Revitalising Local Economies

What future do we want?
Overview

• Challenge: current economic model is not fit for purpose

• Design criteria / considerations

• New local economic model

• Tools – supporting enterprising behaviour
Ultimate goal?

Figure 1: Inputs, means and ends of human society

<table>
<thead>
<tr>
<th>INPUT</th>
<th>MEANS</th>
<th>ENDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLANETARY RESOURCES</td>
<td>Community, Technology, Healthcare, Economy, Values, Family and friends, Education, Governance, Employment, Consumption, Leisure time</td>
<td>LONG, HAPPY, FULFILLING LIVES</td>
</tr>
</tbody>
</table>
Challenge: declining efficiency levels of well-being
Challenge 2050: 80% reduction CO$_2$

- Resource efficiency to improve by over 80%
- Life Expectancy 80yrs
- Life Satisfaction 8/10
- 60 - 80% reduction in CO$_2$ emissions
Economy ≠ Natural

It can be

» Re-built
» Re-designed
» Transformed

To better support the goals of society

To better to deliver desirable outcomes within known environmental constraints
Design criteria / considerations

For a low carbon, well-being local economic model
What future do we want....?

- **Overall experience of life**
  - e.g. happiness, joy, contentment, satisfaction

- **Good functioning and satisfaction of needs**
  - e.g. to be autonomous, competent, safe and secure, connected to others

- **External conditions**
  - Economic
  - Social
  - Environmental
  - e.g. financial security, work, community relations, access to services, local environmental quality

- **Psychological resources**
  - e.g. health, resilience, optimism, self-esteem

- Within environmental limits

- Within a fair and just system
Adaptation

Supporting and shaping the structure of the economy for long term benefits – design in adaptation and resilience qualities / characteristics

Environmental transformation of infrastructure

- Energy – saving and generation
- Transport
- Waste management
- Food systems

Focus:

- Reducing reliance on fossil fuels
- Reducing negative environmental impact
- Seeking positive economic, social and environmental outcomes from how delivered
Resilience: ability to absorb shocks

Supporting resilience characteristics – supporting action in communities, and at appropriate scale

- **self-organise**: strong social organisations, activism, mutual models

- **Innovate**: understanding of common purpose (economic & environmental literacy), open opportunity to deliver in different ways

- **Learn**: feedback loops, supported to experiment, co-produce

  Living better, using less, sharing more
Observation 1:

The problem is not necessarily that too little money flows into a community. Rather it is what consumers, public services & businesses do with that money.

Too often it is spent on services with no local presence, and so immediately leaves the area.
Observation 2: Need to make resources work harder locally

Resources are flowing into and out of communities in the form of energy, water and consumer products.

Without consideration of how they can be most effectively used, re-used, remade and recycled.

Or which non-renewable resources should be substituted for alternatives.
Observation 3

Statistics show there are fewer enterprises in communities experiencing economic disadvantage

Interpretation?

(i) Few entrepreneurs
(ii) Are entrepreneurs
- Personal barriers
- System failure
- Barriers particular to these areas
A low carbon, well-being local economic model
Builds on

Pilot work over 4 years in the UK: 13 communities in the East Midlands

BizFizz model of enterprise support: 35 communities across UK

Public sector commissioning / procurement work

Supporting work with partners in:

• Brazil, Honduras, Peru
• South Africa, Mozambique
• Israel
• Outer Hebrides

www.pluggingtheleaks.org
www.bizfizz.org.uk
Proposition: Sustainable enterprising community

Responsible business

Positive local money & resource flows

Diverse range of businesses & enterprises size, social & private, goods and services

High multiplier, local waste reuse/reduction, high resource efficiency

Asset base & enabling environment

Strong local asset base attitude, skills, knowledge, physical, financial services, natural
## Proposition: Sustainable enterprising community

<table>
<thead>
<tr>
<th>Responsive public sector</th>
<th>Working to strengthen &amp; invest in the local economy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong community &amp; civic voice</strong></td>
<td><strong>Local capacity</strong> activism, leadership, political voice, engagement in debate, decision-making &amp; action</td>
</tr>
<tr>
<td>Interdependence</td>
<td>Global, inter-community links, drawing on networks for transformation</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>re-engineer supply infrastructure: energy, transport, food, waste</td>
</tr>
</tbody>
</table>
Engaging people in their local economy through passion

Economic & Environmental Literacy (toolkit)

Action

Coaching with Networks
Transformations

Community  Institutions

Positive social, economic and environmental outcomes
Awareness to Action - communities explore

- What are the opportunities for enterprise—What do we want to do?
- How could goods and services be delivered differently?
- How can we mobilise resources to do what we want to do?
- Outcomes: local economic, social and environmental

Support action – individual & groups
Opening up the space for debate, ideas and local enterprise
BizFizz: Community-based enterprise support

Objective: to support local enterprise

The Coach
- is based in the community
- provides client-focused support using a coaching approach
- encourages people to follow their passion
- builds ‘virtual teams’
- works in a flexible way

The Panel
- solves practical problems
- uses local knowledge and contacts
- brings about cultural change

Local Management Group
- Drive the project locally
- Seek to remove strategic barriers

Local Host: employs the coach

92% business survival rate
Applying Well-being by Design
Re-imagining high streets

Connect…
with people around you: home, work, school, community.

Be active…
exercising makes you feel good, discover a physical activity you enjoy.

Take notice…
be curious, be aware of the world around you, appreciate what matters.

Keep learning
try something new, rediscover an old interest.

Give…..
your time, skills knowledge – do something for somebody
Plugging the leaks: How does £ enter your local economy?
How does £ leak out?
Our Sustainable Neighbourhood:
an environmental tool for enterprising communities
## Generating ideas

<table>
<thead>
<tr>
<th>Renewable (resource)</th>
<th>Reduce (Action to)</th>
<th>Reuse (Action to)</th>
<th>Recycle (Action to)</th>
<th>Substitute (Action to)</th>
</tr>
</thead>
<tbody>
<tr>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Non-renewable (resource)</td>
<td>*</td>
<td></td>
<td>*</td>
<td>*</td>
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</table>
Every way the public sector spends money has the potential to achieve regeneration aims

- It’s not just where you spend your money that matters
- It’s also important where the people you spend it with - then spend it
- LM3 tool measures how money is spent and re-spent locally to 3 rounds of spending to determine local economic impact.
### Value of re-spending locally

**Construction – Norfolk district council**

<table>
<thead>
<tr>
<th></th>
<th>Sea wall</th>
<th>Car park</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Local</td>
<td>Non-local</td>
</tr>
<tr>
<td>Round 1</td>
<td>£ 72,000</td>
<td>£ 120,000</td>
</tr>
<tr>
<td>Round 2</td>
<td>£ 57,600</td>
<td>£ 20,400</td>
</tr>
<tr>
<td></td>
<td>Staff</td>
<td>Suppliers</td>
</tr>
<tr>
<td></td>
<td>£ 24,480</td>
<td>£ 33,120</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>20,400</td>
</tr>
<tr>
<td>Round 3</td>
<td>£ 24,980</td>
<td>£ 6,760</td>
</tr>
<tr>
<td></td>
<td>Staff</td>
<td>Suppliers</td>
</tr>
<tr>
<td></td>
<td>£ 17,038</td>
<td>£ 7,949</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>6,768</td>
</tr>
<tr>
<td>Total</td>
<td>£ 154,580</td>
<td>£ 147,160</td>
</tr>
<tr>
<td>LM3</td>
<td>2.15</td>
<td>1.23</td>
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</table>
Irrigating inward investment
How can we maximise the benefits to the community from major development projects?

• Break down the main activities (spend categories) to deliver the project.
• By Phases: Design, delivery, post-delivery

• How can more £ be spent locally and open up local enterprise opportunities?
• How can we open up local employment opportunities?

Aim to maximise positive local economic, social and environmental outcomes
Public spending: Value for Money – narrow and real versions
Outcomes-based Commissioning

1. Activity
2. Output
3. Service level outcomes
   - social
   - economic
   - environmental
4. Community outcomes
   - social
   - economic
   - environmental
5. Value:
   - Qualitative
   - Quantitative
   - Monetizeable

Where value accrues
- To Service
- Area wide
- Wider public sector

Provider left free to describe activities & outputs
Commissioner & user/ community priorities
Local Authority & Corporate priorities
National Outcome frameworks
### Creating wider value –
**St James’ House social firm**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Output</th>
<th>Service level outcome</th>
<th>Community level outcome</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designs and prints stationary</td>
<td>Council stationary</td>
<td>High quality stationary and recycled paper</td>
<td>Local jobs created</td>
<td>No. local jobs (supply chain monitoring)</td>
</tr>
<tr>
<td>Recycles paper</td>
<td>No. hours of training, supported employment, therapeutic support and paid work to people recovering from mental health problems in Camden</td>
<td>[Improved mental health]</td>
<td>Reduced Waste</td>
<td>Landfill Savings</td>
</tr>
<tr>
<td>Provides training, supported employment, therapeutic support and paid work to people recovering from mental health problems in Camden</td>
<td></td>
<td></td>
<td>Reduced worklessness &amp; economic inactivity</td>
<td>[Preventative savings]</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Increasing no. of people with mental problems into work &amp; staying in work</td>
<td>Costs of tenancy failure £2,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Council staffed hostel £484 per week; local authority group home £202</td>
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<td></td>
<td>Complex need placements - £1,200 per week</td>
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<td>Incapacity benefit: £4,379 per claimant per year.</td>
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Co-producing services

• beyond consultation, user involvement and citizen engagement to **equal partnership**
• from *doing to* to *working with*: no more ‘users’ and ‘clients’
• shifts emphasis from **providing** to **enabling** and **supporting** – public service workers become brokers and facilitators, not just experts who can fix things
• professional and experiential knowledge are valued and combined
We are facing constrained choices to live within our environmental limits

But there are an infinite number of opportunities for enterprising responses

To support a low carbon, high well-being future.