

Executive Summary

Lewes District Council commissioned the Centre for Local Economic Strategies (CLES) to explore opportunities for embedding the principles of community wealth building, as set out in the Lewes District Council Corporate Plan 2020-2024. Our Diagnostic has highlighted opportunities to work with a wider set of anchor institutions to deepen the impact of this work and generate community wealth over a larger footprint.

There are clear opportunities to work collaboratively at a sub-regional and a county level. Adopting a range of community wealth building strategies at a scale that draws on the combined power of anchor institutions, businesses and communities can retain wealth in the local economy, whilst also improving local opportunities by creating new local jobs and new locally-owned enterprises.

About Community Wealth Building

Our model of community wealth building is built up from 5 pillars of activity, which when developed consecutively and collaboratively, builds a platform for greater local & community ownership of the economy.

5 Pillars of Community Wealth Building

- 1) Anchor commissioning and procurement;
- 2) Socially productive use of land and property;
- 3) Fair employment and just labour markets;
- 4) Making financial power work for local places;
- 5) Grow local & community ownership of the economy.

Community wealth building harnesses the power and influence of anchor institutions i.e. large established organisations, from the public, private and social sectors, that are rooted in their local communities. Unlike multinational corporations, these organisations are unlikely to move out of a place and have a clear interest in the long-term wellbeing of residents.

CLES recommends the tasking of the Recovery and Reset Programme (specifically the Restart Pillar), with the development of monitoring of the delivery of a 'Re-imagining Lewes District Action Plan' informed by this report. We would suggest nominating Community Wealth Building champions – one councillor and one officer – to support the embedding of community wealth building principles as the council moves forward. The development of the action plan should inform the development of a Re-imagining Lewes District Anchor Network, ensuring wider anchor institutions are enabled to play a role in the delivery of corporate plan objectives.

While many anchor institutions are already active in their localities, a community wealth building lens opens up an opportunity to place a more explicit emphasis on their role in local economic development. Addressing each pillar in turn, we set out how embedding community wealth building in a wider partnership and with wider stakeholders can support the delivery of both the Greater Brighton COVID-19 Sustainable Recovery Plan and the East Sussex Economic Recovery plan.

Progressive procurement of goods and services

Understanding procurement as a tool for economic development and maximising the use of all resources and levers means that better value for the Council and citizens can be generated. LDC has taken a lead on progressive procurement in the sub-region and can use this opportunity to influence on a wider geographical footprint. Moving forward, we recommend:

- Developing capacity for a more strategic approach to procurement & commissioning;
- Internally raising awareness/providing training on this strategic intent;
- Embedding procurement/commissioning within economic development;
- Developing an analysis of Lewes procurement & commissioning spend;
- Developing local market intelligence and a gap analysis;
- Developing a localised social value framework/toolkit;
- Seeking clarity on the role of social value monitoring.

Fair employment and just labour markets

Employment and skills are key elements in developing an inclusive local economy. This is not just a matter of equipping people with the commensurate skills that firms need, but also of strengthening the self-worth and confidence of citizens and supporting all people to realise their full potential. Lewes has strong examples of internal practice, well-developed relationships with key anchors (e.g. East Sussex College Group) and impressive approaches in the Newhaven Enterprise Zone. In building on these strengths, and setting an example for the wider public and private sector, CLES recommends:

- Exploring Living Wage Foundation accreditation, encouraging others to follow;
- Developing a deeper understanding of the council workforce to ensure recruitment supports people who may be marginalised where appropriate.
- Developing a LDC workforce development action plan to open pathways for people to be supported;
- Building anchor relationships around employment and labour force and share internal practices;
- Exploring the potential for a Lewes Good Employment Charter, to engage the private sector at large;
- Understanding how the local skills pipeline aligns with ambitions and work with key anchor institutions to influence skill strategy refreshes.

Socially productive use of land and assets

Land and assets form a key element of community wealth building. Whilst a traditional economic development approach might only measure the value of these assets in economic terms, developing a community wealth building approach in LDC would see these assets harnessed to serve the common good. Policies around Community Asset Transfer have been developing, and a number of early-stage Community Land Trusts are in development. In ensuring socially productive use of land and assets, CLES recommends:

- Reviewing with local anchor institutions how public sector land & assets may support insourcing and social entrepreneurialism;
- Developing a meanwhile use plan in anticipation of retail vacancy, supporting high streets to remain vibrant;
- Reviewing all potential asset disposals through a lens of community wealth building;
- Identifying a council lead for Community Land Trusts/Community Led Housing/Community Energy to advance these opportunities;
- Developing a Technical Guidance Note for social value in planning, building on local labour clauses;
- Acquiring property & land via the Lewes Housing Investment Company (LHIC) to support SME builders/community land trusts/community led housing.

Making financial power work for local places

Access to credit is the life blood of many small businesses. Without it they struggle to operate and compete with larger firms to provide goods and services. Community wealth building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally, rather than by seeking to attract national or international capital. LDC has a long-held ambition to find ways of unlocking more of the private capital which exists in the district for generative use, in moving forward with partners across East Sussex and Greater Brighton, CLES recommends:

- Lobbying East Sussex Pension Fund to invest in local infrastructure;
- Explore the role of anchor institutions in the development of start-up and patient capital funding which can support a fair and green transition;
- Develop low carbon investment propositions for everyday investors;
- Take steps towards a Regional Community Bank/Mutual;
- In doing so, support and promote the East Sussex Credit Union.

Grow local & community ownership of the economy

Community wealth building is concerned with the governance, ownership and management of the businesses and enterprises which make up the everyday economy. This means creating an economy where there are more SMEs, municipally-owned companies, and other forms of ownership such as co-operatives, community businesses and mutually owned businesses. The

Newhaven Enterprise Centre and the Local Enterprise and Apprenticeship Platform (LEAP) provide a solid base from which LDC can grow greater local & community ownership of the economy. CLES recommends:

- Building strategic relationships with VCSE infrastructure bodies through a lens of community wealth building;
- Building awareness of routes to social entrepreneurialism with a council lead to work at the interface of the council and the VCSE sector;
- Building on the LEAP programme, develop a pre start-up support programme for social entrepreneurs;
- Connecting anchor procurement/commissioning, public land & assets and financial infrastructure with a growing social entrepreneurialism;
- Taking an active role in supporting local and community ownership in the economy.

Section 9 of this report sets out an action plan with the recommendations divided in short, medium and long term.

Sectors

We have further explored three sectors of the economy, where collaboratively anchor institutions across Greater Brighton and East Sussex can work together to apply community wealth building principles.

Retrofit

With significant progress towards full decarbonisation required within the next decade, major steps forward will be required in the next few years. With an existing committed spend of £1 billion on maintenance and refurbishment of the council owned homes in East Sussex over the next 7 years, there is an opportunity to examine how these funds could be effectively directed towards the twin aims of the decarbonisation of housing stock and community wealth building.

To achieve this there is a need for clarity and certainty in the aims and targets of any large-scale programme of retrofit, so that suppliers and installers have some certainty of demand and can confidently invest and grow to meet this. It is however clear from our review of the existing sector that there are not currently enough suppliers and installers with the capacity to comfortably meet demand for high quality retrofit in the timescales required.

Energy saving/generation

Bringing together public sector land and assets, with a local financial architecture (e.g. suggested Local Energy Fund) along with developing a strategic relationship with VCSE infrastructure bodies will be key to supporting the growth of the community energy sector, ensuring community wealth is built and retained in our transition to a net zero economy.

Anchor institutions can use a combination of their capital reserves and their purchasing power to drive this energy transition and support local community

energy groups run to scale up and deliver renewable energy projects. Through the generation of surplus income, community energy groups can deliver energy saving and retrofit advice to households and mentor other community energy projects, growing a sector which can be a key partner in delivering a net carbon economy by 2030.

Foundational economy sectors

High-skilled, high-tech sectors currently occupy an important place within LDC's regeneration activities in Newhaven. However, evidence from other parts of the UK suggests that approaches to local development that bet too heavily on 'high-value' high-tech sectors as the route to prosperity often fail to benefit most local low-skilled residents. In the context of Covid-19 recovery and reform, it is also important to combine these efforts with initiatives to improve opportunities for decently paid and fulfilling work in the foundational economy. These are the often unglamorous and low-paid sectors which meet the everyday needs of households and businesses, from food to care.

These sectors currently employ approximately one third of the population in Lewes District, and in certain foundational sectors, like health and social care, this is likely to continue increasing. These sectors already feature as a priority in the East Sussex Growth strategy. It would be valuable to explore 'hospitality to health' schemes to facilitate retraining workers in under-pressure sectors such as hospitality, into growth sectors such as health and social care. Anchor institutions can work together in social care commissioning to stimulate the growth of new, local and socially owned business models which build wealth locally.