>
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<tr>
<td>South East</td>
<td>2.6</td>
<td>10.8</td>
<td>373.6m</td>
<td>1557.3m</td>
<td>1183.7m</td>
<td>130.35</td>
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<tr>
<td>London</td>
<td>6.9</td>
<td>20.1</td>
<td>995.4m</td>
<td>2895.7m</td>
<td>1900.2m</td>
<td>215.32</td>
</tr>
</tbody>
</table>

**Sources:** Locality analysis using SPERI, HMT PESA 2018 and CPMR data (links in footnotes)

The results are stark. Wales, which only receives 5.8% of the UK’s economic affairs expenditure but 21.9% of the UK’s EU structural funds, could risk missing out on over £2.3bn of public investment over six years (or £743 per person). The South West is the next most at-risk region. If the government continues along its default direction of travel on economic affairs spending and allocates the South...


12 This assumes that the total size of funding will equal the current size of European structural funding to the UK, including match funding – ie. £2.4bn a year or £14.4bn for the whole six-year period. See e.g. Joseph Rowntree Foundation’s Designing a Shared Prosperity Fund available at [https://www.jrf.org.uk/report/designing-shared-prosperity-fund](https://www.jrf.org.uk/report/designing-shared-prosperity-fund)

13 Ibid.

14 Calculated using ONS 2016 population estimates – local authority based five year age band (via NOMIS, available at: [https://www.nomisweb.co.uk/reports/imp/gor/2013265926/report.aspx#tabrespop](https://www.nomisweb.co.uk/reports/imp/gor/2013265926/report.aspx#tabrespop))
West only a 6.4% share of the projected £14.4bn SPF funds, the region would be over £1bn worse off than under the EU structural funding allocation (or £185 per person).

At the other end of the scale, if London received the 20.1% share it gets from current UK economic affairs expenditure it would reap an extra £1.9bn (or £215 per person) and nearly £2.9bn in total, while the South East would get a bump of nearly £1.2bn (or £130 per person).

The region with the least total spend would by the North East (at £486m compared to the £965m it could expect from an EU-style allocation). And in all, seven UK nations and regions would be worse off under UK-style allocations as opposed to their likely receipts under EU-style allocations.

**Conclusion**

We cannot let Brexit mean poorer regions getting even poorer. We know UK government economic development funding tends to benefit the prosperous south rather than “left behind” towns in the north of England or the rural south west. EU funding has been stopping these places falling even further behind.

That’s why the Shared Prosperity Fund must be targeted on inequalities. Despite government promises that this will be the focus, we know very little about what this fund will do. And on previous form, there is a real risk that the SPF takes the path of least resistance and ends up widening inequalities between people and places rather than reducing them.

We know from our own experience that communities know best how to develop their own economy. This is the only sure-fire way of reducing inequalities between people and places. The rest of this paper sets out our own vision for the Shared Prosperity Fund. This is a historic opportunity to put communities in charge.
What we want

Our SPF policy proposal in summary

We are proposing the following structure for the UK Shared Prosperity Fund. This is the practical way government can mitigate against the risks we have outlined and deliver on our three core campaign calls:

- Resources to be targeted at the people and places which need it most
- Local people to scrutinise all spending decisions through a dramatic increase in accountability, including citizen panels
- At least a quarter of the fund to go directly to local people to invest in their own priorities for the economy

Our proposal is based on the assumption that the fund is no less than what communities currently receive in structural funding (approximately £2.4 billion a year: £1.2 billion from the EU, matched by public and private sources).

75% – Core Strategic Funds for regional bodies

- Devolved to Combined Authorities
- If devolution is not to be extended to cover the whole of England, transformed LEPs should fulfil this sub-regional role where Combined Authorities don’t exist
- Address key priorities already set out for Shared Prosperity Fund: reducing inequalities between communities; sustainable inclusive growth linked to Industrial Strategy; targeted where needed most; boosting productivity in “left behind” areas
- Targeted towards area-based disadvantage, not high growth areas
- Funding comes with clear requirements that regional bodies focus on “left behind” challenge and make dramatic new commitment to accountability, with the centrepiece being citizens’ panels
23% - Community-led Partnerships

- Partnerships between community organisations, local businesses, residents and local authorities
- Creating neighbourhood-level “foundations for productivity” through: community economic development, supporting community businesses, building community capacity, employment and skills training, community asset ownership, co-op development, enterprise support
- Targeted at the most deprived neighbourhoods
- Must be community controlled – not just giving funds to local authorities.
- Building on current Community-Led Local Development/LEADER models

2% - Community Innovation Fund

- Separate central pot for local communities to bid into
- Support smaller, sub 100k projects that are innovating at the grassroots level
- Should be easy to access, low monitoring, and at risk: supporting the great ideas that can transform communities but struggle for support
- Administered by existing arms-length funder

A forthcoming report from the Community Wealth Fund Alliance sets out a complementary case for the SPF, building on the recommendations set out in Locality’s Future Places report. It brings together a shared understanding of the sort of investment communities need, based on the combined experience of the Alliance members and an evaluation of the evidence of what works.

For more information on the Community Wealth Fund Alliance visit: localtrust.org.uk/library/research-and-evaluation/community-wealth-fund
Policy detail

What “a dramatic new commitment to accountability” looks like in practice

We think the LEP review did not go far enough in making LEPs fit for purpose as the primary distribution mechanism for the SPF. It made a few small tweaks to increase transparency and accountability, clarified LEPs’ mission in line with the Industrial Strategy, and says more needs to be done to diversify boards and increase representation from the VCS and others. But it does nothing to mandate change: interventions are about dialogue, advertising opportunities and training.

We don’t think this is good enough to justify what would amount to a huge change in the purpose of LEPs, where they take on a really significant role in public spending decisions. That’s why we believe democratically accountable Combined Authorities should lead distribution of the core strategic element of the SPF (75%) we are proposing, to realise the benefits of coordination at a sub-regional economic geography.

However, England’s devolved arrangements remain patchy to say the least. What’s more, there is little sign of a consistent, comprehensive approach to devolution that covers the whole country emerging from government in the short term.

So the signs are from Whitehall that LEPs will be tasked with filling the sub-regional void. If this is to be the case, then a dramatic new commitment to accountability is needed, and a recasting of LEPs’ role. Rather than being seen as business-led bodies, we think they need to be constituted as their name suggests: true partnerships, which bring together all participants in the local economy for the benefit of a place.

To do this:

- LEP boards must reflect a genuine partnership between local businesses, local authorities and local communities. At least 50 per cent of LEP boards should be made up of non-business stakeholders: local government, voluntary sector, trade unions, community businesses, citizens. [Leeds City Region](#) is an example of good practice here.
- Each LEP should have a parallel citizens’ panel, to help shape and agree local industrial strategies and SPF priorities. and give the community a major role in setting direction of local economy. This could draw on the RSA’s [Citizens’ Economic Councils](#) model, to put local people at the heart of local economic decision making.

Citizens’ panels should also be used in areas with Combined Authorities, to increase their connection to neighbourhoods and communities. The Commission
on the Future of Localism concluded that “devolution as it currently stands does not secure a fundamental shift in power to people” and that without the introduction of “more dynamic accountability structures … devolution risks widening the gulf between citizens and politicians”.15

We know that one of the key reasons people voted to leave the EU was because people feel shut out of economic decision making, that the economy wasn’t working for them. Citizens’ panels bring people into the process, give real control over the local economy, and are a key route to bringing communities together after a divisive Brexit process.

**How the money should be targeted**

The analysis from SPERI outlined above shows that poorer regions tend to receive more in EU structural funds while richer regions tend to receive less. So first and foremost, we need to maintain a redistributive formula, rather than shift to one that chases quick productivity wins by targeting high growth areas.

However, the JRF argue this current approach, which focuses on GVA, is flawed, as “a growing economy alone is not sufficient to improve the living standards of the least well off”.16

So the overall distribution of core strategic funds to regional bodies (75%) needs to find the most effective allocation formula to prioritise “left behind” areas. This should have a heavy focus on deprivation, using a basket of indicators that are sub local authority level, and ensuring areas with highest concentration get more. SPF strategies must be clear how this weighting is reflected and this can be monitored by citizens’ panels as well as community representatives on LEP boards.

There is a range of measures and approaches currently being developed that seek to most effectively target area-based disadvantage, which the SPF allocation criteria should seek to engage with and build on.17 These broadly seek to update, build on and improve the Indices of Multiple Deprivation, which the government stopped producing in 2010.18

The targeting for Community-led Partnerships (23%) could build on the current Community-led Local Development (CLLD) criteria. For current ESF/ERDF CLLD programmes these are to prioritise local super output areas in the most deprived 20% by reference to the Index of Multiple Deprivation. For rural areas, the

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17 See for example Local Trust and OSCL, JRF, Power to Change

LEADER programme is organised via 79 Local Action Groups (LAGs), bringing together public, private and civil-society stakeholders in a particular area.

How Community-Led Partnerships should work

To put Communities in Charge, we are proposing that a significant proportion of the SPF is ringfenced for community-led partnerships between local businesses, community organisations, residents and local authorities. This approach will enable the SPF combine the benefits of sub-regional economic geography, with more localised place-based approaches that harness the power of community and enable the full range of local assets to be brought into play.

Again Community-led Local Development provides a useful model here. Part of current ESIF funding, these take a “bottom-up” approach to economic development by seeking to create genuine partnerships between council and community. For example, Leeds has three Community-Led Local Development (CLLD) programmes to support sustainable economic development in selected areas of East, South and West Leeds. These areas face significant challenges around social exclusion, a lack of job opportunities and high levels of unemployment.

We’d also envisage these partnerships building on the experience of MHCLG’s Community Economic Development programme. This found that community economic development needs to start with a shared vision for the local economy, built on a strong sense of place. The programme evidenced the need for a patient and phased approach, focused first on forming partnerships, developing their capacity and helping them develop their economic plans, before more serious money and time is invested in implementing those plans. The vast majority of groups were focused at a very local, neighbourhood level: a lower super output area, a single ward or parish, or multiple wards or parishes.

This sense of scale is in line with evidence from an evaluation of the Neighbourhood Management Pathfinder Programme in 2006. This concluded that neighbourhood-based approaches work best when they are “focused on a small area of 5,000–15,000 people. Meaningful community engagement becomes harder to deliver in areas of 15-20,000 upwards”.

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19 European Commission 92016) CLLD - A Useful Approach for ESF. Available at: https://ec.europa.eu/esf/transnationality/content/clld-useful-approach-esf
How it can support the “foundations of productivity”

The Industrial Strategy sets out five “foundations of productivity”. We believe the key objective of the Shared Prosperity Fund should be to strengthen these foundations at the neighbourhood level. As such, the three strands to our proposed SPF structure – strategic funds, Community-Led Partnerships, and Community Innovation Fund – should each be clear how they contribute against these five foundations.

The table overleaf illustrates how they might do this. But we note of course that every person, place and community have their own unique challenges, opportunities and aspirations, so these examples are for illustrative purposes only, not for detailed programme design.
<table>
<thead>
<tr>
<th>Industrial Strategy Foundations</th>
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<tr>
<td>Ideas</td>
<td>R+D and innovation, decarbonisation</td>
<td>Partnerships to support grassroots innovation, create networks of enterprises, incubate local business, bring in different voices</td>
<td>Supporting innovative grassroots projects and bright ideas</td>
</tr>
<tr>
<td>People</td>
<td>Employment and skills training for disadvantaged groups, enterprise development</td>
<td>Partnerships to create intermediate labour market programmes, engage with “hard to reach”, co-produced skills and labour market support, community building/supporting participation</td>
<td>Community projects to support individuals and targeted groups to build capability, relationships and skills</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Strategic regional transport, decarbonisation, renewable energy, developing business sites, improving transport links, improving digital infrastructure, enhancing green infrastructure</td>
<td>Supporting councils and communities to develop community ownership strategies; investing in social infrastructure; investing in community-led transport solutions; development of business sites informed by Partnership’s economic plans; community-led housing initiatives; local business-to-business co-operation to co-invest in productivity enhancing inputs/infrastructure</td>
<td>Community projects to save an important local building, kickstart community capacity, enhance green space, provide an innovative community transport solution</td>
</tr>
<tr>
<td>Business environment</td>
<td>Providing incentives, subsidies and grants for small businesses and social enterprises.</td>
<td>Community economic development, creating small scale incubators, providing community business support. 'Home-growing' locally owned businesses, including co-ops and community businesses, and supporting local traders/entrepreneurs</td>
<td>Early stage development for social enterprises, coops, community businesses, small businesses; projects targeted on marginalised groups</td>
</tr>
<tr>
<td>Place</td>
<td>Developing local industrial strategies, creating strategic links with local authorities, housing, environment</td>
<td>Neighbourhood-level working, focus on stimulating economic activity in areas of deprivation through community economic development, community business</td>
<td>Bringing communities together to form CED partnerships, helping start community businesses, coops, projects to build community capacity, ‘meanwhile’ projects to reinvigorate spaces</td>
</tr>
</tbody>
</table>

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Other recommendations

Alongside the key recommendations we have set out in this briefing, there are a number of other considerations that are critical to the long-term success of the Shared Prosperity Fund. Many of these were addressed in a previous paper produced by Locality in May 2018: Future Places: How replacing EU funds can unlock the power of community.

Here we summarise the key points not addressed elsewhere in this briefing:

It must be long-term.

The current ESIF programme is seven years. This is a longer time period than most government funding programmes and is hugely valuable as it allows a more strategic approach to be taken. Crucially, it is longer than the UK’s political cycle, and also the Treasury’s spending review cycle. This means it is less at risk of political interference and the short-termism that so often afflicts government programmes.

The LGA explain the benefits to local areas of taking a long-term approach: “The seven year structural funding rounds allow local authorities to plan for the medium-term beyond the annual local government funding settlement, four year comprehensive spending reviews and five year general election cycles. This allows local and regional policymakers to work with the private and third sectors to plan economic projects with a greater degree of certainty about funding compared to projects that are more reliant on domestic sources of public investment.”\(^{22}\)

We therefore recommend that the successor fund takes a long-term view and retains at least a seven-year time horizon.

It must match current levels and be ring-fenced.

There is ongoing uncertainty about what the total value of a successor fund will be. NCVO and ERSA have called for it to be “no less” than current funding, as have the LGA and the APPG on Post-Brexit Funding for Nations, Regions and Local Areas. But while government has guaranteed that the existing funding will be protected until 2020, no one can be certain what will happen after that point.

We believe that the government must commit to matching or increasing the current levels of ESIF resources. However, even if government were to do this, safeguards will be needed to ensure this continues to be the case in the long run.

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\(^{22}\) LGA (2017) Beyond Brexit: Future of funding currently sourced from the EU. Available at: [https://www.local.gov.uk/sites/default/files/documents/2017-07_Beyond%20 Brexit%20-%20LGA%20Discussion%20%28FINAL%29_0.pdf](https://www.local.gov.uk/sites/default/files/documents/2017-07_Beyond%20Brexit%20-%20LGA%20Discussion%20%28FINAL%29_0.pdf)
term. A pot of around £8bn is likely to prove very tempting for future chancellors to dip into, in support of whatever the political priorities might be of the government of the day. That is why a clear strategic focus – on inequality and community economic development – is so important, to protect the fund from mission creep; and that a seven-year time horizon is maintained to take it out of the political cycle. However, to formally ensure it is protected and prevented from becoming a future political slush fund, it must be clearly ring-fenced.

**It must be devolved.**

We have made clear in this briefing, and in Locality’s previous paper, that we believe the Shared Prosperity Fund should be devolved to the most local level possible.

In England our campaign recommends a blended approach, as set out in this report, with strategic funds controlled by regional bodies, alongside a significant proportion going direct to local communities working in partnership with local authorities.

For Scotland, Wales and Northern Ireland, we support the recommendation of the APPG on Post-Brexit Funding for Nations, Regions and Local Areas^{23}

> “We encourage the UK government to recognise that, within the framework of agreed guidelines, the allocation of the funding to local areas within the devolved nations should be a devolved matter.”

^{23} APPG on Post-Brexit Funding for Nations, Regions and Local Areas (2017) Report of an initial inquiry into the UK SHARED PROSPERITY FUND. Available at: https://static1.squarespace.com/static/5bb636594d546e54df5807eb/t/5be96f8c88251b96c3329314/1542025102947/APPG+report+on+UKSPF.pdf
Evidence

There is a growing body of evidence that community-led approaches do not just provide good social outcomes and transform lives – it’s also the way to create strong local economies. Here we summarise some of the key research:

Community Economic Development

MHCLG’s Community Economic Development (CED) programme was delivered by a partnership of organisations led by Co-operatives UK. As Co-operatives UK explain: “CED is a process through which people living, working and running businesses in an area work together as a community to effect change in the economy, so that it better supports their shared aspirations in terms of opportunities, livelihoods, enterprise and the control of local resources, markets and wealth flows.”

Crucially CED recognises that the power to drive change lies with the local community and depends on the formation of strong and trusting partnerships between residents, local businesses, and community organisations, often facilitated by the local authority. With the right help, strong and empowered communities can be incubators and platforms for local wealth creation in otherwise challenging circumstances.

MHCLG’s programme and other historical and ongoing initiatives have demonstrated that communities are stores of extremely valuable information that is essential to any successful inclusive economic strategy. And communities engender the trust, participation, take-up and endeavour needed to effect the change that other private and public sector actors cannot. Programmes have also demonstrated how people acting together, through community and forms of economic co-operation, can give themselves more power and agency in markets and supply chains. CED Plans developed through the programme covered each of the governments ‘five foundations’, such as creating new infrastructure and improving the business environment for fishermen in Eastbourne, and combining community ownership of premises with support for local traders and inclusive skills provision in Hastings.

Each year the MHCLG programme was oversubscribed, showing huge demand in communities for this approach and the desire to take control of their economic futures. However, the programme evaluation has also highlighted that the level of resources and intensive support to build CED activity means that it is “likely to

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25 Co-operatives UK (2019), Shared power, shared prosperity. Available at: https://www.uk.coop/resources/shared-power-shared-prosperity
be able to deliver deeper and more sustained impact if communities are given longer timeframes and greater resources.”

Right now the Empowering Places programme (managed by Co-operatives UK, funded by Power to Change) provides funding and resources to seven community-based ‘catalysts’ over five years to develop community business with the aim of boosting local economies, working in some of the most deprived neighbourhoods in England. The plans these communities are developing contain practical aspirations across each of government’s ‘five foundations’, from an ethical recruitment agency in Grimsby and a community business quarter in Wigan, to using asset transfer to create new business space on an estate in Leicester.

**Local Economic Resilience**

There is a wealth of social innovation in communities seeking the build a better economy, including through: community shares, credit unions, community energy. Recent Locality research has demonstrated the role of community organisations in strengthening ‘local economic resilience’ - in particular through the development of local assets by democratic community organisations with an asset lock and through the use of community enterprise.

Community organisations act as local economic multipliers. They ensure the wealth they generate is redistributed in their neighbourhoods, by employing local people in good quality jobs, using local supply chains, and providing training opportunities so local people can become economically active.

These organisations are community-led and accountable to the local area, providing a powerful collective voice for the neighbourhood and increasing local control of the economy.

Locality studied the economic impact of community organisations using a method called “Local Multiplier 3 (LM3)”. This measures how the money an organisation spends impacts on the local area, following a source of income as it works its way through the supply chain.

We discovered clear and consistent evidence of a local economic multiplier effect: that every pound invested in community organisations flows around the local area, creating additional economic value, due to the fact our members employ local people and use local suppliers.

For example, we found that: every £1 of income generated by Halifax Opportunities Trust at Jubilee Children’s Centre creates £2.43 for the local economy. Every £1 of income generated by Bradford Trident creates £2.52 for

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the local economy. In Bristol, every £1 generated by Southmead Development Trust creates £2.55; and Windmill Hill City Farm creates £2.47.

We also calculated the “enabled contribution” that community organisations make to the local economy through their tenant organisations. A study of 10 Locality members by NEF Consulting found they collectively enabled approximately 1,400 jobs and approximately £120m of gross value added to the local economy.

A full case study of this work is provided below.

**Employment and Skills**

In 2017, Locality conducted a programme of action research with 6 local authorities and 20 community organisations. The aim of this work was to better understand the role that community organisations play in the local economy, and how local authorities can harness this more effectively.

One of the key things we learnt was the critical role community organisations play in providing employment and skills support. While community organisations come in all different shapes and sizes, a common thread is that they provide person-centred employment support services, especially for people who find themselves a long way away from the labour market. This not only has the potential to transform lives for individual service-users by helping them back into good quality work, it also makes a significant contribution to the wider local economy.

Long-term unemployment – like so many of our stubborn social policy challenges – is a “complex problem”. These are described by the IPPR as having “multiple, non-linear and interconnected causes that feed off one another in unpredictable ways”, and are as such unable to be solved by top-down plans or simple market incentives.27 Instead they require deep and lasting relationships to be forged, with power widely dispersed and services joined up around the distinct needs of every person.

Local community organisations are particularly well suited to this task. They are locally rooted and trusted, and there for the long term. They have strong existing relationships with local people, especially with those whom public services traditionally find “hard to reach”. Services will be co-produced with local residents, ensuring they are for the community, by the community. They are community-led, multi-purpose organisations that can respond flexibly and provide person-centred services that are tailored to individual need. In this way, they enable local people to band together to take control of their own economic destinies.

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The latest figures from ERSA show that while taken as a whole the UK labour market is doing well, long-term unemployment remains an area of concern and there is a big youth employment gap. It is in these more challenging cases where the role of community organisations is particularly vital and their expertise, innovation, local knowledge and long-term commitment is critical to success.

**Health and wellbeing**

Community organisations play a critical role in promoting health and wellbeing, which is the foundation for being economically active. As hubs within their communities, community organisations are often a key physical space in their neighbourhood where people come together and build and maintain community connections. Through the services and activities they provide, they broker new friendships and opportunities to socialise, while supporting people to address needs or problems in an holistic way. Community organisations are often adept at asset-based approaches, enabling people to see their strengths, contributions, skills and knowledge, and unlocking the potential of this for the individual and for the community.

As the Government’s own *Civil Society Strategy* identifies, “strong relationships, support networks, and a sense of belonging” improve our wellbeing. Local community organisations have a key role in supporting connections of friendship and neighbourliness, through the local clubs, groups and activities they host and run. Their multi-purpose nature and connections to the wider community mean they can support people to access other opportunities and develop new relationships, such as volunteering or even setting up a new club that matches their interests. Participation in a community organisation can give people a stake in their local area and a sense of attachment.

Recent evidence from *What Works Centre for Wellbeing* shows that community hubs can widen people’s social networks, increase social cohesion by bringing together different social or generational groups, and increase social capital and build trust. Strengthening the social relationships between people is a fundamental part of increasing our experience of collective wellbeing in the places we live, as demonstrated through the What Works Centre’s work on community wellbeing.

**Building strong local partnerships**

Locality established the *Commission on the Future of Localism in 2017*, in partnership with Power to Change, to consider how to reinvigorate localism and unlock the power of community. The Commission, chaired by Lord Kerslake, was set up because the ambition behind the 2011 Localism Act is in danger of waning,

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and the fundamental shift in power from Westminster to communities has not yet been achieved.

The Civil Society Strategy noted the significance of the Commission’s findings:

“The Localism Commission report examined the need for ‘localism’ to be considered from a different perspective, moving away from seeing it as giving away power from the top down to seeing it as harnessing the power that already exists within local communities. This means harnessing communities’ collective ideas, innovation, creativity, local knowledge and fostering their sense of belonging, connectedness, and shared identity.”

A recent IPPR report on designing the Shared Prosperity Fund stressed the importance of community control and highlighted the Localism Commission’s findings as showing the importance of “strengthening community power and bringing local voices into policy choices”. 29

The Commission found that in order to fundamentally reset the power balance between citizen and state and enable local initiatives to thrive, we need radical action across the four ‘domains’ of localism. This requires: strengthening our local institutions; devolving tangible power, resources and control to communities; ensuring equality in community participation; and delivering change in local government behaviour and practice.

We have seen, in the evidence highlighted in this section, that these principles are being applied in pockets – in local places, or specific programmes – which harness the power of community. When they are applied, they can strengthen local economies in a number of ways. The UK Shared Prosperity Fund represents an opportunity to embed these principles across a large-scale government programme, tie this in with wider economic policy in the form of the Industrial Strategy and realise the benefits of putting communities in control.

Other key references:

- Community Shares Unit. Contains case studies of how community shares have provided a sustainable funding mechanism for community enterprises.
- RSA, 2017 Inclusive Growth Commission argued that “investment in social infrastructure ... should go hand in hand with investment in physical infrastructure, and in business development. This will have a first order

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impact on productivity and living standards.” The Commission’s Putting Principles into Practice report looks at a range of places and how they are developing place-based approaches that seek to build community capacity and develop bottom-up approaches to economic development.

- RSA, Citizens’ Economic Council. Outlines the evidence and case for more deliberative democracy in economic policy making
- IPPR North, 2018, The State of the North 2018. Looks at ways of boosting productivity in the North of England and notes the correlation between areas with deeper decentralisation (indicated by sub-central tax revenue as a proportion of total tax revenue and local spending on economic affairs as a per cent of GDP) and higher levels of productivity.
- Cabinet Office, 2015. Evaluation of the Community Organisers Programme. Analysis from IpsosMORI. One of the key findings is that where the programme built on the skills and confidence of volunteers, the programme was able to generate sustainable social and economic impact.
- Plunkett Foundation’s “Better Business” reports are the most comprehensive research into the performance of community pubs and shops ever to be published. They provide some of the most valuable statistics in the sector in support of the community business approach to rural social enterprise. See community shops report and community pubs.
- DCLG, 2010. National Evaluation of the Local Enterprise Growth Initiative Programme. The LEGI programme has some key learning which could be useful in designing community collaboration and a flexible approach into the SPF. Including: lack of national targets; bottom up approach and focus on local sectoral needs; also ensure additionality of funds & activities to existing delivery.
- HM Treasury, 2015 Fixing the foundations: Creating a more prosperous nation. Recognises the importance of strong social capital in underpinning prosperous economies
- JRF, 2018 Developed a new measure to identify “left behind” areas, to inform their proposals for the distribution of the government’s planned Shared Prosperity Fund. They argue that the current approach which focuses on GVA is flawed, as “a growing economy alone is not sufficient to improve the living standards of the least well off”. Their new measure combines what they say are “the economic measures that really matter for the living standards of the least well off in society: the employment rate and lower-quartile earnings.”
Case Study: The Local Multiplier Effect

From ‘Powerful Communities, Strong Economies’

LM3 (Local Multiplier 3) is a method that can be used by an organisation to measure how the money it spends impacts on the local area. It was developed by the New Economics Foundation (NEF), building on the idea of the ‘leaky bucket’.\(^{30}\) If you imagine the local economy as a bucket full of water, every time you spend money that goes outside the local area, it leaks out the bucket. Generally, our energy is focused on trying to pour more money into an area so as to keep filling up the bucket; however, a better starting point for strengthening the local economy should be to try to prevent the money leaking out in the first place.

The LM3 was developed as a simple way of measuring this, and the extent to which money flows around a local area. As NEF Consulting explain: “The measuring process starts with a source of income and follows how it is spent and re-spent within a defined geographic area. A higher proportion of money respent in the local economy means a higher multiplier effect because more income is generated for local people.”\(^{31}\)

Locality conducted a series of LM3 exercises across their Keep it Local for Economic Resilience project, to track the local multiplier effect of local community organisations, using the LM3 online platform.\(^ {32}\)

Locality members operate within a defined geographic area, usually a deprived neighbourhood, and tend to employ local people and use local suppliers. This combination of local staff and local suppliers has meant strong LM3 scores across Locality’s project, suggesting that community organisations do act as powerful economic multipliers, creating positive money flows in areas of significant economic disadvantage.

For example, Halifax Opportunities Trust measured the impact of their contract for the Jubilee Children’s Centre on the local Calderdale Council area, and generated an LM3 score of 2.43 (the maximum score is 3).

Bradford Trident generated an LM3 score of 2.52, meaning every £1 creates £2.52.

In Bristol, every £1 generated by Southmead Development Trust was found to create £2.55; and Windmill Hill City Farm creates £2.47.

\(^{30}\) Ward, B and Lewis, J (2002) Plugging the Leaks: Making the most of every pound that enters your local economy, New Economics Foundation


\(^{32}\) www.lm3online.com
Case Study: Enabled Contribution

From ‘Powerful Communities, Strong Economies’

Locality has used a methodology known as ‘Enabled Contribution’ to help estimate the local economic impact of community organisations. This methodology is a subset of the approach developed by NEF Consulting to measure the economic, social and environmental impact of an organisation across its full value chain, known as ‘Total Contribution’.33

Enabled Contribution specifically measures the impact (social, economic or environmental) of a particular organisation or project by calculating the downstream activity in the value chain; in other words, the activity that an organisation enables through providing products or services to its customers. For Locality’s Keep it Local for Economic Resilience project, these customers are the tenant organisations within community organisations.

Locality commissioned NEF Consulting to estimate the enabled contribution of these tenant organisations, and the value of the “network of diverse, responsible businesses and enterprises” they foster.

Two dimensions of enabled economic contribution were analysed: employment and Gross Value Added (GVA). ‘Enabled Employment’ is defined as the number of people working for tenant organisations within each community organisation, expressed as the number of full time equivalent (FTE) employees. ‘Enabled GVA’ is defined as the measure of the economic value added by community organisations’ tenant organisations.

Primary data was collected from ten community organisations across the Keep it Local project. Community organisations surveyed their tenant organisations to ascertain the following information: activity type; floorspace; turnover; and employee numbers. When tenant organisations provided data on turnover and number of employees, this was directly entered into the enabled economic contribution calculation. Where information was incomplete for either turnover and/or employee numbers, a value was estimated using activity type and floor-space data.

Overall, the ten Keep it Local community organisations together were found to have enabled approximately 1,400 jobs and approximately £120m of gross value added to the local economy. This gives an indication of the wider economic contribution community organisations make to a local area beyond their own particular activities, through their tenant organisations.

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33 It originated from work conducted for The Crown Estate and the original methodology was published in 2013 on The Crown Estate’s website.33
Case Study: BOOST Neighbourhood Finance

From ‘Powerful Communities, Strong Economies’

Work conducted by Demos for Friends Provident Foundation has highlighted that the UK’s economy is unbalanced in two important ways: it relies too much on debt-driven consumption, leaving it vulnerable to shocks; and there are stark geographical imbalances, with SMEs more likely to be rejected for a loan in poorer regions of the country than elsewhere.\(^{34}\)

Community organisations play a critical role in bridging this gap in deprived neighbourhoods, creating accessible local financial institutions to support small businesses, social enterprises and social entrepreneurs. They do this through peer-to-peer lending, affordable finance, local currencies, community shares, and community development finance institutions and credit unions.

Financial inclusion is also a critical element of this – ensuring local people have financial security and literacy, and access to financial information and affordable credit – to enable them to participate fully in the economy and build wealth locally. It also reduces the significant negative impacts which money worries have on health and wellbeing.

One example of this highlighted in Locality’s Keep it Local for Economic Resilience project is BOOST Finance, led by Barton Hill Settlement.

BOOST Finance is a project that offers the local community the opportunity to explore the benefits of having a range of financial advice and support services in one place. Individuals have an assessment of need, an ‘income and expenditure’ analysis, a review of current financial circumstances and identification of financial skill gaps (BOOST Personal Finance Plan) and discussion around their future aspirations (Boost Finance Aspiration Plan).

Individuals then immediately access a combination of: debt advice, business support, housing advice and /or tailored employment services. There are also sessions which bring people together in workshops, peer support groups, initiative building opportunities and aspirational review sessions. Residents are supported to develop groups, set up community initiatives such as co-ops to pursue particular financial or employment related goals.

Case study: Skills Work and Enterprise Development Agency (SWEDA)

From ‘Future Places: How community organisations can drive post-Brexit renewal’

\(^{34}\) O’Leary, D (2015) Community Chest, Demos. Available at: https://www.demos.co.uk/project/community-chest/
SWEDA was founded in 1989 by local women who saw a need to address the barriers faced by women getting into training, employment or business. Since then, the organisation has shifted its focus from solely women to all communities across Sandwell and the Black Country. Their charitable mission is to “encourage, inspire and promote the personal and professional development of its clients to achieve their goals regardless of age, intellect, talent or heritage”. This is in pursuit of SWEDA’s vision of a society where “all deprived communities have access to equal opportunities for employment”.

SWEDA’s target clients are likely to be those who find it hardest to access decent work or get into self-employment, including young people not in education, employment or training (NEET), mothers and women returners, lone parents, carers, black and minority ethnic individuals, and people needing to retrain or upskill themselves.

The support SWEDA provides to individuals, including, but not limited to: training to boost confidence and motivation; job search support; interview preparation; and assistance with CVs and application forms aims to enable those at risk of economic exclusion to play an active role in the local labour market.

Working in a holistic way with NEET young people (aged 18-24) has been part of SWEDA’s offer to the local community since 2006. Dedicated, experienced and qualified advisers provide one-to-one support to individuals and make use of SWEDA’s network to signpost young people to further support and/or employment opportunities. Their current programme for NEET young people has a 90% retention rate.

Most of the employability and skills training offered by SWEDA is free at the point of use to service users, and funded through a number of sources and organisations including Sandwell Metropolitan Borough Council, the Department for Work and Pensions and European funds. The organisation also provides enterprise and business support to local individuals and organisations, which plays a vital role in building a more resilient local economy. As part of this work, SWEDA seeks to build local enterprise networks to encourage cross-pollination of ideas and joint-working and collaboration between new businesses in the area.

SWEDA’s key objective is to support and encourage individuals to develop new skills, confidence and to fulfil their potential. Through their holistic service provision each year SWEDA supports over 1,400 individuals from diverse communities.

SWEDA prides itself in providing a unique warm and sensitive approach with ongoing, long-term support. Their support is responsive to local needs and enables their clients to increase their self-esteem, confidence, personal and professional development.
**Case Study: Selby Trust**

From *Places and Spaces: The Future of Community Asset Ownership*

Operating in an area of lower than average employment with historically low levels of investment, the Selby Trust runs the Selby Centre in Tottenham – set in former school premises on a 25-year lease from Haringey Council. The site is 150,000 square feet, with offices, meeting rooms, training facilities, sports and events halls and a large car park.

Utilising this space, they run a programme on community economic development. This includes training, seminars and networking opportunities in setting up small and medium sized enterprises; information and support for organisations bidding for local government contracts; volunteering programmes which develop employment skills.

They house community facilities and services and hire out meeting and training rooms as a successful social enterprise, attracting more than 1500 people through their doors a day. They have also supported over 100 'micro businesses' - with a particular focus on helping women and people with disabilities to set up as social enterprises. They also support entrepreneurs in the creative and media sectors to network, access business support, and share expertise.

**Case Study: The Millfields Trust business park, Plymouth**

From *Places and Spaces: The Future of Community Asset Ownership*

The Millfields Community Economic Development Trust (Millfields Trust) was been set up to enable local people to contribute and manage the regeneration of the Stonehouse neighbourhood in Plymouth. They generate income through assets by developing sites for commercial premises, with over 100 business premises, with a particular focus on small and medium sized. Their sites include a renovated Naval Hospital and a former clothing factory.

They support their small and medium sized business tenants by offering a package of measures including high quality affordable accommodation and flexible tenancy terms. In return, companies employ local people, purchase in the local community and provide goods and services. The Millfields Trust currently has 68 resident tenants, from high tech design to small-scale manufacturing. In total, they employ in excess of 250 people, providing a "home" to approximately 14% of the businesses in Stonehouse.
Case Study: The Duke of Marlborough, Somersham

From ‘Community Pubs: A better form of business’

The Duke of Marlborough is a 500 year old inn and a Grade II listed historic building located in the attractive rural Suffolk village of Somersham. Threatened with the prospect of the pub being de-licensed and sold as a private residence, Sarah Caston, a local doctor, took action and set about saving this vital community asset.

Community ownership is not a new concept in Somersham; a community-owned shop already exists in the village and so a campaign to buy the pub, valued in the region of £300,000, was vigorously embraced and supported by local people, already familiar with the concept of community owned business. A steering group comprised of local individuals with a wide range of expertise was set up and a host of additional volunteers also came forward and offered to be involved in many different activities ranging from leafleting and fundraising, to event management, gardening, refurbishment and DIY.

Somersham Community Pub Ltd was registered as a Community Benefit Society (CBS) and after two years of fundraising and campaigning, enough money was raised from a mix of Community Shares, Local authority grants and a Grant and Loan from the More than a Pub Programme to buy the pub. Over 240 shareholders now own the pub with the management committee running it on their behalf.

The local community is predominantly rural and consists of eight parishes within a 5 mile radius. Keeping the pub open has ensured that there is local employment available where there is poorer access to transport and local services. As well as paid employees, who all live locally, the pub has around 20 regular volunteers who also live in the local community. Involvement in pub activities has enabled these volunteers to train and gain new skills in both the running of the pub, working on the bar and organising activities.

A very limited bus service is offered in the village and surrounding area, offering only four return buses a day, the last one at 5pm. Without the pub, there is limited opportunity for local residents to socialise and an increased risk of isolation and loneliness. With an ageing population in mind, the pub has launched a café and is in the process of organising a regular volunteer run coffee morning and afternoon tea to enable people to meet during the day.

“It’s true that, at first, we probably underestimated the scale of the challenge; the level of commitment; and the amount of time it would take to raise the funds,” says Sarah. “Good job we did, or we may never have embarked on the venture!”

Sarah Caston, The Duke of Marlborough
The Communities in Charge campaign is made up of a coalition of core organisations and community leaders. These are Co-operatives UK, Locality and the Plunkett Foundation, supported by Power to Change.

For more information visit:
locality.org.uk/communities-in-charge