



Advice NI Briefing Paper

The Combined Power of
the Advice Sector as an
Anchor Institution –
A ground up approach to
Community Wealth
Building

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The Combined Power of the Advice Sector as an Anchor Institution – A ground up approach to Community Wealth Building

Introduction

Community Wealth Building (CWB) is an alternative common sense approach to local economic development that is being used to achieve social and economic justice in cities and regions in Great Britain. A [report](#) commissioned by the Centre for Economic Empowerment at NICVA in 2015 entitled the *Economic Value of Advice* established that advice has a significant economic impact. In 2020, Development Trusts NI (DTNI) and the Centre for Local Economic Strategies (CLES) launched the [report](#) *From Coronavirus to Community Wealth Building*, which outlines how building an inclusive economy can enable us to build back in a fairer way post pandemic. This project, the *Combined Power of the Advice Sector as an Anchor Institution - a Ground up Approach to Community Wealth Building* applies a CWB lens to the combined economic impact of the advice sector to present how the sector supports the local economy and targets poverty. As such, it builds on previous CWB work and contributes to the wider CWB movement in this region.

Anchor Institutions are Central to Community Wealth Building

‘Anchor Institutions’ are large public sector or not for profit organisations that are rooted in place such as local Councils, Universities, Health Trusts and Housing Associations who employ significant numbers of people and have substantial purchasing power. The 2018, NICVA State of the Sector report found that the CVS had a combined spend / income of just over £728 million and employed around 53,000 people—7% of the total workforce. The combined power of the CVS can be viewed as an anchor institution.

Preston - CWB in Action

CWB is also known as the *Preston Model* due to how the approach has been pioneered there since 2012. In 2012, Preston Council became an accredited Real Living Wage Employer and began to collaborate with other five other anchor organisations to ensure their procurement spend supported local businesses. By 2017, these measures had achieved the following outcomes,

- 4000 new real living wage jobs created
- Reduction in unemployment from 6.5% in 2014 to 3.1% in 2017
- 10% rise in 16-24 year olds in Preston receiving an NVQ Level 3 qualification between 2013 and 2014.
- Preston moved out of top 20% most deprived local authority areas in England.

In 2018, out of 42 UK cities, Preston was named the most rapidly improving city in the *Good Growth for Cities Index* by Demos and PWC.

In NI, the Minister for Communities committed to embedding the approach into departmental spending priorities and development in autumn 2020, and the Minister for Finance announced that the NI executive has agreed to mandate that from June 2022, tenders must include a minimum of 10% of total award criteria to social value, with contracts stipulating that bidders must pay the Real Living Wage. To date none of the councils in NI have adopted CWB as their approach to economic development.

Community Wealth Building has five principals

Fair employment and just labour markets
Progressive procurement of goods and services
Plural ownership of the economy
Socially just use of land and property
Making financial power work for local places

Combined Power of the Advice Sector as an Anchor Institution - Ground Up Community Wealth Building

C&V organisations are usually perceived as eternal recipients of funding and therefore a drain on public resources. But that narrative is misleading and is worth reframing, because in reality, C&V organisations also have a substantial economic impact on their local communities. Discussions about the economy and economic recovery post-pandemic have tended to focus on the private sector only, while the contribution of the public sector and the C&V sector is virtually ignored. This is a missed opportunity. Within the CVS, the combined power of the advice sector is an, “anchor institution” that really punches above its weight in terms of its economic impact. Every pound raised in social security entitlement for individuals has a [multiplier](#) effect of 1.7 when it comes to the overall financial benefit to the local economy. Presenting the combined power of the advice sector as an ‘anchor institution’ can help to progress CWB practice in Northern Ireland. As fundamentally anti-poverty organisations, it is fitting that the sector should show leadership as organisations who target poverty not just through the services they provide, but also through paying the Real Living Wage (RLW) and purchasing goods and services from local businesses. In NI, low pay is a significant issue with 25% of employers paying less than the RLW. The advice sector would be joining other community organisations such as Development Trusts NI, Coop Alternatives and the Northern Mutual Bank Campaign in the movement to advance CWB practice in this region.

Advice Centres as Economic Actors in their Communities

Using East Belfast Independent Advice Centre (EBIAC) as an example, each centre can present their economic impact as a meme like this. The information can be collated to present the combined impact of the sector as an, “anchor institution.”

EBIAC's Economic Impact

- EBIAC is an accredited Real Living Wage employer employing 11 people offering good employment terms and conditions.
- In 2019-20, EBIAC helped the community to access £8.4 million in statutory entitlement to Social Security. Social Security has an economic multiplier of 1.7 giving an impact on the local economy of £14.28 million.
- In an area of high deprivation, EBIAC provides opportunity for accredited training (NVQ Level 4) and work experience to on average 10 local people per year. About 50% of EBIAC volunteers gain jobs paid well above the Real Living Wage which they retain long term.
- EBIAC provides employment and in-work benefit advice that helps people into employment and to retain jobs.
- It is EBIAC's policy to purchase goods and services from local companies to support the local economy.
- EBIAC has an Ethical and Environmental Policy

Project Timetable

- ▶ **September 2021** – Meeting with Advice Centres to present the Project- Data Requested from Advice Centres
- ▶ **October 2021** – Data collated and presented as a report
- ▶ **November 2021** – Launch of report, “A ground up Community Wealth Building approach to target poverty: The Combined Power of the NI Advice Sector as an Anchor Institution”, followed by a press and social media campaign.
- ▶ **November 2021** - Advice NI members' social media campaign presenting their economic impact via a meme.

CWB is an idea whose time has come. It is common sense economics that is showing good results in terms of targeting poverty. CWB should be core to the forthcoming NI Anti-poverty Strategy. By presenting the significant economic impact this project will also make the case for advice services to be central to this strategy.

Further Reading

<https://www.theguardian.com/commentisfree/2018/jan/31/preston-hit-rock-bottom-took-back-control>

<https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>

<http://qpol.qub.ac.uk/community-wealth-building-belfasts-missed-opportunity/>



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