

An Anchor Institution Network for Sandwell – 2021 to 2022



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.

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

Economic development often fails to engage with these questions of wealth distribution, focusing instead on generating contributions to GDP.

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 Birmingham Anchor Network has been in place for four years, and there are burgeoning networks in Wolverhampton, Walsall, Dudley and Solihull, plus a further Black Country-wide network.

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 was 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.

This report sets out the structure and purpose of the Sandwell Anchor Network and its achievements between the period of summer 2021 until winter 2022, which is the period during which the Network was funded by the Barrow Cadbury Trust and supported by CLES.

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.

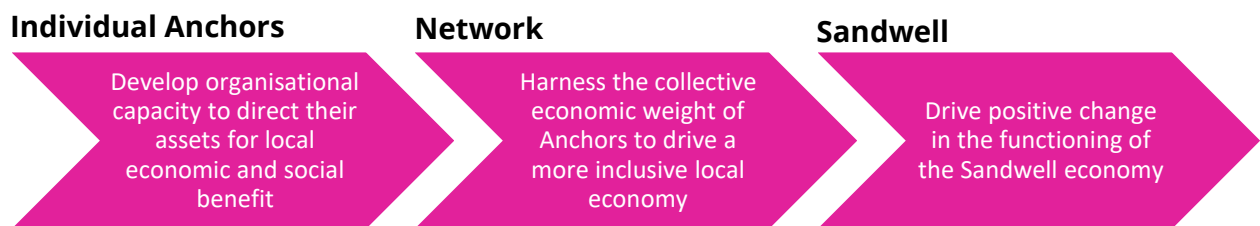
ACTIVITIES

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 on areas such as employment and procurement

OBJECTIVES

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



3. Progress to date (2021-2022)

Sandwell Anchor Institution Network

The Board has continued to meet successfully every quarter since its inception, steering the direction of the group and the work of the two working groups. Attendance for this group is good, with senior representatives attending from across the anchors.

Discussions in this group have included:

- Payment of the Real Living Wage across the anchor institutions, with a representative from Real Living Wage UK in attendance, with further discussions and work on this agenda to take place in 2023.
- An anchor network retrofit project, whereby anchors such as the council and housing associations could retrofit their properties (demand), the group could identify local businesses who wish to learn how to retrofit (supply) and local colleges could provide training. We had attendance from organisations such as Community Energy Birmingham to discuss this with us. The Black Country Anchor Network are now taking this project forward.
- Ideas for both the procurement and employment working groups.
- A temperature check in summer 2022 to see how well community wealth building is embedded into the anchor organisations, and what the barriers are for embedding it further. I received the following feedback:
 - The results on how well CWB is embedded within anchors was mixed. 3 scored a '5', 1 a '2', 1 a '3', 1 a '4', 1 a '7' and 1 an '8'.
 - Barriers for embedding CWB further were as follows:
 - Bureaucracy
 - Silos between strategic and support functions
 - Capacity of staff, it's a gradual process
 - The need to drive it through the top ie from leadership
 - Directors believing themselves un-improvable when it comes to practice
 - "Community" development is seen as the little brother to job development
 - Some people don't get it
 - Improving links between sectors
 - Lack of ownership
- Clearly from above we can see that there are barriers to embedding CWB deeper into these organisations, but comparing where the Anchor Network is in December 2022 to June 2021 (when organisations were not turning up to the

meetings or engaging in the agenda) is massive, and I've been impressed by the organisation's continued commitment to the agenda.

Achievements for the overall network include:

- The Sandwell Anchor Network is still meeting successfully over a year after its first official meeting, with funding now secured from Sandwell Council to continue the network until March 2025.
- The Sandwell network has very much led the movement of anchor networks and community wealth building across the Black Country – with the Black Country Anchor Network being created as a result of the Sandwell network, the Wolverhampton and Walsall networks already existing but very much following the way of Sandwell, and now a Dudley network is in the process of being created, and this is actually being led by the Director of Procurement for Sandwell & West Birmingham NHS Trust, as he is also the Director of Procurement for Dudley. I think this is a fantastic example of how the anchor networks have influenced the participants – a Sandwell anchor network member, not only engaging with the Sandwell network but trying to set up another one too!
- The Black Country Anchor Network, set up as a result of Sandwell's good work, is working on a retrofit project in collaboration with the Midlands Net Zero Hub and Marches Energy Agency. We have agreement from the latter to run workshops for local businesses in how to get accredited with MCS, Trustmark and PAS2035 so they can bid for contracts to install low carbon heating or energy efficiency measures on houses and other buildings. We've identified around £80m to be spent on various retrofit or refurbishment projects in the Black Country. This will benefit Sandwell businesses and Sandwell anchors.
- The former CEO of the Black Country Chamber of Commerce chaired the Anchor Network, and we now have agreement from the new CEO, Sarah Moorhouse, to be the Chair going forward. This involvement of the Chamber, alongside the involvement of the Sandwell Business Ambassadors, makes the Sandwell Anchor Network the anchor network in the UK with the most involvement from the business sector.

Procurement Group

The group has continued to meet successfully, having now met 8 times since it's inception. The group is made up of procurement directors and managers from across the anchors, as well as organisations relating to the business sector including the Sandwell Business Ambassadors and the Black Country Chamber of Commerce.

The group started off by undertaking a spend analysis activity, of which the results were as follows:

- Sandwell & West Birmingham NHS Trust: 3% spend in Sandwell, 18.5% spend in Birmingham & Black Country

- Black Country Housing: 51.5% spend in Sandwell, 96.2% spend in Birmingham & Black Country
- Black Country and West Birmingham CCG: 10.7% in West Birmingham and the Black Country
- Accles & Pollock (Sandwell Business Ambassadors): 23.20% spend in Sandwell, 34.50% spend in Birmingham & Black Country
- SIPS Education (Sandwell Business Ambassadors): 8.1% spend in Sandwell, 4.4% in the Black Country (not including Sandwell), and 74.7% in the wider West Midlands (not including Sandwell & the Black Country.) – 87.2% West Mids overall
- The Council also undertook a separate activity, of which I do not have the concrete results but have been told their local spend is above 30%.

The results are varied across anchors, the NHS Trust has the lowest % local spend in part because a lot of what they procure is specialist medical supplies & services, whereas Black Country Housing have the highest because they require more services which can be supplied locally. However, Black Country Housing do also have an internal commitment to procuring locally, and you can see this within their data. The NHS are keen to procure as much locally now as possible. I would encourage the anchors to retake the spend analysis activity in order to see how they have improved, perhaps at the 2-point mark in autumn 2023.

After receiving the results of the spend analyses, our discussions and achievements went as follows:

- For our main project of procurement work, we decided as a group to explore sectors where there are high levels of spend across the anchor institutions but where at least 1 anchor is not procuring the product/service locally. We identified the following main two sectors, with the first sector providing our initial area of focus:
 - Food/drink/catering: Each anchor largely has a range of different suppliers. Black Country Housing & Black Country CCG both have Dudley-based suppliers, whereas Sandwell Council have 4 suppliers across the West Midlands including in Sandwell, Birmingham & Wolverhampton. Sandwell College procure exclusively with a food wholesaler in the South, and SIPS Education use a variety of suppliers, some local but there are some food wholesalers they use across the country such as one in Newcastle. The NHS have 6 suppliers none of which are in the WMCA area – there is one supplier in Worcester and one in Cannock, the others were in Bristol, Gloucestershire and Kent. Some of what these companies supply – such as dairy products, sandwiches and meat – do appear to be able to be supplied from a Black Country based supplier. Furthermore, redirecting the NHS' spend on the food sector would add over £1m to the local economy.

- Office furniture & supplies: Only Black Country Housing are procuring this solely in the West Midlands, and in Sandwell specifically also. The CCG, the NHS and the Council have a range of suppliers from places including Yorkshire, Warrington, Sussex, Stockport and Bolton. Redirecting this spend would add at least £175k to the local economy, but I have heard from Sandwell Council that they actually spend even more on office furniture, up to over half a million.
- As the NHS were the only real anchor spending large amounts of money on food outside of the West Midlands, we broke down what they were purchasing and analysed what could be influenced. Half of their suppliers are wholesalers, which are difficult to change as there aren't many others available, and one of their larger contracts was a wholesale sandwich company – there are no companies currently in the West Midlands who it was felt could fulfil this purpose, which we also heard from SIPS Education who manage the food procurement for 60+ schools in Sandwell. However, we did agree that the NHS could redirect a large dairy contract currently being supplied by a company in Gloucester, and a meat contract currently being supplied by a company in Bristol, to more local companies. I am pleased to report that the NHS have now changed their dairy contract to a company based in Wolverhampton as opposed to Gloucester, and they are also procuring bread from them too, resulting in £135k being redirected into the local economy. The NHS are also looking to jointly procure their meat and also their dairy with the council further down the line. I have been particularly impressed by the relationship that has been developed between the NHS and the council on procurement.
- Whilst the other anchors either do not spend much on food or already spend it in the West Midlands, a next step for the group could be to explore how anchors like the NHS, Sandwell College and SIPS Education can influence the food wholesalers they procure with. CLES have done work in Mid-Wales around food procurement where the anchors there:
 - Have food contracts which now specify individual product lines or specify provenance for certain food groups.
 - Have agreed to explore a proposal to specify a percentage of wholesale spend which must be dedicated to locally sourced products/produce.
- The group will also be looking at any food/drink contract they have which expires soon, to see if it can be redirected locally, as well as exploring new sectors to focus on such as office furniture, stationary and workwear.
- Our other strand of work focusses on meet the buyer events/workshops for local suppliers. There may be specific reasons as to why public sector contracts aren't going to local suppliers – for example, they may be unfamiliar with bidding for public sector contracts. Sandwell anchors held an event on Black Country Day on the 14th of July at West Bromwich Albion, for local SMEs to engage with some of the anchor institutions, this included Sandwell Council and Sandwell & West

Birmingham NHS Trust, as well as other West Midlands anchors including Birmingham City Council and Wolverhampton University. The event was an opportunity for SMEs to find out more about public sector tendering and how to register for Contracts Finder. The event oversubscribed by local SMEs, proving there's a clear need and demand for this. The group is therefore working on the following:

- We are holding a meet the buyer event on the 1st of March, again at West Bromwich Albion, centred around the Towns Fund projects occurring across the Black Country, as well as other large construction projects. Constructing West Midlands have been a key partner in the organisation of this event.
- Upon suggestion from the anchor network procurement group, Sandwell Council recently ran a promotional campaign aimed at raising local supplier's awareness of Contracts Finder and how to register.

Employment Group

The employment group has also met 8 times, and is made up of HR directors and managers, employment and skills officers and voluntary sector support staff from across the anchors. This work has been much more challenging to get off the ground. As one NHS member of staff told me recently, "employment work can be much more cyclical, going in and out of fashion." I also think in Sandwell there has more of an appetite for the procurement work given Sandwell's industrial past. However, we have begun to make progress. Initially, we focused on the mismatch between high levels of anchor institution vacancies, and high levels of unemployment in the Black Country. I had one-to-one discussions with each anchor to understand more about their troubles with recruiting staff, with the following feedback received:

- Sandwell Council:
 - Rarity of specific skills: social workers, mental health professionals, ICT, accountants, town planners, occupational therapists.
 - Volume: adult social care, social workers
 - People don't aspire to local government career, no awareness amongst young people.
 - Quick-fix solutions won't work.
- Sandwell & West Birmingham NHS Trust
 - Rarity of specific skills: audiology, ophthalmology, medical secretaries.
 - They work with apprentices to go into the Band 2 to Band 5 roles.
- Black Country CCG:
 - Struggle with Band 3 – particularly admin roles.

- Person specs require too much. Could we move to values based recruitment?
- Perceptions of the NHS particularly amongst young people.
- Black Country Housing:
 - Shortage of skilled trades – electricians etc. Also struggle with marketing & comms roles.
 - Apprenticeships and work experience could be targeted at those 50+.
- Sandwell College:
 - Struggle with trade-based, higher skilled teaching i.e. Head of Construction.
 - For entry-level, admin-type roles they utilise apprenticeships. Specialised routes more challenging i.e. management accountant.
 - More career change applicants as a result of pandemic (moving into education careers.)
 - Less young people wanting to undertake apprenticeships. Majority of their apprentices are now 19+.

The following two project interventions were proposed:

- Creating pathways into our organisations for young people, via work experience programmes, apprenticeships, internships and graduate schemes, for the purpose of:
 - Addressing the poor perceptions of what it's like to work in the public sector. A few of the anchors felt that young people didn't want to work in their sector because they either didn't understand what roles were available, or they had a negative perception – ie all the council do is bins, the only NHS roles are doctors and nurses, etc. By getting young people into our organisations via work experience, for example, they can experience the breadth of roles available within the public sector.
 - Talent pipelines can be created whereby the young people entering our organisations can be given the training and development required to take up the positions where we now have vacancies. This is more of a long-term approach but the anchors accepted that this is what is required.

Outcome: Whilst there was interest in this, it was felt it would be difficult to manage and there was no one anchor clamouring to manage such a programme. We will keep this on the agenda.

- Moving to values-based recruitment for entry level roles, as with the the Birmingham NHS I Can project.
 - In Birmingham, anchors are working together to streamline the NHS' recruitment process and target entry-level roles at long-term unemployed residents and young people across the city. Over 500 residents have been engaged, with over 50% now working permanently for the NHS in Birmingham in roles such as administration and facilities. Organisations such as housing associations, councils and the voluntary sector work together to engage residents by holding job clinics and providing pre-employment training.
 - This is something that we have picked up as part of the Black Country Anchor Network (which is funded by the Black Country ICS) and we are now actively pursuing. Whilst it will be a Black Country project it will involve Sandwell anchors and will likely be led by Sandwell. For example, a key member of staff from University Hospitals Trust Birmingham who was involved in I Can in Birmingham has now moved over to work for Sandwell & West Birmingham NHS Trust, and they are keen to replicate I Can for the Black Country, specifically amongst the NHS Trusts. We also have buy-in from Black Country Housing, SCVO and the Sandwell Consortium, who wish to support such a programme by helping to target unemployed residents and provide employment support, and Sandwell College, who can potentially allocating their own entry-level roles and provide employment training. We also have interest from Royal Wolverhampton NHS Trust, Wolverhampton College and Dudley NHS Trust. We therefore have many of the parts in place and are all meeting together for the first time in January.
 - We also heard from the DPD at one of our employment meetings, as the DPD in Sandwell offer work experience placements to young people with special educational needs and disabilities, with many going on to secure full-time employment. Sandwell Council & Sandwell & West Birmingham NHS Trust are now in the early stages of replicating this programme, in partnership with Westminster School.

Overall

Despite its challenges, the group has been a good success. Many anchor networks are usually slow to make progress – Birmingham is currently doing some brilliant work but it took at least two years before they got to that stage, whereas Sandwell is only a year in and is already making big achievements. As you can see from the action plan created at the end of 2021, the network has already achieved much of what it wanted to for 2022, with great potential for 2023 and beyond.

SANDWELL ANCHOR NETWORK – ACTION PLAN – 2021-2022

Project	Description	Baselining	Action	Outputs	Outcome	Progress
Set up the Sandwell Anchor Network	To set up a network of Sandwell-based anchor institutions to use their economic agency to support jobs and businesses and to maximise the benefit they bring to the Sandwell economy.	Identify the anchor institutions in Sandwell – college, council, NHS Trust, housing association, football club, CCG – and smaller, supportive/representative anchors such as DWP, Business Ambassadors and SCVO.	Build on the work of Sandwell Council to contact and re-engage the anchors and convene a meeting of the Sandwell Anchor Network.	Sandwell Anchor Network has the participation of at least 6 anchor institutions, and meets successfully with a healthy attendance rate.	A network of Sandwell Anchor Institutions is convened, meeting at least quarterly and with a focus on creating an inclusive economy in Sandwell and utilising their employment and purchasing powers to do so.	COMPLETE
Procurement workstream	Anchor institutions have large budgets, and by adapting their procurement processes they can create dense local supply chains that are more likely to support local employment and have a greater tendency to recirculate wealth locally.	A group of procurement leads set up, with a spend analysis activity undertaken to baseline levels of local spend. This can also identify sectors where local spend is low, which can highlight gaps in the market or highlight areas where we could be spending more with Sandwell suppliers.	The spend data is analysed and opportunities are highlighted. Colleagues from local councils who have successfully implemented progressive procurement policies will attend the procurement group to discuss their processes.	The anchors begin one procurement project.	The Sandwell anchors undertook a spend analysis activity. From this, anchors agreed to focus on one sector – the sector chosen was food/catering. We then used the spend analysis data to identify where spend in this sector was leaking out of the area. £135k has now been redirected by the NHS into the BC economy via a dairy contract, furthermore, a Meet the Buyer event was held in July and another is being organised for March.	ACTIONS COMPLETE PROJECTS ONGOING
Employment workstream	Anchor Institutions are usually amongst the largest employers in their area. They can use this power to support local people into jobs, particularly those from disadvantaged backgrounds.	A group of recruitment leads set up, with an exercise undertaken to understand levels of unemployment in the borough, and levels of vacancies amongst anchors. There is a clear Black Country mismatch and the anchors have the employment power to find solutions.	Recruitment leads interviewed one-to-one to provide qualitative evidence to go alongside the data. This is brought back to the employment group to cross-reference and to highlight opportunity.	Begin one project to address Black Country mismatch.	Sandwell anchor institutions are in the process of collaborating with other Black Country anchors to replicate the Birmingham I Can project, pooling entry-level roles in our anchors and directing them at jobseekers across the local area, with pre-employment training provided.	ACTIONS COMPLETE PROJECTS ONGOING
A long-term commitment to the Sandwell Anchor Network	The principles of community wealth building are embedded into the anchor organisations, and the Sandwell Anchor Network continues long-term.	At the summer 2022 anchor network meeting, discussions are held to mark the progress the network has made so far, and to understand how partners feel about the approach and whether they want to continue or adapt.	Sandwell anchor institutions agree to Anchor Network Action Plan and give their commitment to a long-term Anchor Network.	Resource identified within anchor(s) to continue the Anchor Network upon completion of the Barrow Cadbury funding.	The Sandwell Anchor Network has now been funded until March 2025 by Sandwell Council, giving the network the ability to upscale and build on its work to create lasting change in Sandwell.	COMPLETE

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 as and when is required to support the Co-ordinator, to ensure synergy across the priority areas and to check on progress.

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 (until end of 2022)
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