nef
economics as if people
and the planet mattered

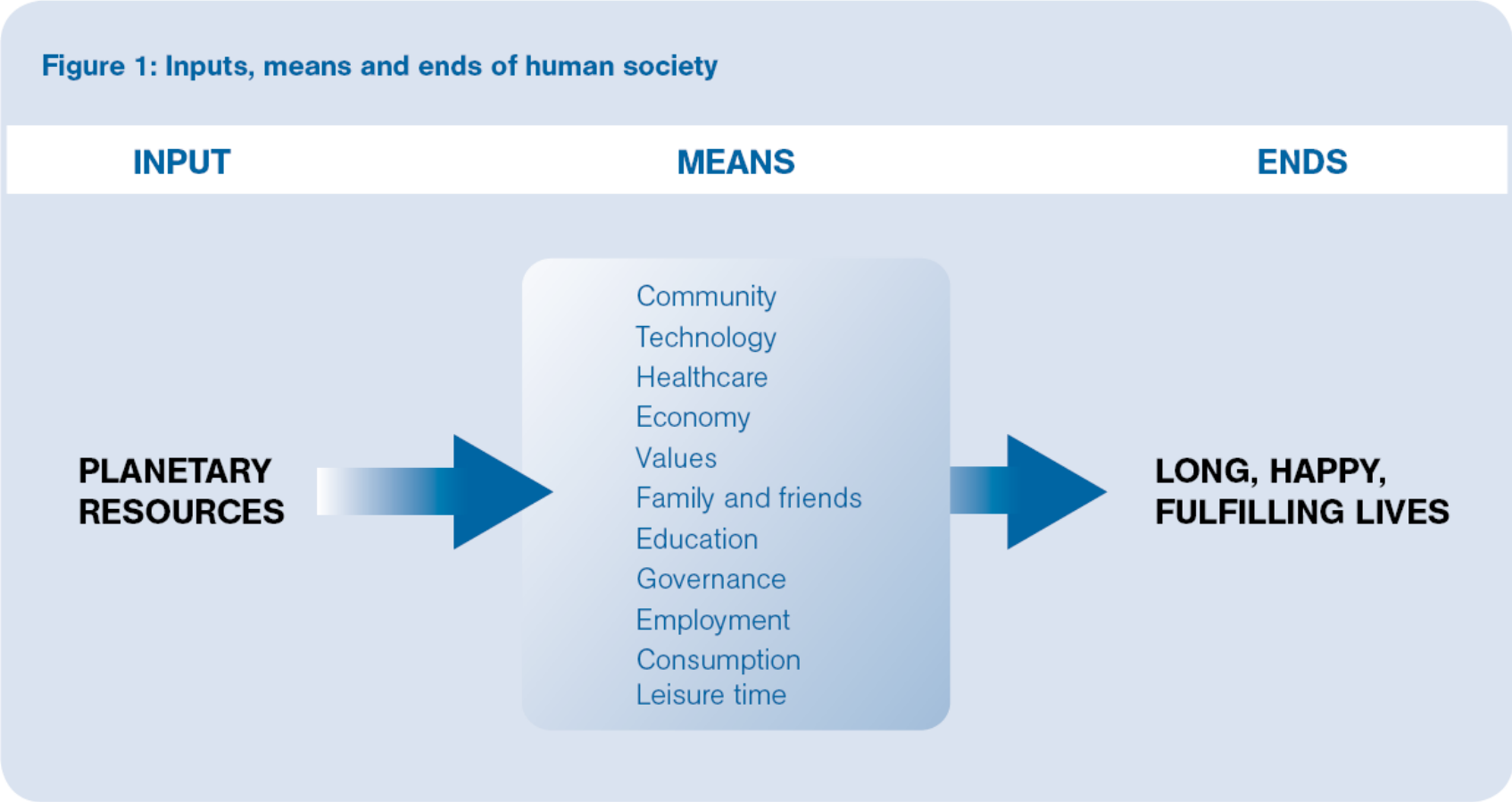
Revitalising Local Economies

What future do we want?

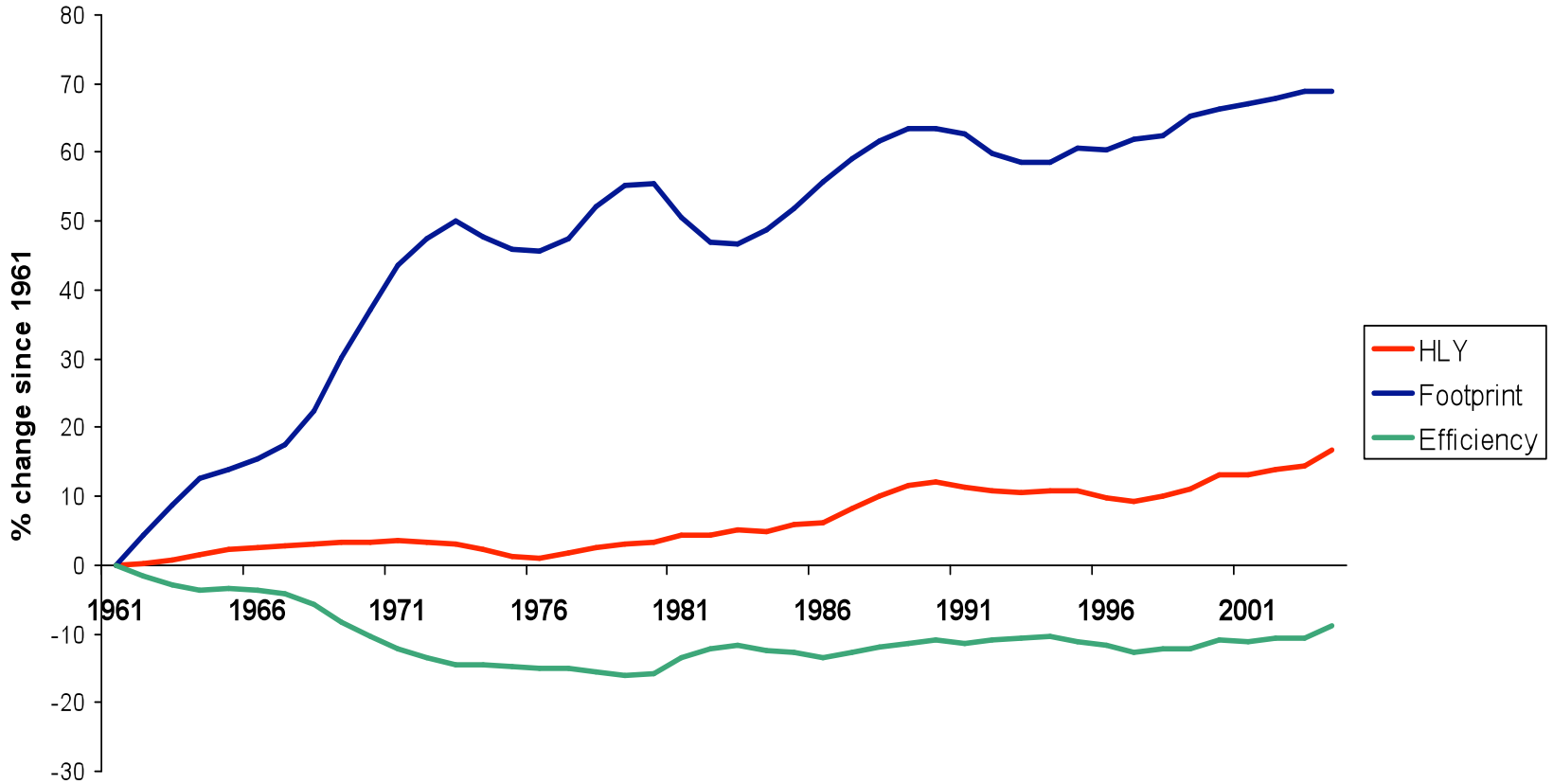
Overview

- Challenge: current economic model is not fit for purpose
- Design criteria / considerations
- New local economic model
- Tools – supporting enterprising behaviour

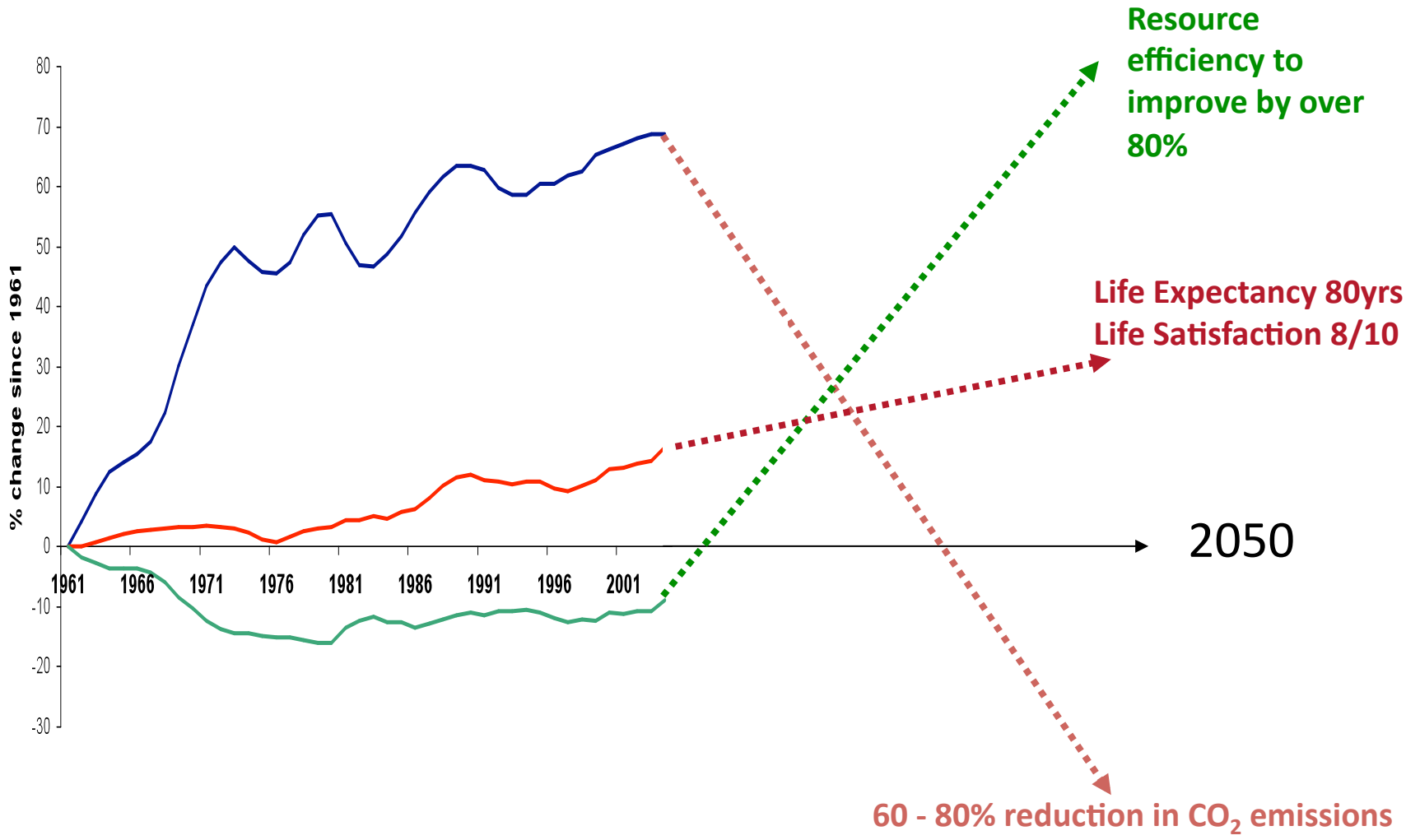
Ultimate goal?



Challenge: declining efficiency levels of well-being



Challenge 2050: 80% reduction CO_2



Economy ≠ Natural

It can be

- »Re-built
- »Re-designed
- »Transformed

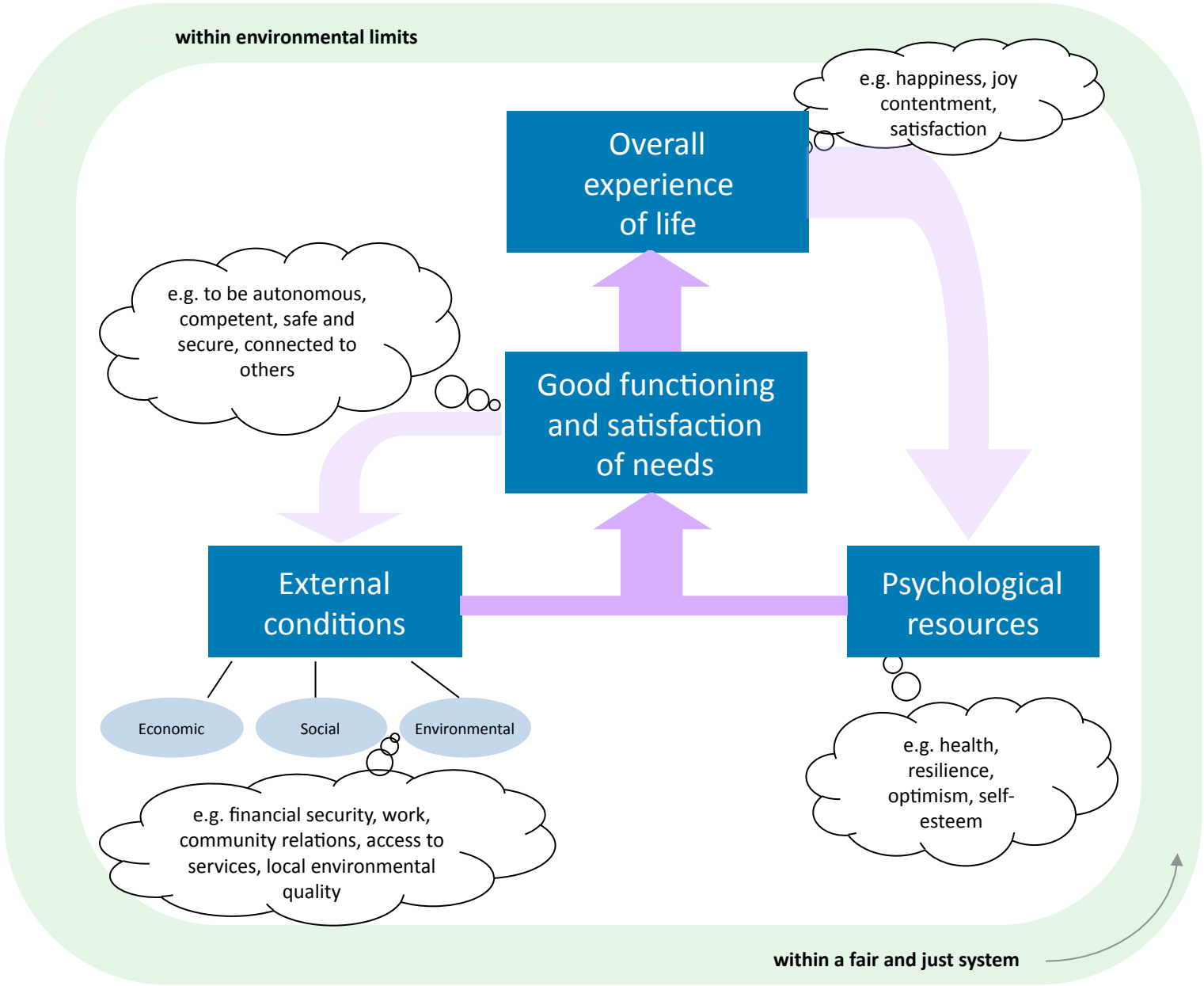
To better support the goals of society

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….?



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

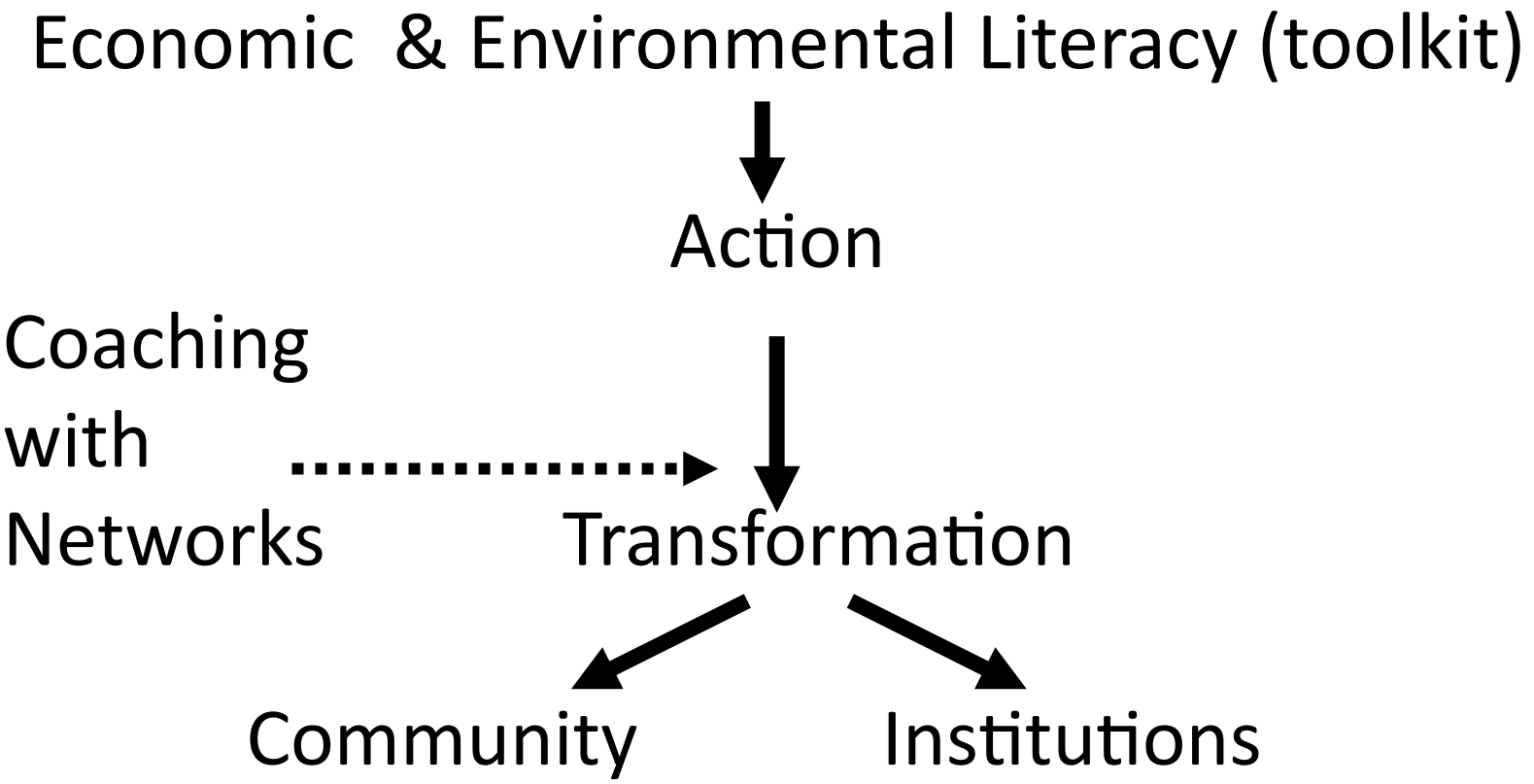
Proposition: Sustainable enterprising community……

Responsible business	**Diverse range of businesses & enterprises** size, social & private, goods and services
Positive local money & resource flows	**High multiplier,** local waste re-use /reduction, high resource efficiency
Asset base & enabling environment	**Strong local asset base** attitude, skills, knowledge, physical, financial services, natural

Proposition: Sustainable enterprising community…….

Responsive public sector	Working to strengthen & invest in the local economy
Strong community & civic voice	**Local capacity** activism, leadership, political voice, engagement in debate, decision-making & action
Interdependence	Global, inter-community links, drawing on networks for transformation
Sustainability	re-engineer supply infrastructure: energy, transport, food, waste

Engaging people in their local economy through passion



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

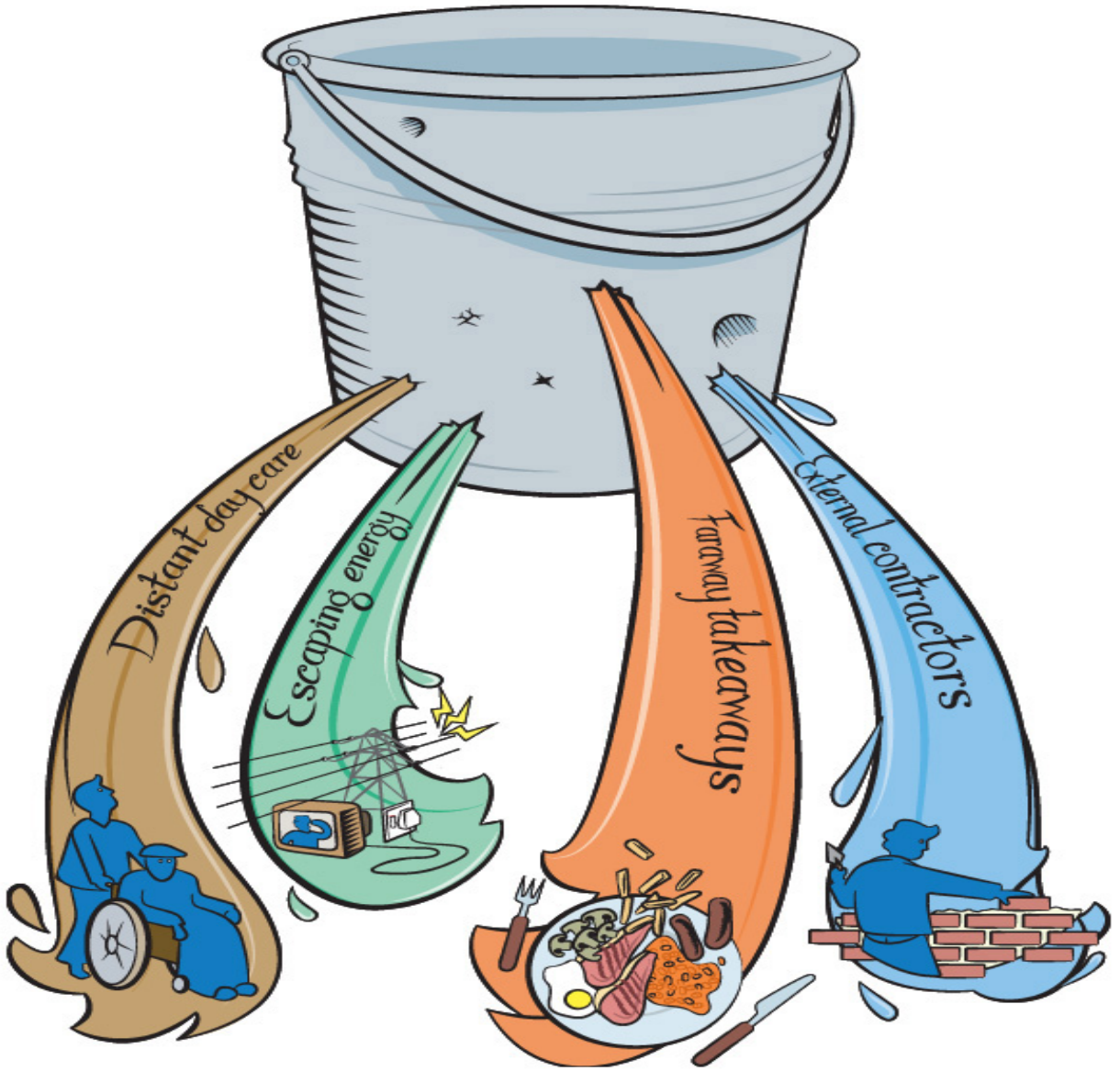
92% business survival rate

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

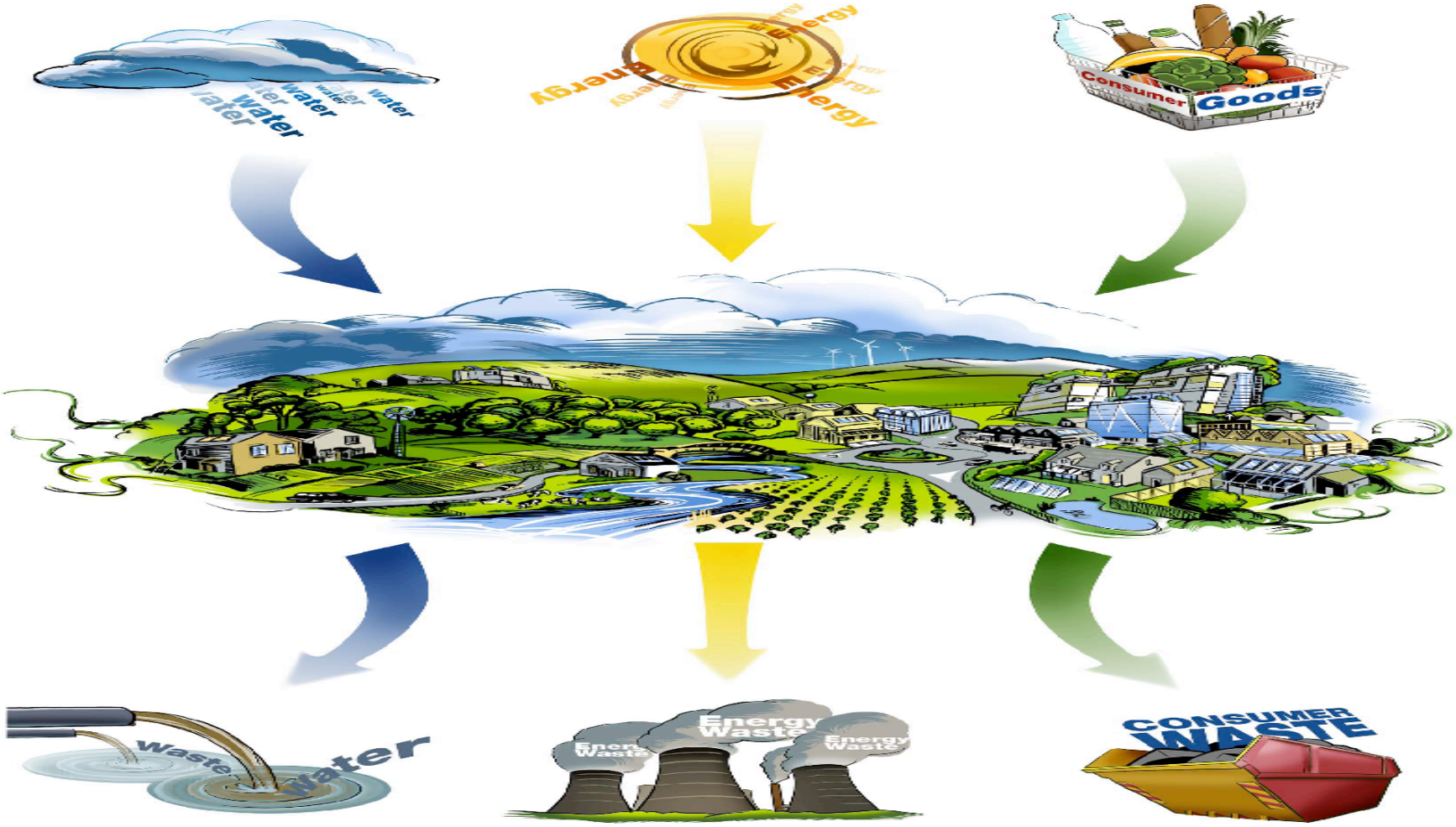
Plugging the leaks:
How does £ enter your local economy?

How does £ leak out ?



Our Sustainable Neighbourhood:

an environmental tool for enterprising communities



Generating ideas

	Reduce (Action to)	Reuse (Action to)	Recycle (Action to)	Substitute (Action to)
Renewable (resource)	*	*	*	
Non-renewable (resource)	*			*

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

	Sea wall	Car park
	Local	Non-local
Round 1	£ 72,000	£ 120,000
Round 2	£ 57,600	£ 20,400
Staff	24,480	0
Suppliers	33,120	20,400
Round 3	£ 24,980	£ 6,760
Staff	17,038	0
Suppliers	7,949	6,768
Total	£ 154,580	£ 147,160
LM3	2.15	1.23

Irrigating inward investment

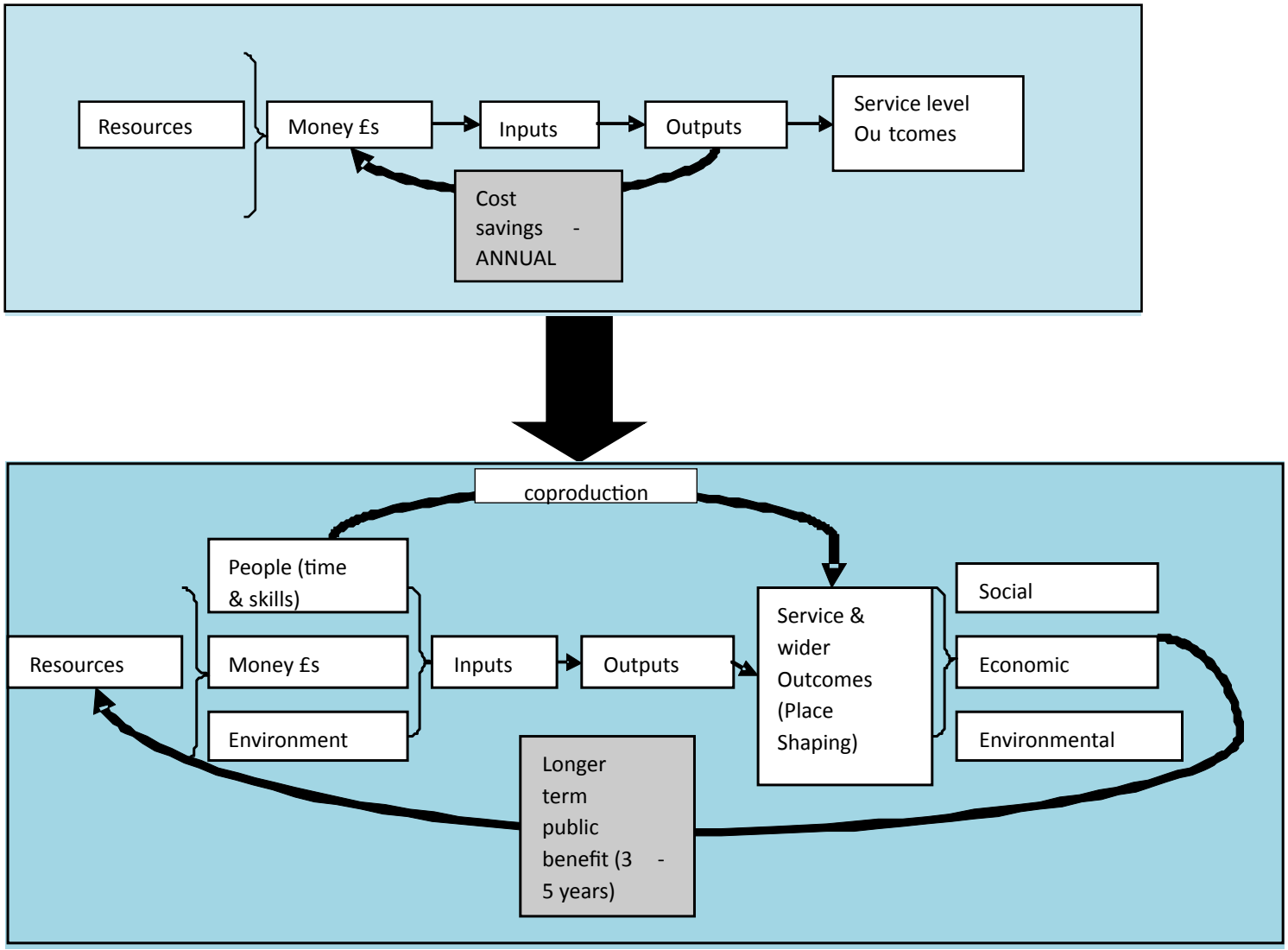
How can we maximise the benefits to the community from major development projects?

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

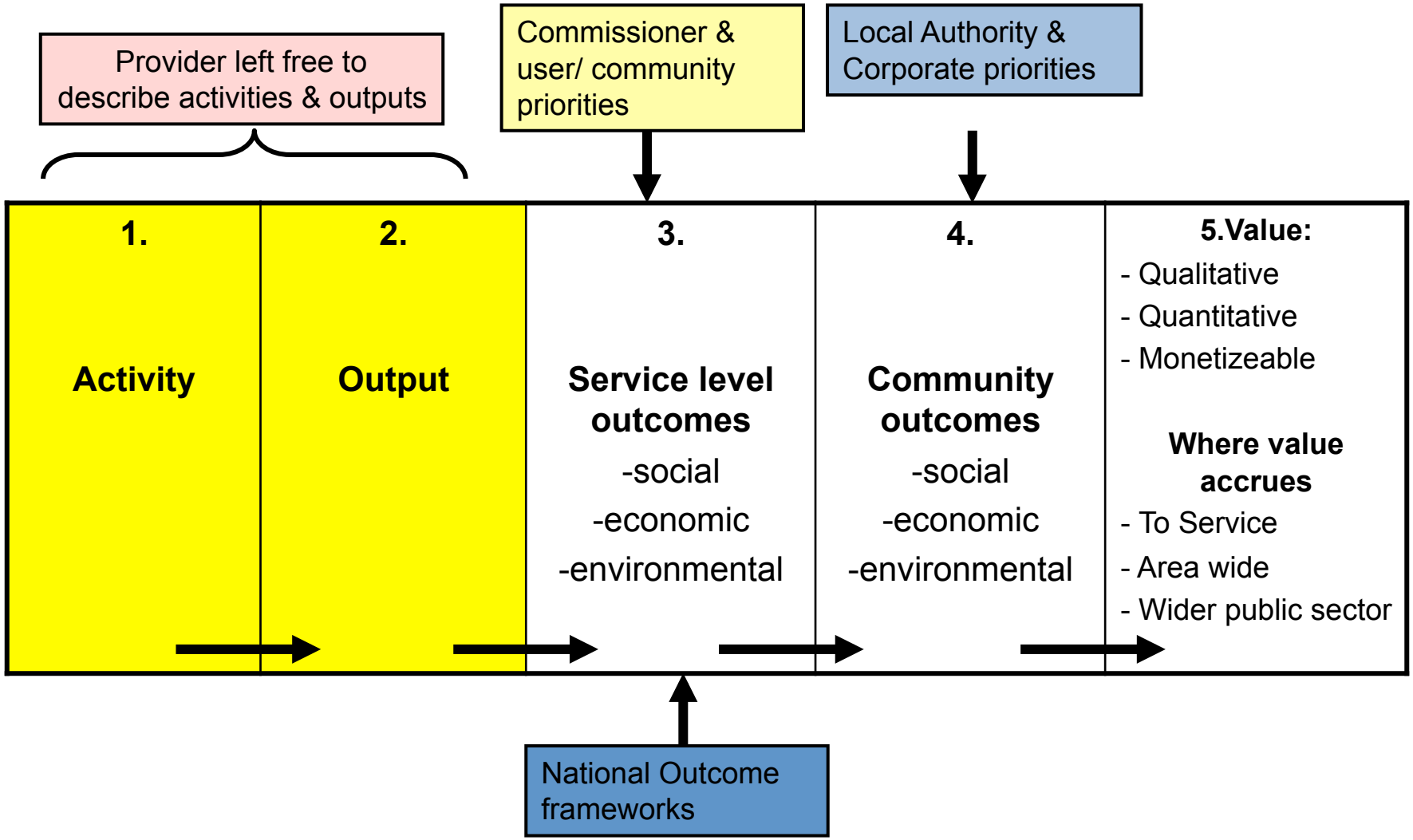
- How can more £ be spent locally and open up local enterprise opportunities?
- How can we open up local employment opportunities?

Aim to maximise positive local economic, social and environmental outcomes

Public spending: Value for Money – narrow and real versions



Outcomes-based Commissioning



Creating wider value – St James' House social firm

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

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

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economics as if people and the planet mattered

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.