

An Anchor Institution Network for Sandwell



1. Introduction

Sandwell is embedded within the wider Birmingham and Black Country economy and has shared its fortunes. Fifty years ago, it contributed to the region's performance as a centre of economic strength, with output per head in the West Midlands above the national average. However, between the 1970s and late 1990s the region experienced precipitous economic decline. Since then, Birmingham's economy has almost held its own in national terms, but the Black Country's has fallen further still. This economic weakness and a failing national economic model lies behind the high levels of deprivation and poverty in Sandwell. As organisations across the borough work to stimulate economic growth, it is critical that the economy they build is one which functions to address these challenges, ensuring that the prosperity created in the borough is shared widely.

While there are considerable assets in the Sandwell economy, the challenges it faces are significant. Deprivation, inequality, and low pay remain persistent problems. Sandwell is one of the 20% most deprived districts in England, and 25.5% of children live in low-income families.¹ 26% of resident employees in Sandwell are paid below the Real Living Wage, compared to 20% nationally.² Healthy life expectancy for males (57.1 years) and females (59 years) is significantly lower in Sandwell than in England (63.4 and 63.8 respectively).³ It is clear that something needs to change.

This is far from unique. Sandwell shares many of the characteristics of other areas neighbouring the UK's largest cities which have failed to benefit from the wealth that has been created in their regions. In 2017, data from the OECD showed that the UK was the only developed economy where wages have fallen while the economy has grown. This dichotomy can be explained in part by the way many local economies function: Wealth that flows into places through private and public investment all too often flows out again as payments for often distant shareholders while wages for local people stagnate and working conditions worsen.

This type of extractive economics fuels inequality. The problem is not just a lack of wealth but where the wealth goes, who owns it and who benefits from it. Economic development often fails to engage with these questions of wealth distribution, focusing instead on generating contributions to GDP.

¹ Local Authority Health Profile 2019, Public Health England

² The State of Economic Justice in Birmingham and the Black Country, Barrow Cadbury Trust

³ Sandwell Trends

In the face of this dichotomy, the game-changing role of Anchor Institutions is gaining increasing recognition. They have the power to affect the way wealth flows in their local economies by changing the way they spend their money, recruit and train employees and manage their land and assets.

Anchor Networks are now being set up across the UK, from Scotland down to Essex. Locally, the Wolverhampton Anchor Network is in the process of being created, and the Birmingham Anchor Network has been in place for over two years.

In early 2020, the Centre for Local Economic Strategies (CLES) published its diagnostic report of community wealth building in Sandwell. Community wealth building is a model of economic development which seeks to counter the extraction of wealth from local economies, redirecting it back into the local economy and giving local people more control over it. In this report CLES made several recommendations, including to set up an Anchor Network. Organisations were scoped, and a workshop was held. Following this work, CLES secured additional funding from the Barrow Cadbury Trust to establish and support an Anchor Network, with a dedicated Anchor Network Co-ordinator in post.

The Sandwell Anchor Network has now been launched, with the following Anchor Institutions participating: Black Country Housing, Black Country & West Birmingham CCG, Department for Work and Pensions, Sandwell College, Sandwell Council, Sandwell & West Birmingham NHS Trust, the Sandwell Business Ambassadors as representatives of the business sector in Sandwell, and SCVO as representatives of the voluntary sector in Sandwell. The Sandwell Anchor Network is also supported regionally by the Black Country Chamber of Commerce, the Black Country LEP and the West Midlands Combined Authority.

2. Purpose

The Anchor Network has been established to support participating organisations to maximise the benefit they bring to the Sandwell economy both individually and collectively. With combined budgets of over £1.5bn and a workforce of over 15,000, these Anchor Institutions are major economic agents. By collaborating on work in key areas of procurement, employment and economic recovery, they have the potential to play a powerful role in shaping the borough economy.

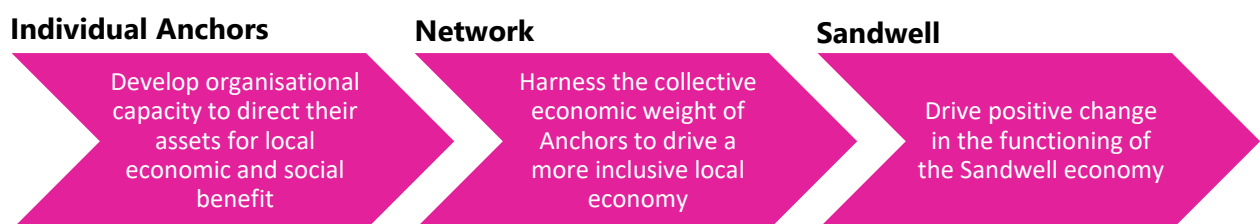
ACTIVITIES

The Anchor Institution Network will:

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

OBJECTIVES

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



3. Progress to date

In December 2020, a workshop was held amongst some of the Anchor Institutions which explored potential priorities going forward. The following priorities were highlighted:

Employment and Skills

- Explore pathways/accessibility into our organisations particularly for the most disadvantaged groups
- Maximise the use of the apprenticeship levy in our organisations for both workforce planning and recruitment purposes
- Support smaller employers by transferring unspent levy to businesses to generate apprenticeship opportunities or upskilling of existing workforce

Progressive Procurement

- Ensure that Anchor spend is achieving maximum penetration into the local economy by sharing best practice and setting joint targets for localised spend
- Develop a common approach to social value across all the Anchor organisations
- Find opportunities to work with the voluntary & community sector, aiding them to increase their capability and capacity to support the economy

Supporting the economy recovery and future growth of business in Sandwell

- Understand and develop the local supply chain within large infrastructure projects to enable local companies to take advantage and employ more local people
- Establish more business networking and support events, utilising the Sandwell Business Ambassadors
- Explore the value of alternative business operating models such as social enterprises and community interest companies

Since taking up post in June 2021, the Sandwell Anchor Network Co-ordinator Lauren Bond met with Anchors to discuss other possible priorities and actions. These include:

Employment and Skills

- Create Talent Pipelines (such as shared graduate schemes, apprenticeships and work experience placements) to fill gaps in our organisations and to get our young people into employment
- Review our own recruitment processes to ensure they are streamlined and accessible
- Lead joint recruitment fairs in targeted neighbourhoods

Progressive Procurement

- Identify <£25k contracts within our organisations and match them with high social value Sandwell based businesses

- Explore sectors where we spend significant amounts, and using our businesses-in-Sandwell database, understand whether we could redirect these spends to Sandwell suppliers

Economic Recovery

- Explore the retrofitting agenda, particularly how to utilise local businesses to retrofit for us
- Explore Anchor land usage and how to better utilise this for the benefit of local businesses.
- Explore ideas to rejuvenate our high streets – for example, how Anchors can make use of empty lots.

On the 28th September 2021 a workshop was held to formally launch the Sandwell Anchor Institution Network as the Strong and Inclusive Economy Board. It was agreed that Employment and Procurement working groups will be set up to undertake mapping activities and to begin to progress actions.

4. Delivery

The governance and delivery arrangements for the Anchor Network are below:

Sandwell Anchor Network / Strong & Inclusive Economy Board

Made up of senior representatives from participating Anchor Institutions, this group will meet quarterly to coordinate activity between different workstreams, agree on actions for the Network and to steer its direction. It will also champion and advance the Community Wealth Building and Inclusive Economy agenda across Sandwell.

Steering Group

Made up of representatives from the organisations who are supporting this work, this group will meet bi-monthly to ensure synergy across the priority areas, to check on progress and to provide direction to the focused project groups where required.

Network Focused Project Groups

Working groups to progress specific Network activities, each with a lead officer from one of the Anchors. There are two project groups – one focussing on procurement, one for employment. They meet every 6 weeks/bi-monthly.

5. Membership

Organisation	Membership Role
Black Country Housing	Anchor Institution
Black Country & West Birmingham CCG	Anchor Institution
Department for Work and Pensions	Anchor Institution
Sandwell College	Anchor Institution
Sandwell Council	Anchor Institution
Sandwell & West Birmingham NHS Trust	Anchor Institution
Sandwell Council of Voluntary Organisations (SCVO) – the voluntary sector	Anchor Institution
Sandwell Business Ambassadors – the business/private sector	Anchor Institution
Centre for Local Economic Strategies	Lead Project Sponsor
Black Country Chamber of Commerce	Project Champion
West Midlands Combined Authority	Project Champion
Black Country Consortium / LEP	Project Champion

6. Anchor Charter (Draft)

This is a statement of intent for the future activities of the anchor institutions, with the overarching vision of:

'A long-term collaborative commitment to using our assets to build a strong and inclusive economy in Sandwell.'

And the associated objectives of:

- To actively reduce levels of spending leaking out of the Sandwell and West Midlands economies with consideration given on an anchor-to-anchor basis as to the scale of this reduction
- To understand the Sandwell business base in more detail and collectively encourage businesses and social organisations to bid for opportunities
- To develop the capacity of Sandwell based businesses to bid for opportunities and to simplify procurement processes
- To collectively raise awareness of procurement opportunities amongst Sandwell based businesses
- To understand issues around local employment and how we can increase it within our organisations
- To explore employment routes into our organisations for the most disadvantaged groups
- To utilise our influence to aid the borough's economic recovery

We hereby agree to:

- Committing to meet the above objectives as best as we can with the resources available
- Attending the quarterly Board meetings going forward, and sending someone in our place when we cannot attend
- Sending representatives from our organisations to the working groups
- Steering this work going forward and contributing our ideas, and sharing good practice amongst anchors
- Championing this agenda within Sandwell and the wider West Midlands