Greater Manchester Inequalities Commission: Research Papers

This document brings together research papers, written by colleagues of Greater Manchester Combined Authority and New Economic Foundation, for the Greater Manchester Inequalities Commission in its work to develop its report - The Next Level: Good Lives for All in Greater Manchester.

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Comparator Studies: Amsterdam City Doughnut and Paris' 15 Minute City

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Introduction

Commissioners have indicated that they want to make some general recommendations about Greater Manchester's 'big picture economic vision' and the frameworks (analytical and democratic) within which decisions are made, within the context of tackling the drivers of inequality. We have identified nine lines of enquiries, with a scope of consolidating them further to develop a broad overarching approach to GM's future economic development and decision-making.

Commissioners have asked for information about the levers available to comparator cities and the indicators other places are using to measure progress, and how these compare to Greater Manchester. Commissioners have discussed indicators of progress, frameworks used for economic analysis, legislative tools like the socio-economic duty / Welsh Wellbeing of Future Generations Act, and practical models such as 'doughnut economics' and '15-minute cities' as possible models that could be explored and proposed as recommendations.

This note briefly presents information on the levers available to other cities, particularly Amsterdam City and Paris, how progress is being measured and identify example policy solutions to address inequality.

The comparator case studies will focus on the Welsh Wellbeing of Future Generations Act, Amsterdam Doughnut City, Paris's 15-minute City

Doughnut Economics

Description of model:

The Doughnut Economies Model was developed by economist Kate Raworth[1] and was first published in 2012. The aim of the model is to meet the needs of all people within the needs of the planet, that no one is lacking of life's essentials (such as food, housing, healthcare and political voice), whilst ensuring the collectively humanity is not overshooting the limits of Earth's life-supporting systems on which we depend (such as a stable climate, fertile soils, and the ozone layer).

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[1] Kate Raworth (2020) Exploring Doughnut Economics. https://www.kateraworth.com/doughnut/

The inner ring of the doughnut represents a social foundation. It consists of twelve internationally agreed minimum social standards[2], identified in the Sustainable Development Goals in 2015.

The outer ring of the doughnut represents the planet's ecological ceiling. This environmental ceiling is made up of nine planetary boundaries[3] beyond which lie unacceptable environmental degradation and potential tipping points for Earth's systems.

Between the inner and outer rings lies an environmentally safe and socially just situation for humanity to thrive in.

The model provides a different way of looking at the economy and the world, in which the aim of governments and societies is to exist within the doughnut, rather than the pre-existing focus on driving GDP growth. The model can provide measurable targets and provides a visual way of presenting the information to report against and for people to hold governments to account against.

Figure 1 The Doughnut of social and planetary boundaries

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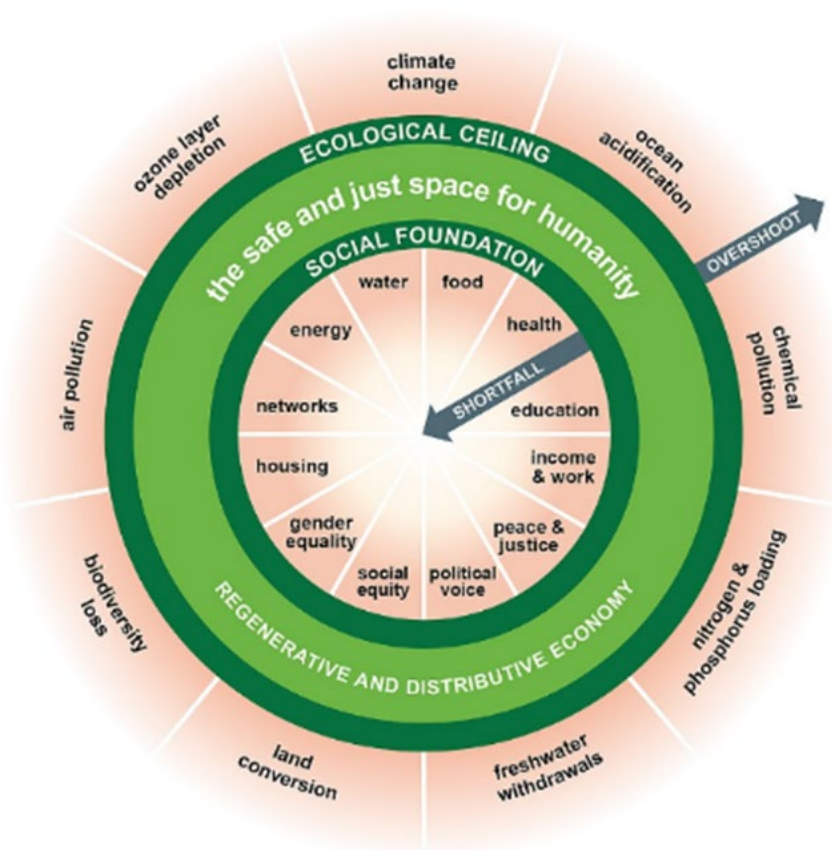
[2] Water, Food, Health, Education, Income and Work, Peace and Justice, Political Voice, Social Equity, Gender Equality, Housing, Networks, Energy

[3] Climate Change, Ocean Acidification, Chemical Pollution, Nitrogen and Phosphorus Loading, Freshwater Withdrawals, Land Conservation, Biodiversity Loss, Air Pollution, Ozone Layer Depletion (Rockstrom et al, 2009 https://www.nature.com/collections/dcqxgqxfws)

Amsterdam City Doughnut Model

Description of model:

In April 2020, Amsterdam became the first city to adopt the framework of the Doughnut Economy to city level strategies and policies. The Amsterdam City Doughnut scales down the Doughnut Economy Model to the scale of the city. A new and holistic approach was taken to downscaling the Doughnut model to the city level in Amsterdam[4]. The approach includes social and ecological, local and global perspectives. The Amsterdam City Doughnut approach started by asking the question *"How can our city be a home to thriving people, in a thriving place, whilst respecting the wellbeing of all people and the health of the planet?"*.

The approach then used the four local lenses to view the economy, which produced a 'portrait' of the city from four inter-connected perspectives:

1. **Local-social lens** – what it means for the people of Amsterdam to thrive
2. **Local-ecological lens** – what is means for Amsterdam to thrive within its natural habitat
3. **Global-social lens** – what is means for Amsterdam to respect the wellbeing of people worldwide
4. **Global-ecological lens** – what it means for Amsterdam to respect the health of the whole planet.

The local and global perspective mean that the model not only recognises the situations of the people of Amsterdam but also includes the wellbeing of the people who harvest the cocoa beans that are imported through Amsterdam's Port[5], for example.

The lenses were then used to compare desired outcomes for the city against statistical snapshots of its current performance, drawing on existing city targets, Sustainable Development Goals and the planetary boundaries of the doughnut. This portrait was developed as a starting point for engagement, to start conversations that could lead to change and creating the portrait is seen as part of implementing the model and is a tool to embed it in thinking.

The four lenses approach

1. Local and social lens: What would it mean for the people of Amsterdam to thrive?

This lens draws on the City of Amsterdam's existing targets, to showcase the city's current aspirations for its residents' wellbeing. In order to reflect the lived experience of Amsterdam's residents, City Doughnut Workshops were held in seven diverse neighbourhoods, bringing City staff together with residents to identify residents' priorities. Additionally, sixteen social dimensions, most of which are derived from the Doughnut's social foundation (which were

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[4] Kate Raworth (2020). Exploring Doughnut Economics https://www.kateraworth.com/2020/04/08/amsterdam-city-doughnut/

[5] Boffey D., (2020). Amsterdam to embrace 'doughnut' model to mend post-coronavirus economy https://www.theguardian.com/world/2020/apr/08/amsterdam-doughnut-model-mend-post-coronavirus-economy

mostly drawn from the United Nations Sustainable Development Goals) were added as foundational elements of a thriving life for residents. These sixteen dimensions were then grouped into four areas[6]:

- Healthy: with food, water, health, housing
- Enabled: with education, energy, income and employment
- Connected: through mobility, community, digital connectivity, and culture
- Empowered: through social equity, political voice, equality in diversity, and peace and justice

2. Local and ecological lens: What would it mean for Amsterdam to thrive within its natural habitat?

This lens explores seven key attributes of a city's surrounding ecosystems, including how they: provide water, regulate air quality, regulate temperature, support biodiversity, protect against erosion, sequester carbon, and harvest energy. For each of the seven attributes, the lens addresses further four questions including questions relating to biomimicry.

3. Global and ecological lens: What would it mean for Amsterdam to respect the health of the whole planet?

This lens shows the extent to which a city is currently overshooting planetary boundaries through its consumption patterns and use of Earth's resources, including resources consumed within the city and resources used in the manufacture of products imported to the city. The City of Amsterdam focuses on becoming a climate neutral and fully circular city and climate neutral city by 2050. The Municipality has already adopted various circular programmes (e.g. Amsterdam Circular: learning by doing and Circular Innovation Programme).

4. Global and social lens: What would it mean for Amsterdam to respect the wellbeing of people worldwide?

Amsterdam is connected to complex global supply chains, through a variety of purchases. This lens focuses on Amsterdam's purchasing and procurement specifically, to address the exploitative labour conditions people employed within these sectors (such as food, clothing, electronics supply chains) are subjected to.
The four lenses of the City Portrait combine to create a tool – a starting point for transformative action by layering onto the portrait ongoing initiatives, projects and strategies that may be contributing to bringing Amsterdam into the Doughnut, thus creating a 'city-selfie' (an image that both shows the current performance of the City alongside all the initiatives underway). The path towards transformative action is envisioned to be undertaken by network of change-makers (community groups, businesses, universities etc.) working together, employing multiple level of

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[6] Creating City Portraits: A methodological guide from The Thriving Cities Initiative (2020), Doughnut Economics Action Lab, Biomimicry 3.8, C40 Cities, and Circle Economy. https://doughnuteconomics.org/Creating-City-Portraits-Methodology.pdf

analysis (from global to household), utilising diverse range of tools (such as Doughnut workshops, DEAL), and embodying the Doughnut principles[7].

Engagement approach to the model

Amsterdam is the first city to adapt the global model to the scale of the city and use it in as a (decision-making) tool and framework to support strategy development. The Amsterdam City Doughnut[8] creates a city portrait on which transformative actions can be developed and based using four lenses- social and ecological, local and global. This portrait is a holistic snapshot of the city and is intended to serve as a starting point for big-picture thinking and systemic transformation.

The Amsterdam City Doughnut is described as being "intended as a stimulus for cross-departmental collaboration within the City, and for connecting a wide network of city actors in an iterative process".[9]

A central part of the approach is bringing a dynamic network of changemakers together to find innovative ways of putting the Doughnut into practice and drive systemic change. There is a strong belief that the community has to first be built before tackling the social, economic and ecological issues facing cities, break down silos and facilitating cross-cutting collaboration.

As part of scaling the Doughnut framework into the city scale, the Amsterdam Donut Coalition, was founded in December 2019. This is a network of more than 30 organisations putting the Doughnut into practice, including community groups, commons-based organisations, SMEs, businesses, academia and local government. The coalition has set itself the following goals[10]:

1. **Connecting and stimulating collaboration.** Providing a platform for anyone who wants to help. Stimulating collaboration and nurturing trust, across the boundaries of organizations and sectors.
2. **Create the necessary conditions.** Find out what it takes to actually 'get the region into the donut'. Focus energy, attention, creativity, decision-making and financing on that.
3. **Publicly show the progress.** Share what is happening and how we are all performing in relation to the donut, so that we know whether we are making sufficient progress and see where we need to make adjustments.

As part of a rich collaboration between a diverse set of city stakeholders, the Doughnut framework was employed to produce the Circular Amsterdam Roadmap 2020-2025 and 17 circular directions for city action were identified. Furthermore, the concept of 'Doughnut Deals' was invented in the neighbourhood of Bijlmer in 2019[11], to recognise community based projects

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[7] Kate Raworth et al. The Amsterdam City Doughnut: A tool for Transformative Action (2020). Doughnut Economics Action Lab, Biomimicry 3.8, C40 Cities, and Circle Economy. https://www.kateraworth.com/wp/wp-content/uploads/2020/04/20200416-AMS-portrait-EN-Spread-web-420x210mm.pdf

[8] Kate Raworth et al. The Amsterdam City Doughnut: A tool for Transformative Action (2020). Doughnut Economics Action Lab, Biomimicry 3.8, C40 Cities, and Circle Economy. https://www.kateraworth.com/wp/wp-content/uploads/2020/04/20200406-AMS-portrait-EN-Single-page-web-420x210mm.pdf

[9] Ibid.

[10] Amsterdam Donut Coalition (2020). https://amsterdamdonutcoalitie.nl/webpagina/769/over-ons-

[11] Kate Raworth et al. The Amsterdam City Doughnut: A tool for Transformative Action (2020). Doughnut Economics Action Lab, Biomimicry 3.8, C40 Cities, and Circle Economy. https://www.kateraworth.com/wp/wp-content/uploads/2020/04/20200416-AMS-portrait-EN-Spread-web-420x210mm.pdf

that aim to create social and ecological benefits, thereby helping to bring the city into the Doughnut.

City officials has developed eight ways to maintain momentum for turning the portrait into transformative action[12], made more difficult by the Amsterdam doughnut being released in April 2020, during the coronavirus pandemic.

5. Mirror – Reflect on the current state of the city through the portrait's holistic perspective
6. Mission – Create a compelling vision of what it means to become a thriving city
7. Mobilize – Bring together the city change makers and stakeholders to bring about change
8. Map – Identify existing initiative, policies and strategies that are already taking the city in this direction
9. Mind set – Embrace the values, ways of working and new narratives that underpin he deeper shifts required.
10. Momentum – create an iterative process that drives cycles of transformative policy and actions
11. Monitor – assess progress against leasing indicators that enrich the city portrait
12. Mmm! – Make it irresistible: be creative, have fun, share learning ad stories of success – and celebrate!

In September 2020, Doughnut Economics Action Lab[13] (DEAL) was launched to bring together like-minded change-makers from across the globe, who are putting Doughnut Economics into practice in five broad thematic areas including a) communities, b) cities and places, c) education and research, d) business and enterprise and e) government and policy. DEAL aims to standardise the framework across the various groups and cities who are putting the Doughnut economics into practice so that the framework is implemented in ways that embodies the core principles of Doughnut Economics[14], including:

1. **Embrace the 21st century goal:** Aim to meet the needs of all people within the means of the living planet.
2. **See the big picture:** Recognise the potential roles of the household, the commons, the market and the state - and their many synergies - in transforming economies. Ensure that finance serves the work rather than drives it.
3. **Nurture human nature:** Promote diversity, participation, collaboration and reciprocity. Strengthen community networks and work with a spirit of high trust. Care for the wellbeing of the team.
4. **Think in systems:** Experiment, learn, adapt, evolve, and aim for continuous improvement, Be alert to dynamic effects feedback loops and tipping points.

[12] Kate Raworth, (2020) Exploring Doughnut Economics. https://www.kateraworth.com/2020/04/08/amsterdam-city-doughnut/

[13] Doughnut Economics Action Lab. https://doughnuteconomics.org/

[14] Kate Raworth et al. The Amsterdam City Doughnut: A tool for Transformative Action (2020). Doughnut Economics Action Lab, Biomimicry 3.8, C40 Cities, and Circle Economy. https://www.kateraworth.com/wp/wp-content/uploads/2020/04/20200406-AMS-portrait-EN-Single-page-web-420x210mm.pdf

5. **Be distributive:** Work in the spirit of open design and share the value created with all who co-create it. Be aware of power and seek to redistribute it to improve equity amongst stakeholders.
6. **Be regenerative:** Aim to work with and within the cycles of the living world. Be a sharer, repairer, regenerator, steward. Reduce travel, minimize flights, be climate and energy smart.
7. **Aim to thrive rather than grow:** Don't let growth become a goal in itself. Know when to let the work spread out via others rather than scale up in size.

Outcomes

The aim for each of the four lenses of the portrait is to be able to compare the city's targets and goals to its current performance. It has been noted that due to missing data, there have been challenges making this type of comparison, but this is likely improve in time as the demand for better data collection increases. The data and information used to create the four lenses of the portrait can be tracked and updated over time, creating the possibility of tracking progress in each of the lenses.

At the moment, it is too early to identify impact but expected outcomes are as follows:

Amsterdam City: Local - Social

Sixteen social dimensions clustered into four areas. All of the targets selected were assessed to ensure they at least matched or exceeded the level of ambition set out in the Sustainable Development Goals and their related targets.

Wellbeing area	Social dimension	City targets
Healthy	Health	All citizens have an equal chance of living a healthy life, regardless of socioeconomic status, or back ground
	Housing	There is sufficient availability of affordable and decent homes.
	Water	Public water is accessible, attractive, clean and safe for all users.
	Food	A target is currently under development
Connected	Connectivity	The digital city is designed in collaboration with citizens, and many other city actors. The municipality's interaction with citizens is accessible, understandable and inclusive
	Community	Amsterdam is an inclusive and connected city.
	Mobility	The city is accessible to everyone via public transport, in a safe and sustainable way.

	Culture	All citizens and visitors are provided with a high-quality, innovative and diverse cultural offering; and all Amsterdam children become acquainted with art and culture.
Empowered	Peace & Justice	Amsterdam is a safe and liveable city for residents and visitors.
	Social Equity	Citizens enjoy greater independence and seldom experience inequality of opportunity.
	Political Voice	Citizens have an increased say, involvement and role in deciding what happens and how it gets implemented.
	Equality in diversity	Amsterdam is an inclusive and connected city.
Enabled	Jobs	Citizens are provided with attractive commercial facilities throughout Amsterdam, plus entrepreneurs benefit from a good business climate
	Income	Financial (income) security is assured for citizens who cannot (completely) provide for their own livelihoods.
	Education	Every child receives a good education in a high-quality school environment.
	Energy	Make the city natural gas-free before 2040.

Amsterdam City: Local - Ecological

Cities are setting their targets based on their specific location through identifying a healthy local ecosystems to act as a reference point for establishing targets.

Outcome area	Specific city target with the aim of working like nature
Water provisioning	Amsterdam is supporting the Sand Motor project which promotes dune development on the city's surrounding coastlines. Specific City target not yet identified
Air Quality regulation	Amsterdam is experimenting with strategically placed green walls to absorb pollutants in hotspots such as road corridors and intersections. Specific City target not yet identified
Temperature regulation	Amsterdam could reduce heat island effect by increasing urban green infrastructure. Specific City target: Increase the use of green space as green infrastructure.
Carbon sequestration	Amsterdam could set goals for sequestering and storing carbon in land- and sea-based plants.
	City target: Reduce the city's total CO_2 emissions to 55% below 1990 levels by 2030, and to 95% below by 2050.

Erosion protection	Amsterdam could create oyster substrates to support a reef barrier and bolster erosion protection. Specific City target not yet identified
Biodiversity support	Amsterdam is promoting and tracking sedum, grass and herb roofs, as w ell as rooftop gardens.
	City target: Make Amsterdam a city f or people, plants and animals; with green spaces in all neighbourhoods, and well-kept park s and forests.
Energy Harvesting	Amsterdam is using wind turbines and photovoltaics to generate renewable energy.
	City target: Utilise two thirds of all solar energy potential (1000 MW) by 2040 —enough to power 450,000 households.

Amsterdam City: Global - ecological

The Doughnut's ecological ceiling comprises nine planetary boundaries. Seven of these dimensions are directly derived from the planetary boundaries framework (climate change, ocean acidification, excessive fertiliser use, ozone layer depletion, air pollution, excessive land use, and freshwater use).

Outcome area	Specific city target with the aim of working like nature
Ocean acidification	City target: Reduce the city's in-boundry CO_2 emissions to 55% below 1990 levels by 2030, and to 95% below by 2050.
Climate Change	City target: Reduce the city's in-boundary CO_2 emissions to 55% below 1990 levels by 2030, and to 95%below by 2050.
Waste generation	City Target: Amsterdam aims to have a 50% reduction in the use of primary raw materials by 2030, and be a fully circular economy by 2050.
Air pollution	50-60% of air pollution in China is associated with products and services that are exported to other countries including the Netherlands. Specific City target not yet identified
Ozone layer depletion	Since 1986, global use of ozone-depleting substances has declined by over 90%. Specific City target not yet identified
Excessive land use	The amount of land required worldwide for Dutch consumption in 2013 was around two and a half times the area of the Netherlands. Specific City target not yet identified

Fresh water withdrawals	The Netherlands has the highest water footprint in Europe, with almost 90% of total water consumption embedded in imports such as meat, cotton and food. Specific City target not yet identified
Overfishing	Fish consumption has more than doubled in the Netherlands since 1990, putting the country in the t op 25% of fish-consuming nations in the world. Specific City target not yet identified
Excessive fertiliser use	The Dutch agricultural sector is responsible for 61% of the total amount of nitrogen emissions, mainly caused by fertilizers. Specific City target not yet identified

Amsterdam City: Global - Social

The dimensions comprising the Global–Social lens are drawn from the UN Sustainable Development Goals (SDGs), as they constitute an internationally recognised minimum standard of human wellbeing that all nations have recognised for all people worldwide. These dimensions have also been grouped into four areas.

Wellbeing area	Social domain	Global target
Healthy	Health	SDG 3. Ensure healthy lives and promote well-being for all at all ages.
	Housing	N/A
	Water	N/A
	Food	SDG 2. End hunger, achieve food security and improve nutrition.
Connected	Connectivity	N/A
	Community	SDG 12, 4. By 2020 achieve the environmentally sound management of chemicals and all wastes . . . and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
	Mobility	N/A
	culture	SDG 11,4. Strengthen efforts to protect and safeguard the world's cultural and natural heritage.
Empowered	Peace & Justice	SDG 16. Promote peaceful and inclusive societies for sustainable development, access to justice for all, and effective, accountable and inclusive institutions at all levels.

	Social Equity	N/A
	Political Voice	N/A
	Equality in diversity	SDG 5. Achieve gender equality and empower all women and girls.
Enabled	Jobs	SDG 8. Promote full and productive employment and decent work for all.
	Income	
	Education	SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities.
	Energy	N/A

How is the "Doughnut model" being implemented in Amsterdam

The Amsterdam City Doughnut is forming part of the City of Amsterdam's Circular Strategy 2020-2025[15] and the Roadmap to Climate Neutrality 2050.
The Circular Strategy sets out how the city aims to thrive within planetary boundaries. By developing a circular economy the city aims to ensure:
-   A fairer society where services are purchased instead of owned, meaning that sound and viable products are accessible to everyone, now and in the future
-   A resilient, more self-reliant, society that is less depended on imported raw materials and therefore less exposed to influences that can negatively affect the import of raw materials
-   A healthier world where emissions of toxic substances produced in production, use and disposal are reduced
-   A more efficient economy that reclaims raw materials and products locally, which, as far as possible, leads to new activity with less waste, creating jobs in various sectors such as repair and processing industries.

The strategy was developed by the City of Amsterdam under the guidance of Kate Raworth and the Doughnut model. Existing policies and objectives were tested against the principles of the doughnut economy with hundreds of concerned parties. 17 desired developments, such as circular construction and reducing food waste, were established. Suggestions for actions for each were also identified. The developments were elaborated for three selected value chains – food and organic waste streams, consumer goods and the built environment – in a 'Building Blocks' document, which was then developed into the strategy. As it was developed the strategy was presented to internal and external parties for validation and feedback. The strategy is the result of contributions of hundreds of parties concerned "from debt counsellors to engineers and from ecologists to urban planners" (Page 25).

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[15] City of Amsterdam. https://www.amsterdam.nl/en/policy/sustainability/circular-economy/

The strategy identifies the policy instruments available to the city of Amsterdam to implement the work streams. These are distinguished between regulatory instruments, economic instruments and soft instruments as follows[16]:

Regulatory and Legislative Instruments	Regulations: - Strategy and objectives - Spatial planning - Environmental assessment and permits - Monitoring and enforcement Legislation: - Prohibitory provisions - Performance standards - Technical standards - Labels - Other legislation
Economic Instruments	Fiscal Frameworks: - Positive financial incentives - Negative financial incentives Direct Financial Support: - Subsidies - Circular procurement and infrastructure - Debt financing Economic Frameworks: - Tradeable permits - Strong producer responsibility - Public-private partnerships
Soft Instruments	Knowledge, Advice and Information: - Research activities - Educational programmes - Information campaign - Capacity building Collaboration Platforms and Infrastructure: - Data and information exchange platforms - Matchmaking platforms - Participation platforms - Living labs Governance - Institutional design - Public-private partnerships - Voluntary agreements - Lobbying

Amsterdam Circular 2020-2025 Strategy provides a detailed information on the various types of policy instruments or levers available to Amsterdam City to guide the transition to circular economy. These range from awareness-raising campaigns to achieve behavioural change to

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[16] City of Amsterdam. https://www.amsterdam.nl/en/policy/sustainability/circular-economy/ Page 32

spatial planning to enable food production to have a place in the City, to the use of regulation and financial support to combat food waste and so forth[17].

The Municipality is focusing on Amsterdam's purchasing and procurement to address complex global supply chains with exploitative working conditions. In 2016 the Municipality has adopted city-specific responsible procurement guidelines(the Maatschappelijk Verantwoord Opdrachtgeven en Inkopen, or MVOI). These guidelines are based on the City's social and ecological targets and aim to provide both local and regional suppliers incentives to become circular[18]. These procurement practices however are yet to be fully embedded into the City processes and officially monitored[19].

Furthermore, the City is not alone in the pursuit of a circular economy. Both the Dutch government and the European Union, have stated their commitment to this. At the government level the National Raw Materials Agreement has identified five transition paths to circular economy for Food and Organic Waste streams, Consumer Goods, Built Environment, Manufacturing Industry and Plastics[20]. The City aims to take ambitious steps towards the circular economy, which is presented as a doughnut, particularly within the public space, and within its procurement and waste policies[21].

15-Minute City model

Description of model:

The concept behind the 15-minute city is that "everyone is able to meet most, if not all, of their needs within short walk or bike ride from their home".[22] The idea is to encourage more self-sufficient communities within the city, where grocery shops, parks, cafes, sports facilities, health centres, schools and workplaces are all just a 15-minute walk or bike ride away. Moreno, who developed the concept in Paris, emphasises that it is about improving quality of life, through the decentralisation of city life and services and adding more options for walking, cycling and public transit, it means focusing on economic development in every corner of the city.[23]

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[17] City of Amsterdam (2020), The Amsterdam Circular 2020-2025 Strategy
https://www.amsterdam.nl/en/policy/sustainability/circular-economy/
[18] Ibid.
[19] Kate Raworth et al. The Amsterdam City Doughnut: A tool for Transformative Action (2020). Doughnut Economics Action Lab, Biomimicry 3.8, C40 Cities, and Circle Economy. https://www.kateraworth.com/wp/wp-content/uploads/2020/04/20200416-AMS-portrait-EN-Spread-web-420x210mm.pdf
[20] Amsterdam Circular 2020-2025 Strategy
[21] Amsterdam Circular 2020-2025 Strategy
[22] C40 Knowledge, How to build back better with a 15-minute city. Available online:
https://www.c40knowledgehub.org/s/article/How-to-build-back-better-with-a-15-minute-city?language=en_US
[23] Willsher, K. Paris mayor unveils "15-minute city" plan in re-election campaign Available online:
https://www.theguardian.com/world/2020/feb/07/paris-mayor-unveils-15-minute-city-plan-in-re-election-campaign

The 15-minute city model is in direct contrast to the urban planning that has dominated the last century, whereby residential areas are separated from business, retail, industry and entertainment. Instead it focuses on the principles of ecology, proximity, solidarity between people and a participatory approach.[24] Although the concept has gained momentum in the last year, its underpinning principles are not new, it is inspired by urbanist Jane Jacob's philosophy that proximity is vital for cities, and Clarence Perry's early 20th Century idea of the "neighbourhood unit".[25] The model is linked with transit-oriented development plans, urban planning and equivalent land-use planning.

The model has gained popularity as a strategy for cities to recover from Covid-19. The relationship between public health and urban planning is not a recent phenomenon, as urbanisation is seen as a driver for infectious diseases because cities provide perfect conditions for them to spread.[26] Historical events demonstrate this relationship, such as John Snow's classic identification of the cause of a Cholera outbreak in London by observing urban water system data. Events like these highlight the importance of integrating health-related factors with city planning.[27]

"*Some of the most iconic developments of the City, such as London's Metropolitan Board of Work and the mid-19th century sanitation systems, have been established, responding to public health calamities such as cholera outbreaks*".[28]

Following this line of thought, *Paris en Commun* offers an example of this concept. The Paris mayor, Anne Hidalgo, ran for re-election on the basis of implementing a 15-minute city, called the "*ville du quart d'heure*".[29] Hidalgo's aim is to offer Parisians what they need at their doorsteps and ensure an "ecological transformation". It has now also been adapted in the context of Covid-19 as a resilient way to build back the city. The planned implementation and engagement approach is outlined in the sections below.

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[24] Moreno, C. Carlos Moreno: The 15-minute city (video). October 2020. Available online: https://www.c40knowledgehub.org/s/article/Carlos-Moreno-The-15-minute-city?language=en_US
[25] Sisson, P. What is a 15-Minute city? 21 September 2020. Access online: https://citymonitor.ai/environment/what-is-a-15-minute-city
[26] Pisano, C. Strategies for Post-COVID Cities: An Insight to Paris En Commun and Milano 2020. *Sustainability, 12(15) , 5883.* July 2021. Available online: https://www.researchgate.net/publication/343141364_Strategies_for_Post-COVID_Cities_An_Insight_to_Paris_En_Commun_and_Milano_2020
[27] Garcia, E. How to mitigate the impact of an epidemic and prevent the spread of the next viral disease: A guide for designers. Available online: https://www.gsd.harvard.edu/2020/03/how-to-mitigate-the-impact-of-anepidemic-and-prevent-the-spread-of-viral-diseases-a-guide-for-designers/
[28] Pisano, C. Strategies for Post-COVID Cities: An Insight to Paris En Commun and Milano 2020. *Sustainability, 12(15) , 5883.* July 2021. Available online: https://www.researchgate.net/publication/343141364_Strategies_for_Post-COVID_Cities_An_Insight_to_Paris_En_Commun_and_Milano_2020
[29] Martinez Euklidiadas, M. Paris wants to become a "15-minute city". 18 May 2020. Accessed online: https://www.smartcitylab.com/blog/governance-finance/paris-15-minute-city/

Developing a 15-minute city

The C40 Knowledge Hub (2020) has developed an implementation guide for a 15-minute city. The guide establishes four core principles to the model:
1) Residents of every neighbourhood have easy access to goods and services, particularly groceries, fresh food and healthcare.
2) Every neighbourhood has a variety of housing types, of different sizes and levels of affordability, to accommodate many types of households and enable more people to live closer to where they work.
3) Residents of every neighbourhood are able to breathe clean air, free of harmful air pollutants, there are green spaces for everyone to enjoy.
4) More people can work close to home or remotely, thanks to the presence of smaller-scale offices, retail and hospitality, and co-working spaces

The guide describes a 15-minute city as a flexible concept that can be tailored to a city's culture and circumstances so that is responds to specific local needs. Guided by the above principles, the first step is to establish a vision and goal of what the city should look like. Through data collection and participatory input, it is important to map out the presence or absence at neighbourhood level of the amenities, businesses, public spaces and other elements that have been identified as core to the city's vision. Neighbourhood-level geo-spatial data is essential to assess needs at a hyperlocal scale, and informs the design and appropriate transition towards a 15-minute city.

It is emphasised that lower-income neighbourhoods and those that are most underserved should be prioritised for investment, and that residents and local businesses should be involved in designing measures of improvement for their neighbourhood. Prioritising engagement and using a participatory approach helps ensure that the plan and transition is representative of the realities and achieves support from the city's residents.

The guide outlines the following five areas to focus on:

1) **Inclusive engagement:** local engagement should take place to develop the city's vision, design and implementation.
2) **Improvement of pedestrian and cycling infrastructure:** investment in walking and cycling infrastructure, including the reallocation of street space for pedestrian and cyclist use. This will not only enable greener transport but also open up space for shops, restaurants and other pillars that are essential for local economies.
3) **Decentralising core services:** services such as community-scale healthcare and education, essential retail such as groceries and pharmacies, as well as parks for recreation, need to be decentralised and present in each neighbourhood.
4) **Measures to help neighbourhoods thrive:** cities should aim beyond meeting basic needs within a 15-minute cycle, local places should be where local people want to live.
5) **Encourage teleworking and service digitalism to limit travel:** facilitating remote working, nearby co-working spaces and digitalised public services will enable people to

spend more time within their own or nearby neighbourhoods, further supporting local businesses.

Engagement approach to the model

Inclusive engagement at a local level is essential to identifying local peoples' needs and achieving the tailored approach required for a 15-minute city. Effective engagement is also crucial to attaining a broad support base. The opportunity to shape the vision and implementation of a 15-mintue city should reach everyone. Particular efforts should be made to reach low-income and marginalised communities as well as a range of businesses.[30]

Paris already has a history of participatory budgets, allowing residents to vote on how to spend 5% of the capital's budget.[31] Residents have the opportunity to participate in the design and selection of projects for their local area that get put forward for votes. There have been nearly 15,000 projects submitted by Parisians, and nearly 1,000 have been voted on since the start of the initiative in 2014. This is one of the largest participatory budgets in the world.

During her previous term, the mayor of Paris conducted the first citizen consultation, which is co-written with Parisians and outlines how they want to get involved in the development and implementation of local policies. A Citizen City Council was established, allowing Parisians to present recommendations to the city's elected officials. Paris Volunteers was also created, enabling 20,000 people to be trained in taking concrete action for projects related to the climate, solidarity, cleanliness, greening and democracy.[32]

As part of future plans for the 15-minute city, Anne Hidalgo committed to additional engagement tools to achieve an inclusive participatory model. Neighbourhood kiosks will be built where residents will be able to seek information, ask questions, raise concerns or ideas, and even meet the municipal police and access other services. There will be a Climate Academy, accessible to all free of charge to provide access to scientific knowledge on the environment and biodiversity. There is also the aim to increase the participatory budget to 25%, create a Municipal Citizen Council that can stand before the Council of Paris to present recommendations, allow Parisians to decide on new traffic and parking rules; plans are alñso afoot to open architectural juries up to the public and hold systematic upstream project consultations.

How is the "15-Minute City" being implemented in Paris

Since 2014, when Mayor Hidalgo first got elected, Paris has gone through a series of policies that ban the most polluting vehicles from entry to the capital, reacquiring city space for trees and pedestrians, and freed the quayside of the Seine from cars. As a continuum of this process, a

[30] C40 Knowledge, How to build back better with a 15-minute city. Available online: https://www.c40knowledgehub.org/s/article/How-to-build-back-better-with-a-15-minute-city?language=en_US

[31] Clement, M. Pissoirs and public votes: how Paris embraced the participatory budget. October 2019. Available online: https://www.theguardian.com/cities/2019/oct/03/pissoirs-and-public-votes-how-paris-embraced-the-participatory-budget

[32] Hidalgo, A. Paris en Commun Available online: https://annehidalgo2020.com/

key pillar to Hidalgo's re-election campaign was creating a 15-minute city, as part of Paris en Commun.

Carlos Moreno is the driving force behind Paris's 15-minute city. He outlines four major principles on which the approach is based: ecology, proximity, solidarity and participation. The aim is that each neighbourhood should be able to fulfil six social functions: living, working, supplying, caring, learning and enjoying. He envisions the city flowing at the pace of humans not cars, changing the way people move around a city[33], as seen in Figure 2.

Figure 2 Mobility hierarchy
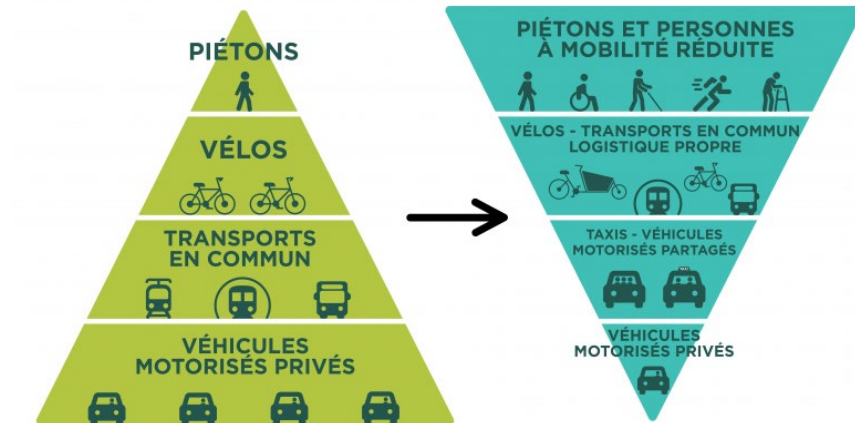
Below are some of the plans Hidalgo has outlined concerning the 15-minute city.[34] They are categorised into Moreno's four principles, with participation measures already outlined in the previous section:

Ecology
- **Pedestrianising the streets.** This involves having pedestrian areas in all neighbourhoods, creating "children streets" by shutting off traffic next to schools during entry and exit times. Further limiting the use of motor vehicles in the centre of Paris with a plan to do away with 60,000 parking spaces.
- **A green city**. Connecting green spaces such as parks and gardens for pedestrians. Establishing at least five large urban forests and build four new parks
- **100% bike city.** A €350m plan to create "a bike in every street" by 2024. This includes new paths, parking stations, cycle training from an early age and supporting professionals in the switch from motor vehicles to bikes.
- **Quiet streets.** By having fewer vehicles the streets will be quieter and there will be a "points permit" for nightlife businesses.

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[33] Moreno, C. Carlos Moreno: The 15-minute city (video). October 2020. Available online: https://www.c40knowledgehub.org/s/article/Carlos-Moreno-The-15-minute-city?language=en_US

[34] Hidalgo, A. Paris en Commun Available online: https://annehidalgo2020.com/

- **Improved public transport.** Introducing an express bus lane on the upper quays of the Seine, extending the tramway, allowing buses to go faster, and providing electric shuttles for tourists.

Proximity
- **Cleaner streets:** €1bn per year for street and garden upkeep, with a manager in each district. There will be a zero-butt policy and more stringent fines for those who break rules.
- **Safer streets.** 5,000 police officers will be trained to work at neighbourhood level to prevent discrimination and street harassment. There will be an equal split between male and female officers.
- **Culture.** Establishing "artistic platforms" where rehearsals and performances can take place in all neighbourhoods and restore municipal museums. Culture will be organised around schools, for instance by siting libraries and amateur productions there.
- **Sport.** Social sports clubs in every neighbourhood, encouraging more sporting activities in streets and gardens, building new sports grounds, and opening schools to the public on weekends for sport.
- **Supporting local businesses.** In the face of online competition, opening up ground floors for businesses to boost the local economy and support the "made in Paris" label.
- **Open schools.** School playgrounds will be transformed into gardens and open to local residents on the weekends and during holidays.
- **Support homeless people.** Welcoming homeless people in every neighbourhood and providing the opportunity for them to train as volunteers.

Solidarity
- **Affordable housing.** Rent 20% below market price for the middle class, maintenance of rent control, 25% of social housing distributed throughout Paris, and rent guarantees for low-income artists.
- **Affordable services.** Maintaining free transport for the elderly and extending it to under 13s. Free extracurricular activities and solidarity pricing for school canteens. Affordable healthcare across all neighbourhoods.
- **Fresh food.** Establishing a food cooperative "Agri Paris", based on local urban farmers.
- **Care for carers.** Support for carers allowing them to have time off. Creating 4,000 new nursery places.
- **Support in retirement.** Providing physical and cultural activities for those who are retired and supporting the elderly to live in their own homes.

Outcomes from a "15-Minute City" model

The 15-minute model outlined for Paris goes beyond focusing on ease or travel, walkability and local services, it has outlined measures also respond to the climate crisis, boost cultural activities and foster social connections. Below are some of the outcomes "*ville du quart d'heure*" is expected to achieve.

HEALTH AND SAFTEY

Improve health outcomes. Commuting by car can have negative impacts on health, it is not only a pollution source but it also results in people being less active. A randomised trial showed that those who commuted by car gained more weight than those who used alternative transport, such as bikes.[35] While urban pollution is related to a number of diseases, a Madrid study showed that 13% of respiratory cases are related to traffic intensity while it is 39% for cardiovascular disorders.[36]

Mental health. Greater interaction with neighbours is associated with a sense of belonging which supports mental health.[37]

Safer streets. Paris has already seen a reduction in road accidents since introducing measures that limits traffic, this would be expected to continue with fewer people using cars.[38] Introducing more police officers is also expected to improve street safety.

SOCIAL

Equitable. The measures planned aim for more equitable access to jobs, housing and healthcare across all neighbourhoods.[39] This will be achieved through truly dispersing employment and remote working, affordable housing and local healthcare facilities.

Social integration. Pedestrianised streets, walking children to school, increased communal space and local sports facilities are some of the measures that are expected to support social integration.[40]

Boost creativity. The expectation is that greater support and opportunities in every neighbourhood, such as additional venues to preform, restoring museums and supporting artists with rent, will allow creativity to flourish.[41]

ECONOMIC

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[35] Hutchinson, A. Does owning a car hurt your health? February 2020. Available online: https://www.theglobeandmail.com/life/health-and-fitness/article-does-owning-a-car-hurt-your-health/

[36] Navares, R., Diaz, J., Aznarte, J., Linares, C. Direct assessment of health impacts on hospital admission from traffic intensity in Madrid. Environmental Research. May 2020. Available online: https://www.sciencedirect.com/science/article/abs/pii/S0013935120301468

[37] Yeung, P. How '15-minute cities' will change the way we socialise. 4 January 2021. Available online: https://www.bbc.com/worklife/article/20201214-how-15-minute-cities-will-change-the-way-we-socialise

[38] Samuel, H. French roas deaths hit 'historic low amid row over controversial speed limit cuts. January 2019. Available online: https://www.telegraph.co.uk/news/2019/01/28/road-deaths-france-hit-historic-low-amid-row-controversial-speed/

[39] Sisson, P. What is a 15-Minute city? 21 September 2020. Access online: https://citymonitor.ai/environment/what-is-a-15-minute-city

[40] Martinez Euklidiadas, M. Paris wants to become a "15-minute city". 18 May 2020. Accessed online: https://www.smartcitylab.com/blog/governance-finance/paris-15-minute-city/

[41] Yeung, P. How '15-minute cities' will change the way we socialise. 4 January 2021. Available online: https://www.bbc.com/worklife/article/20201214-how-15-minute-cities-will-change-the-way-we-socialise

Boost local economies. Increased walking from pedestrianised streets and more ground space for local businesses is expected to encourage shopping and support for local businesses, as observed in Madrid.[42]

ENVIRONMENTAL

Decarbonise mobility. Reducing the number of pollutant vehicles in Paris, Hidalgo's policies have already been effective to date, with traffic falling by 8% in 2019 alone.[43]
Sustainable living. A number of measures that intend to bolster green initiatives at the neighbourhood level, such as training on sustainable living, supporting neighbourhoods to reduce waste, compost collection and increasing the number of homes that are solar powered.[44]
Less noise pollution. By having fewer cars on the road and issuing "noise permits" to nightlife businesses.

POST-COVID RECOVERY

The proposal for the 15-minute city will support micromobility, with more space for walking and cycling and decentralised facilities, which will help the city rebuild and restore its economy while protecting the lives of Parisians.[45] It will also make Paris resilient to future epidemic events.[46]

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[42] Martinez Euklidiadas, M. Paris wants to become a "15-minute city". 18 May 2020. Accessed online: https://www.smartcitylab.com/blog/governance-finance/paris-15-minute-city/
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[44] Hidalgo, A. Paris en Commun Available online: https://annehidalgo2020.com/
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[46] Pisano, C. Strategies for Post-COVID Cities: An Insight to Paris En Commun and Milano 2020. *Sustainability, 12(15) , 5883.* July 2021. Available online: https://www.researchgate.net/publication/343141364_Strategies_for_Post-COVID_Cities_An_Insight_to_Paris_En_Commun_and_Milano_2020

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Democratic ownership of local assets Options paper

Author: Christine Berry, New Economics Foundation

The threat

The pandemic poses a serious threat to the viability of local businesses, high streets and community assets (such as community centres and leisure centres). This is likely to be most severe in the most deprived areas which have been hardest hit by both the virus and the economic fallout. The two most dangerous scenarios are either (a) widespread failure of SMEs and voluntary/community organisations, or (b) businesses and assets being bought up cheaply by larger firms or private equity investors, leading to a further concentration of wealth and power.[47] As CLES note, "large private equity funds like Blackstone have a reported $1.5tn "war chest" ready for these "unique opportunities to invest". If this goes ahead it will create a shift in ownership upwards, a funnelling of wealth to those that need it least."[48]

Either scenario could lead to job losses, the further hollowing out of local high streets and the loss of assets of community value. This may contribute to a downward economic spiral from which deprived areas will struggle to recover. Indeed, in some areas of GM this is already happening. Meanwhile, in city centres, a sustained (and perhaps permanent) decline of high-street retail, office working, hospitality and leisure similarly risks widespread failures, empty premises and job losses, as well as making planned future developments potentially unviable.[49]

The opportunity

However, falling asset prices may also present an opportunity to acquire 'distressed assets' and safeguard them for the public benefit. This could be done in a way that seeks to diversify ownership of the economy by promoting diverse forms of democratic ownership (e.g. municipal, community and employee ownership models) - either by safeguarding assets that are already in these forms of ownership, or transitioning existing private firms and buildings into new ownership. This has the potential to help build a more equal GM by "enabl[ing] wealth created by communities to be held by them", thus helping to reduce inequalities of wealth and income while improving local access to goods and services. By offering local people both "a stake and a say", these models can also help to build a more democratic economy - i.e. reduce inequalities

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[47] For an early analysis of some of these potential issues, see IPPR, 2020, 'Who wins and who pays? Rentier power and the covid crisis'. https://www.ippr.org/research/publications/who-wins-and-who-pays
[48] CLES, Own the Future
[49] See for example Economics Observatory, 'Will coronavirus cause a big city exodus?' https://www.coronavirusandtheeconomy.com/question/will-coronavirus-cause-big-city-exodus; Greenham & Northrop, submission to the Reset inquiry, https://www.datocms-assets.com/30586/1605077822-greenhamnorthropresetsubmission.pdf

of power.[50] Commissioners have expressed an interest in promoting such models and in the idea of 'economic democracy' - and this has also been a key point raised by the local VCSE sector and organisations such as CLES.[51]

Meanwhile, if the pandemic does have lasting impacts on GM's economic geography - for example, a sustained shift towards home working and local or online shopping - this may create opportunities to rethink and regenerate local high streets and redistribute prosperity more evenly around the communities of GM. However, realising these opportunities will rely on GM's ability to mobilise local (public, household, large-scale private or philanthropic) resources, and identify viable investment opportunities for this capital in a difficult economic climate.

This paper reviews some relevant recent proposals and initiatives to outline possible options. It first looks at specific interventions that have been proposed for different types of asset, before concluding with some general observations on potential investment vehicles for mobilising local capital to invest in local assets. More general issues around supporting and encouraging co-op and mutual business models are covered in separate papers. It is based on a review of relevant reports and publications as well as conversations with various local stakeholders – including GMCA staff in the Investment, Housing and Economy teams, local VCSE leaders (including at GMCVO, Locality and Unlimited Potential), social investment leaders (including at Resonance and Abundance), and think tank researchers (including Common Wealth, CLES and NEF). We have also drawn on the VCSE Leadership Group's roundtable on the social economy which was attended by several commissioners.

1. Small and medium sized enterprises: 'rescuing' distressed firms and supporting new ownership models

One proposal specifically discussed in the Commission's last meeting was for a municipal 'holding company' to take equity stakes in struggling businesses (who in many cases are not in a position to take on additional debt to help weather the downturn) and protect them from takeover or failure, with a view to selling them again once the economy recovers - ideally into employee or community ownership. Proposals along these lines have been made by a number of think tanks, and there are precedents for such an approach being used in times of crisis.

The think tank Common Wealth has recommended that a UK-wide state holding company - or network of regional holding companies - should be created "to purchase viable SME-class businesses now facing acute distress that would otherwise collapse or be acquired by private equity, safely mothballing them during economic hibernation, before re-floating them when the

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[50] https://cles.org.uk/blog/summit-2020-a-more-economically-democratic-recovery/?utm_source=Economic+Change+Unit&utm_campaign=542bacd6f0-Biden_COPY_03&utm_medium=email&utm_term=0_6101fe9ecd-542bacd6f0-208184110&mc_cid=542bacd6f0&mc_eid=61306eed16

[51] See for example Macc, 'No going back: 22 voices from Manchester's voluntary sector'; VCSE Leadership Group, 'Building back better in GM: Together with the VCSE sector'; CLES, 'Own the future'.

economy re-emerges."[52] Early on in the crisis, IMF economists also suggested "the establishment or expansion of large state holding companies to take over distressed private firms, as in the United States and Europe during the Great Depression."[53] In a similar vein, CLES has advocated 'Local Economy Recovery Organisations', local state holding companies to "acquire and hold distressed business assets during the pandemic until such time as they could be relaunched" - ideally under new forms of ownership e.g. employee, public or community ownership. National policy change would be needed to enable the transfer of existing crisis loans provided under the Coronavirus Business Interruption Loan Scheme to these LEROs, but their establishment would not be contingent on such powers.

The Democracy Collaborative has advocated a similar approach in the US, terming them 'Local Economy Preservation Funds" (LEPFs) - with a specific remit to help redress growing racial and geographic inequalities of ownership. They note that this is unlikely to be appropriate for very small businesses owned by a sole proprietor, suggesting that the funds prioritise medium-sized businesses that employ large numbers of people. It suggests that these could be capitalised by municipal bond issuance and/or by leveraging in funds from mission-driven institutional investors. LEPFs would be expected to generate repayment revenue either by divesting assets when the economy recovers, or via dividend payments in companies in which it takes an ownership stake - noting that such moves should also deliver indirect fiscal benefits to local authorities, for example by preventing a collapse of the local tax base. Work is underway in New York City exploring how this approach might be applied, possibly via their existing Strategic Investments Group (which may have parallels with the GM Investment Fund), or using sources of community finance such as CDFIs, credit unions and anchor institutions alongside public sector investment.

The Welsh Government has been considering adopting this approach - possibly under the auspices of the Development Bank of Wales, or via an independent community interest company or co-operative allowing the Welsh Government to coinvest alongside private, social and philanthropic investors.[54] The Scottish Government has also been considering a similar approach via the Scottish National Investment Bank (SNIB). Given constraints on GM budgets, a key question for the GM context would likely be what sources of investment could be drawn on to underwrite such an approach. The Democracy Collaborative recommends that "English city regions form a coalition (with each other and with the devolved governments of Scotland, Wales, and Northern Ireland) to lobby for and demand that funding for public holding companies is included in any new devolution legislation or arrangement. This would include the UK government and the Bank of England granting greater access to monetary powers to capitalize

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[52] Lawrence et al, 2020, 'Commoning the Company'. Common Wealth. https://uploads-ssl.webflow.com/5e2191f00f868d778b89ff85/5e98856284fcbfe6ad28bb58_CW_Commoning%20the%20Company.pdf
[53] Dell'Aricia et al, 1 April 2020, 'Economic policies for th covid-19 war'. IMF Blog. https://blogs.imf.org/2020/04/01/economic-policies-for-the-covid-19-war/
[54] McKinley et al, 2020, 'Democratic by Design'. Common Wealth. https://www.common-wealth.co.uk/reports/democratic-by-design

such an institution" - noting that the appropriate scale for such institutions might be wider than a single city-region (e.g. pan-Northern).

It has also been suggested that business owners who may be contemplating retirement, perhaps pushed due to the pressures of the pandemic, could be supported and encouraged to transfer their companies into employee ownership. This would be a complementary and less capital-intensive approach to transitioning local SMEs into new forms of ownership.

2. Housing and land

As noted by CLES, dynamics around property ownership are critical drivers of economic inequalities, including in GM: "concentrated land ownership, property speculation and landlord absenteeism all drive inequality, as communities suffer the consequences of unaffordable housing, lack of access to land for businesses and a lack of investment in the local economy. Wealth gained from land and property leaks out of local economies, contributing to a lack of resilience".[55] They suggest that local authorities seeking to recover from covid in a more equal way should, "rather than viewing property portfolios solely as revenue generators ... both invest in local land and property assets for the common good and intervene to democratise ownership by purchasing property for future asset transfer to generative organisations."

Although measures such as the stamp duty holiday appear to have been successful in propping up house prices, the pandemic is still likely to have significant impacts on property markets and the availability of affordable homes - exacerbating existing inequalities. The Smith Institute predicts that "housing supply in the foreseeable future will remain significantly below trend and that some sites will be stalled – with a loss of both new private sales and social and affordable homes". But declining property values also create an opportunity to acquire and repurpose property for community benefit, thus driving a more equitable and sustainable recovery.

In addition, there is anecdotal evidence that disruption to the private rented sector - for example, high levels of rent arrears accrued by those who have lost income during the crisis, itself a significant driver of growing inequality - is leading some private landlords to consider exiting the market. This may present opportunities for the public sector or community-led organisations to step in and acquire properties for affordable, sustainable housing.

Proposals to address these challenges and opportunities include:

- The Smith Institute's Affordable Housing Commission has called for a national Housing Conversion Fund, allowing social landlords and community-led housing providers to buy up properties to boost affordable housing supply - including buying out private landlords

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[55] CLES, Own the Future

who wish to exit the market, unwanted new-builds, or empty office space.[56] Some local authorities are already seeking to pursue this approach within the budgetary constraints they face - for instance, Bristol City Council has reportedly been buying up new-build properties off-plan to be turned into social housing as their value has dropped during the covid crisis.[57]

- Similar efforts are being made via social investment platforms such as the Resonance Social & Sustainability Fund, Resonance Homelessness Property Fund and Supported Homes Fund - buying up properties from the PRS for retrofit and refurbishment as social/affordable housing for people with learning disabilities, care leavers or at risk of homelessness. GM has recently invested alongside social investors including the GM Pension Fund. This potentially creates a 'win win win' for reducing inequalities - by making decent, affordable homes available in deprived areas whilst creating good green jobs and having a positive impact on the wider housing market. GMCA officials felt there was mileage in exploring whether this idea could be scaled up - although further work would be needed on the business/investment case for this.
- Within GM, there are already moves towards 'in-sourcing' management of existing social housing and building new publicly-owned affordable housing. For example, 'Hive Homes', the Registered Providers Joint Venture, is buying up land to build new social housing in deprived areas of boroughs such as Rochdale and Bolton where private developers are not interested in building, while Salford City Council is also building affordable homes directly on public land.[58] Social homes are also being taken back into public control in North Manchester, where ALMO Northwards Housing is being in-sourced at an expected saving of £77m over 30 years.

3. High streets, commercial property and community assets

In relation to commercial property, there is a risk that developments of city-centre office space already underway may struggle to reach full occupancy if the shift to home-working continues, threatening their financial viability. (Surveys suggest that most companies expect to see a permanent shift away from office-based working, and this is supported by recent survey evidence of GM residents which suggests that most have found the shift to home working at least 'somewhat' positive.)[59] The accelerated shift to online retail is likewise leading to closures, with Debenham's being a recent high profile example.

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https://static1.squarespace.com/static/5b9675fc1137a618f278542d/t/5f6af90205f6a055f5d0901e/1600846086591/A+National+Housing+Conversion+Fund.pdf
57 https://www.theguardian.com/commentisfree/2020/oct/30/rent-crisis-councils-pandemic
58 https://www.salford.gov.uk/housing/delivering-affordable-housing/new-affordable-homes-to-be-built-by-the-city/
59 See for example https://www.theguardian.com/business/2020/oct/05/covid-19-has-changed-working-patterns-for-good-uk-survey-finds

Meanwhile, there are threats to local high streets: if small businesses struggle to pay their rents or fail because of the pandemic, many commercial landlords would prefer to keep the properties empty than accept a lower rent and the resulting downgrading of the book value of their assets. "Businesses in retail, leisure and hospitality are at risk of failure, leaving previously struggling high streets – community assets in their own right – vulnerable to speculative acquisition."[60]

Frances Northrop & Tony Greenham note that: "The short-term loss of rents, and severely impaired local government finances, may drive fire-sales of both private and public land and property and fuel the concentration of ownership and wealth in the hands of private developers who do not have a long-term presence or commitment to the communities affected by their actions. [This] will be exacerbated by the new planning reform proposals."

As Miatta noted in the Commission's meeting, and as community groups in GM have warned, spaces under threat may include leisure centres, libraries, community centres and other buildings of community value. Losing these assets would risk widening inequalities in quality of life, particularly given that closures may be more likely in deprived areas. In Macc's 'No Going Back' report, several local community organisations expressed concern about the loss of community spaces which play a vital role in providing social connectedness as well as being important sources of income for voluntary organisations. This has been reinforced by input we have received from organisations such as Locality. It's therefore important that we think not just about housing but also other buildings and spaces of community value.

Alongside the threat to high streets is a potential opportunity - most analysts expect to see a continued fall in commercial property values, potentially of as much as 30%. This arguably means there has never been a better time to seek to acquire assets for social and community benefit and to help reinvent our high streets for a post-pandemic future. This may mean spaces that are less oriented around retail (with the exception of 'in person' services, goods such as fresh food), and place a greater emphasis on public amenities and experiences. Changing patterns of work and spending may also create opportunities to revitalise high streets in towns and residential areas, for example with new co-working hubs and local markets (which can be an excellent way for local entrepreneurs to test out new business ideas in a low-cost and low-risk way, before scaling up to a shop if they are successful).

The government has recently announced a 'right to regenerate' (a reform of the existing 'right to contest') under which communities could be given the right of first refusal to buy unused or derelict buildings from local authorities at market price.[61] It is important to note that many stakeholders we spoke to were sceptical of the history of this type of 'community asset transfer' which was viewed as too often having been a way for the public sector to offload liabilities onto communities. (In this case there are also concerns that it could be a way to force the sale of public land owned by local authorities.) Rather, they wanted to see a more constructive and supportive partnership between the public sector and community-led organisations. Recent

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[60] CLES, Own the Future
[61] https://www.gov.uk/government/consultations/right-to-regenerate-reform-of-the-right-to-contest

work for the think-tank Common Wealth on 'public-common partnerships' is potentially relevant here.[62]

Potential recommendations or solutions:

- Acquiring and repurposing vacant buildings through models such as community shares, for example to develop multi-purpose community hubs bringing together different types of amenities and services (e.g. GMCVO is supporting a community-led project in Sale West to redevelop an existing community centre along these lines). This could build on previous discussions between GMCA and the local VCSE sector to define 'social infrastructure' and 'community anchors' - working towards a shared definition of 'community assets/hubs/anchors' and a vision for how they could be built in every neighbourhood of GM, including by repurposing buildings recently made redundant.
- As discussed below, GM could explore the potential for community share offers or community investment platforms to help 'recycle' the excess savings accumulated by households and successful firms during the pandemic into the purchase of assets of community value. One possible issue here is that excess savings are likely to be accruing in the more affluent areas, while deprived areas most in need of investment will have much smaller pools of community capital. A key question is therefore whether it is possible for GM-wide schemes to recycle and redistribute this capital between as well as within neighbourhoods.
- The Access Foundation's £30m Emergency Investment Fund, with co-investment from GMCA, managed by GMCVO is making part-grant, part-loan funding available to community enterprises threatened by covid and has so far supported four organisations - KNYP (a Kashmiri youth project based in Rochdale that operates a nursery and community hub), Bolton Wanderers Community Trust (mentoring and education); Sharp Futures; and Arts at the Mill in Wigan. Philanthropic grant funding has been key in de-risking the loan component of the funding from GMCA's perspective - meaning that they can absorb a high loan failure rate and still break-even. There may be opportunities to explore similar collaborations / co-investment models that combine philanthropic funding, public investment and community investment - if necessary alongside wider private social investment (see below).

Mobilising resources: how can we harness local capital to build community wealth?

A key question in all of this is how we can mobilise local capital (public, private, household and philanthropic) to safeguard jobs and community assets and invest in new forms of social ownership. This includes the significant amount of excess savings being built up by wealthier households who are unable to spend as normal during lockdown. Andy Haldane has estimated the pool of additional household savings built up during the pandemic at £100bn,[63] with some

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[62] https://www.common-wealth.co.uk/reports/public-common-partnerships-building-new-circuits-of-collective-ownership

[63] https://www.thetimes.co.uk/article/locked-down-shoppers-have-100bn-to-spend-j2ztl2g9s

estimates suggesting that as much as £10bn of this could be held in the North West.[64] For comparison, the government's entire 'Levelling Up Fund' for deprived neighbourhoods amounts to £4.8bn, with just £600m expected to come on-stream this year and a maximum bid size of £20m per project/locality.

This is not simply a short-term crisis response question in the context of the pandemic. Issues of access to finance for the 'real economy' in regions outside London are long-standing. A 2019 paper by the Department for Business, Enterprise and Industrial Strategy estimated the equity finance gap for SMEs in the North West at £600m - £860m.[65] There is also considerable evidence that the UK banking sector performs poorly in this respect, with its lending tending to be concentrated in the south-east and in real-estate.[66] Access to affordable finance so that new and existing local businesses can start-up and scale-up will be important to driving an economic recovery whose benefits are spread widely across GM. Access to finance is a particular issue for non-standard corporate forms such as co-operatives and social enterprises (as explored by the GM Co-operative Commission).

Potential solutions that have been proposed include:

- Mutual and co-operative regional banks. In recent years there has been growing interest in the potential for local and regional public and community banking and investment approaches, including efforts to establish a GM Mutual Bank (currently at an early stage of development) to serve local SMEs and retail customers. It has also been noted that, in the aftermath of the UK's exit from the European Union, state aid rules no longer prevent local authorities from setting up similar entities.
- Municipal bonds (for local infrastructure investment etc) - potentially including retail bonds aimed at local residents, to provide safe long-term returns for local households whilst putting their savings to work for the local economy. This is an idea recently floated by economist James Meadway and which Jamie Driscoll, Mayor of the North of Tyne, is reportedly considering. Several local authorities (such as West Berkshire) have recently issued 'green bonds' in partnership with Abundance Generation to fund local renewable energy projects, and GM is reportedly already in discussions about this approach.[67]
- Community shares and community investment platforms. Frances Northrop and Tony Greenham have proposed 'community venture funds' which could bring together funds from various places – eg Shared Prosperity Fund, one off programmes like Stronger Towns, City Deals, Future High Streets etc, alongside philanthropic monies and

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821902/sme-equity-finance-regions-research-2019-012.pdf

[66] See for example UK Finance datasets on SME lending by postcode: https://www.ukfinance.org.uk/data-and-research/data/business-finance/sme-lending-within-uk-postcodes, and mortgage lending by postcode: https://www.ukfinance.org.uk/data-and-research/data/mortgages/mortgage-lending-within-uk-postcodes

[67] See also Baumann Institute, Leeds University, 'Financing for Society: Assessing the Suitability of Crowdfunding for the Public Sector'. https://baumaninstitute.leeds.ac.uk/research/financing-for-society/

investment from the National Lottery, Trusts and Foundations, to provide 'first-loss' funding for new or high-risk ventures - as well as issuing community shares and bonds to local people that are backed by existing investments in land, buildings and established businesses or can be shielded by a 'first-loss' tranche. They suggest that this should be established at city or borough level, with a mechanism for devolving funds down to neighbourhood level.

- Kindred in Liverpool is an example of a community-owned investment platform designed to support the local social economy, supported with funds from the local authority but independent of it.[68] There is perhaps a question over whether the One GM Fund banner could be used to establish something along these lines, and if so whether it could help to combine support for existing businesses with start-up funding for new ones - mobilising excess savings among GM's wealthier households towards this end. There could also be a role for Community Foundations and thematic umbrellas which collect donations and 'invest' for the public good - such as the Mayor's charity.

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[68] https://kindred-lcr.co.uk/

Options for supporting development of co-operative and mutual organisations in Greater Manchester

Author: Anne Lythgoe, Greater Manchester Combined Authority

Purpose:

This note will draw upon recent work carried out in Greater Manchester and outline options for supporting the development of co-operatives and mutuals, including their role in specific sectors (eg childcare, social care and wider foundational economy).

Summary of key points:

- There is a huge amount of political, business and strategic interest in the creation of co-operatives and mutuals in Greater Manchester and there are some high profiles and successful examples of such businesses based here
- However, their creation – whether from scratch or 'conversion' from other forms of governance is complex, lacks a clear 'pathway' and can be time / resource consuming
- Furthermore, there is a lack of available local expertise to support people wishing to establish co-ops and mutual organisations
- The range of options available often isn't clear, and support to help organisations in all sectors explore possibilities around mergers, conversions, greater employee empowerment or setting up new mutual / co-operative / social enterprise businesses.
- Investment options are also limited, especially for start-ups, as they don't necessarily consider or value the potential social good that co-ops and mutuals can generate
- The GM Co-operative Commission has drawn together a resource of evidence and learning, but the implementation of its recommendations has been hampered by a lack of resources and expertise
- GMCA and partners are awaiting the results of an expression of interest to Co-operative UK to become a local partner for their Ownership Hub. This would provide additional expertise, dedicated business support and a brokerage service for 2 years, to enable Greater Manchester to scale up its ambitions on the back of the Co-operative Commission.
- The major success story in Greater Manchester has been the range of extremely successful public sector 'spin outs' or creation of mutual organisations from public services. Examples exist in social care, childcare, housing, mental health, leisure and cultural services, particularly in Salford and Rochdale. All have proven to be sustainable, popular and embodied the place-based approach.
- However, where public / private vehicles have been created to deliver services, these have met with a lower level of success, and some are being or have been pulled back into the public sector.
- Consideration has also been given at a strategic level to the creation of mutual 'backbone' organisations to support the children and adult social care markets, both of which have been under financial pressure for several years. There is political interest in several districts for

bringing service into local authority control, and the creation of employee-owned mutuals could be a vehicle for doing this.
- There are four broad options for creation of mutuals:
  - Public service 'spin outs' – GM examples include PossAbilities, Aspire and Salford Community Leisure
  - Mergers of existing organisations – examples exist elsewhere in the country of extremely successful mergers creating a new mutual venture.
  - Setting up from scratch – although possible, this option would be rare as it is likely that to be successful, the business would need to have a clear market opportunity
  - Creation of an 'umbrella' mutual or co-operative - to enable support, collaborative tendering, etc. LLP structures have been trialled in GM and considered in social care, for example.
- Several of the options above might be used to work with the market to 'spin in' services under mutual / democratic control for public good
- Discussion with Mutual Ventures, who are commissioned to deliver the government's Mutuals Support programme, indicated that the new Levelling Up Fund could be one way to draw in investment, with the Fund contributing towards refurbishment of the (distressed) asset, and the mutual / co-operative organisation being the vehicle for the management of that asset going forward.
- Should these options be considered, investment in business cases will be required and full impact assessments undertaken to establish the likely long-term benefits. Measuring 'success' should be considered not just through the usual financial productivity measures but involve a more 'balanced scorecard' of social and environmental measures as well as the financial bottom line.
- It is suggested that the Commission should bring together a range of stakeholders from public service mutuals in GM, expert facilitators, and public sector policy leads to discuss opportunities around both the creation of mutuals and co-ops, but also their role in the management of distressed assets.

Greater Manchester Co-operative Commission:

In 2019, Andy Burnham, Mayor of Greater Manchester launched a Co-operative Commission to understand the challenges and opportunities to developing the co-operative sector, and to ensure that the city-region stays at the forefront of co-operative development. The Commission reported back in January 2020[69], following which an implementation plan has been developed with partners from across the city region.

The Commission explored how Greater Manchester can create the conditions for co-ops to thrive, linking into the Local Industrial Strategy. Its focus broadened out into consideration of '*co-operative ways of doing business*' rather than just building more co-ops. It explored evidence around the opportunities presented in the housing, transport and digital sectors, as well as discussing how Greater Manchester can better support the development of co-operative and mutual businesses.

The Commission identified the following key challenges:

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[69] Call for support to further success of co-operatives in Greater Manchester - Greater Manchester Combined Authority (greatermanchester-ca.gov.uk)

- A lack of real awareness and practical understanding of alternatives to traditional business.
- A perception that the challenges and complexities involved in setting up or converting to a co-operative outweigh the benefits; therefore, the option is not adequately explored.
- The mainstream service provision available to businesses (advisors on finance, accounting, law, governance and regulation) are not professionally trained in co-operative and mutual approaches and are not necessarily equipped to advise of co-operative businesses
- The distinct legal and organisational structure of co-operatives can create challenges for investment and lending for banks, public and private sector investors, credit reference agencies and people doing due diligence, because they are not familiar with the different purpose of such organisations, and their different strengths.
- Often a co-operative approach is not considered as a mainstream option in strategy development, if at all.

The 42 recommendations made by the Commission are grouped based on three key areas:
- Creating conditions for co-operatives to thrive
- Increasing co-operation between people in communities and organisations both public and private
- Enabling people to see how they can play a significant part in improving communities across Greater Manchester through the co-operative approach to business.

The priority actions outlined in the Commission's Delivery Plan are as follows:

SHORT TERM – Priority tasks for completion by end March 2021
- Confirm involvement in Greater Manchester Ownership Hub demonstration project – targeting co-op development and SME conversion in the foundational economy (currently awaiting to hear results of Expression of Interest to Co-operatives UK)

- Undertake first stage feasibility work for Greater Manchester Innovation Co-operative and develop case studies of exemplar businesses built around the Innovation Co-op that could directly address priorities due to Covid 19 (early work being trialled through GM Local Access Partnership)

- Promote, provide support and endorsement for the Middleton Co-operative Partnership, Leigh Spinners Mill, and other place-based co-operative and community initiatives (ongoing)

- Increase GM local authority membership of the Co-operative Councils Innovation Network (5 local authorities from the 10 are now members)

- Hold a series of webinars about co-operation for 'place-based' audiences new to co-ops (not started)

MEDIUM TERM – priority tasks for completion by end March 2022 (not yet started)
- Develop and promote GM overview of potential co-operative investors, community shares booster programmes, and explore opportunities for new models of financial support

- Deliver training and capacity building about co-ops for Growth Company business advisors, local authority commissioners and similar audiences

- Undertake an academic evaluation of the economic and social impacts of the co-operative approach taken by the CNI programme in Tameside

- Collaborate across GM CCIN Members and Co-op Councillors to develop a GM Charter on Co-op values

- Explore the feasibility of co-operative infrastructure models for organisations in key service sectors such as homelessness / rough sleeping, social care, and community transport

The Greater Manchester Co-operative Commission created the intelligence and a learning resource from which to build. It has also raised the profile of the ambition beyond the city-region and given us contacts across the world.

Baseline for the co-operative and mutuals sector in Greater Manchester

Today, Greater Manchester is home to almost 300 co-operative and mutual organisations across a range of industries, including the Co-operative Group – the UK's largest consumer co-operative. Co-operatives with their headquarters in Greater Manchester collectively have an annual turnover of more than £1.5 billion, employ over 66,000 people, and have almost 5 million members. The city-region is also home to the national association Co-operatives UK, which unites, develops and promotes co-operatives.

There has been a significant rise in the number of co-ops in Greater Manchester over the past 30 years across a range of industries. The number of new registrations has doubled in the last 10 years.

However, whilst the co-operative movement in Greater Manchester has a long and rich history, co-operatives make up less than 0.5% of all businesses in the city-region. Whilst the revenue and employment figures look promising, the Co-operative Group make up the vast majority of both of these figures (more than 90%).

Evidence supplied to the Greater Manchester Co-operative Commission[70] showed that almost half of our co-ops are in the City of Manchester, with a greater number in Oldham, Rochdale, Bolton and Stockport than in the other parts of the city region. Geographically, there is strong support from local authorities in Oldham, Rochdale, Bolton, Salford and Wigan – who are all committed to encouraging smaller, community-owned enterprises to grow and thrive. These places all offer opportunities for grass roots community and worker ownership.
Key to the sector are the people who might want to be part of it. Greater Manchester has a range of *Local, place-based co-operative networks and partnerships*, including Middleton Co-operates, Leigh Spinners Mill, Made in Wigan, Community Led Housing Group in Langley (Rochdale), Oldham Community Power, as well as *Influential and trail blazing organisations to*

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[70] https://www.greatermanchester-ca.gov.uk/news/call-for-support-to-further-success-of-co-operatives-in-greater-manchester/

act as inspiration for others to follow. Two examples are: Salford Community Leisure[71] Rochdale Boroughwide Housing[72] and Unicorn Grocery[73]

Opportunities - Interest in co-operative forms of working in Greater Manchester
We can evidence a growing interest in employee and worker ownership, particularly across the foundational economy, which is typically characterised by low pay and low productivity. This interest has increased as a result of the Coronavirus pandemic, which has put so much stress on these businesses which employ 40% of Greater Manchester workforce.
Greater Manchester already has a diverse and relevant business economy from which to build. Our social care sector, for example, is well positioned for employee ownership or the creation of other mutual forms – following trail blazers in Salford and Rochdale.
Partners and places in this project see co-operatives as playing a key role in their post-Covid recovery plans, and this programme could achieve real system change and new ways of thinking.
The Greater Manchester Local Industrial Strategy makes a *commitment to develop the conditions for co-operatives and social enterprises to thrive*. There are strategic drivers in the new LEP Economic Vision[74], the Greater Manchester Strategy[75], and opportunities to develop further across health and social care, housing, transport and environmental agendas. These strategies provide the hooks for investment and activity. Several of the individual local authorities in Greater Manchester have embraced the role of co-operative and employee ownership through their community economic development / wealth building and social economy strategies.
Greater Manchester has the governance in place to make this happen at a city-region level: The co-op ethos and mode of operating is embedded into GMCA governance – Cllr Allen Brett, Leader of Rochdale Council has a GM level portfolio for co-operatives and communities. The GMCA is a mechanism for 10 councils to work together co-operatively with an elected Mayor and creates a platform for change.
Business succession is an issue for the Greater Manchester economy – but an opportunity for mutual and co-operative business forms. Businesses that are often going concerns with established products, markets and customers close each year, when a new buyer is not found, resulting in the loss of jobs, businesses and skills in our local communities. Employee ownership is a viable succession option for business owners, who can get a fair price for the business, whilst passing it onto the people who know it best, the employees.

Advantages of this approach

The Co-op Commission established that *Co-operatives have an enormous amount to contribute to Greater Manchester, particularly where dominant business models, markets or the state*

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[71] https://salfordcommunityleisure.co.uk/about-us/
[72] https://www.rbh.org.uk/
[73] https://www.unicorn-grocery.coop/
[74] http://gmlep.com/economicvision
[75] https://www.greatermanchester-ca.gov.uk/who-we-are/the-greater-manchester-strategy/

cannot meet needs and aspirations. Businesses that operate co-operatively offer Greater Manchester something different to only-for-profit, shareholder-controlled business. They are:

- Less likely to fail in the first five years of business[76]

- More resilient in times of economic crisis[77]

- Can reduce inequalities of power[78] and wealth[79][80]

- Are very effective at meeting the common needs and aspirations of workers[81,82], communities[83,84], consumers and small businesses[85,86]

The Greater Manchester Co-operative Commission noted that whilst there are opportunities for the further development of co-operatives across Greater Manchester, there may be a particular need for them in some of the city-regions most deprived areas. Greater Manchester has areas of great affluence and great poverty, often within a few miles of each other. 23% of Greater Manchester's neighbourhoods are ranked in the 10% most deprived neighbourhoods in the country.

Research recently published by Power to Change and CLES[87] highlights the conditions needed for community businesses to form and thrive in deprived communities. They find that the right interconnections of social value, local activity and knowledge are essential prerequisites in the formation of community businesses in contexts of deprivation. The researchers found that while all deprived communities studied contained above average levels of one kind of social capital ("bonding capital[88]") this needs to be augmented to 'bridging' and 'linking' social capitals, which in turn introduce essential skills, knowledge, and economic capitals to the mix. The researchers recommend funding initiatives that nurture, mobilise and augment social capital, in order to create more fertile conditions for community businesses to form.

[76] Co-operatives UK (2019). *Co-operative business survival.*

[77] Birchall, J. & Ketilson (2009). *Resilience of the co-operative business model in times of crisis.*

[78] Birchall, J. (2017). *The Governance of large co-operative businesses.*

[79] Pérotin, V. (2016). *What do we really know about worker co-operatives?* f

[80] C-operatives UK (2018). *Gender pay gap report.*

[81] Pérotin, V. (2012). *The performance of worker cooperatives.* In P. Battilani & H. G. Schröter (Eds.) The Cooperative Business Movement. Cambridge, UK: Cambridge University Press

[82] Mayo E (2015). *The Co-operative Advantage: Innovation, co-operation and why sharing business ownership is good for Britain.* Manchester: Co-operatives UK.

[83] Thornton, E., Litchfield, A., Brooks, S., Britt, R. & Hitchin, J. (2019). *Community Business Fund evaluation: Interim report.*

[84] Plunkett Foundation (2019). *Community shops: A better form of business.*

[85] Dellot, B., & Wallace-Stephens, F. (2017). *The self-organising self-employed: Empowering grassroots collaboration in the new economy.*

[86] Directorate-General for Competition (European Commission) (2017). *Study on producer organisations and their activities in the olive oil, beef and veal, arable crops sectors.*

[87] Power to Change & CLES (2019). *Building an inclusive economy through community business: The role of social capital and agency in community business formation in deprived communities.*

[88] Bonding capital – *"Ties between individuals within the same social group, associated with local communities where many people know many other people in the group (network closure). Can have both positive and negative manifestations and implications for social exclusion."* Ibid, p.5

This focus would also support the commitment in the Greater Manchester Local Industrial Strategy to "revitalise town centres and high streets by supporting creatives, digital entrepreneurs, and innovators to start or scale a business, social or cooperative enterprise". We see co-ops, mutuals, employee and worker ownership as being part of the actions needed to address the following challenges:

- **Low Pay and insecure work:** parts of the foundational economy are dominated by low paid, insecure roles – often in retail and care – and attempting to increase productivity often risks damaging the quality of job and services – e.g. a low staff-to-child ratio in a nursery, or overlooking the inherent value of work.

- **Social equalities:** Women and people from ethnic minorities are disproportionately employed within the foundational economy and often subject to worse working conditions and pay than counterparts in other sectors.

- **Invisible Labour -** the foundational economy is typically thought of as 'low value' despite the fact that 'productive' sectors are entirely dependent on the low-paid labour that underpins health, education, mobility and nourishment of workers and society.

- **Business Models -** Even if there was political will to spend more money on foundational services, pay and quality of jobs in these parts of the economy would not automatically improve due to extractive business models. We believe that co-operative, mutual, employee / worked owned business is better for our local economy and therefore we see this partnership as a way to increase the proportion of beneficial business models.

- **Wellbeing:** Growth in GDP and GVA is no longer translating into improved living standards for many however, a stronger foundational economy directly improves wellbeing for those on all income levels.

Barriers and issues for the co-operative and mutual sector in Greater Manchester

The report of the Greater Manchester Co-operative Commission noted that 'Co-operatives, as well as other types of social business have a role to play in the continuing development of Greater Manchester's economy and communities. To successfully develop the co-operative economy further, a combination of awareness-raising, active support, and the removal of barriers is required'.

No business, co-operative or otherwise, can succeed without the right skills, knowledge and knowhow. As stated above, Greater Manchester does not have readily available and clearly packaged support for co-ops and mutuals. We need to make it easier to set up and run a business which has employees or communities in its governance structure, we need to make relevant or specialist business support more accessible, align our investment streams towards the social impacts that we are seeking and remove the financial barriers towards taking on investment.

A further concern is the lack of diversity in the co-operative movement – membership of co-operatives and mutuals in Greater Manchester does not reflect the make-up of the communities across the city-region. In order to ensure that the member-based approach can thrive and help to meet the needs of Greater Manchester's diverse communities, co-operatives need to appeal

to and involve a more diverse group of people. Embedding co-operatives in Greater Manchester's Public Service Reform principles will support this however, co-operative and social businesses need to be embedded in economic development and entrepreneurship that is community led, prioritising the participation of people in the most deprived and diverse areas of Greater Manchester.

Creating 'mutuals' in Greater Manchester

As stated above, there are a number of 'spin out' mutuals and employee-owned public service organisations in Greater Manchester. Many established during the early 2000's and have proven their success and resilience over the last 10 years. There are now approximately 115 public service mutuals across England, delivering an estimated £1.6billion of public services across a wide range of sectors[89].

For employees, being part of a mutual can empower them to use their experience and insights to improve services and tackle social problems in innovative ways, increase well-being and job satisfaction. For service users, mutuals can provide better quality, more effective and responsive services and improved outcomes. For service commissioners and taxpayers, they can mean better value services, combined with greater local impact, reinvestment in communities and partnership working.

Evidence indicates mutuals tend to have higher productivity than non-mutuals, provide better quality services and outcomes, and have high customer satisfaction and improved staff engagement. Studies have also shown employees with a stake in the business they work for are more committed to delivering quality services and more flexible in responding to the needs of the business.

In 2017 Government announced support for the establishment of public services mutuals. However, the Mutuals Support Programme 2 is currently closed for applications. Two support consortia were formed to support the development of mutual organisations – Go Mutual[90] and Mutual Ventures[91]. Mutual Ventures has advised us that the Support Programme has not been active through the Covid period and officially ends on 31st March 2021. Although there exists an ambition in the Department of Digital, Culture, Media and Sport to continue this work, it is not clear whether this will happen following the Covid pandemic.

However, colleagues from Mutual Ventures have been extremely supportive and are already working with a number of local partnerships and authorities in GM. Their opinion is that mutuals are 'a perfect tool for levelling up'.

There are four broad options for creation of mutuals:

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[89] Introduction to Public Service Mutuals - GOV.UK (www.gov.uk)
[90] Go Mutual | Support to potential and existing Public Service Mutuals.
[91] Mutual Ventures

- Public service 'spin outs' – GM examples include PossAbilities[92], Aspire[93] and Salford Community Leisure[94]

- Mergers of existing organisations – examples exist elsewhere in the country of extremely successful mergers creating a new mutual venture.

- Setting up from scratch – although possible, this option would be rare as it is likely that to be successful, the business would need to have a clear market opportunity

- Creation of an 'umbrella' mutual or co-operative - to enable support, collaborative tendering, etc. LLP structures have been trialled in GM and considered in social care, for example.

Several of the options above might be used to work with the market to 'spin in' services under mutual / democratic control for public good, for example in the domiciliary social care sector. Examples from across the country include leisure, arts and libraries being operated by mutual organisations.

Discussion with Mutual Ventures, indicated that the new Levelling Up Fund could be one way to draw in investment, with the Fund contributing towards refurbishment of the (distressed) asset, and the mutual / co-operative organisation being the vehicle for the management of that asset going forward. It was also noted that post-Brexit changes to State Aid might enable local authorities to do more to create, be part of or invest in mutual organisations.

It is important that measuring 'success' for mutuals and co-operatives should be considered not just through the usual financial productivity measures but involve a more 'balanced scorecard' of social and environmental measures as well as the financial bottom line. Salford Community Leisure, for example is one of a growing number of similar organisations using social accounting to report their impacts.

There is an opportunity to hold a round table discussion which brings together a range of stakeholders from public service mutuals in GM, expert facilitators, and public sector policy leads to discuss opportunities around both the creation of mutuals and co-ops, but also their role in the management of distressed assets. It should be noted that many of these are represented on the Greater Manchester Social Enterprise Advisory Group[95], which might be a vehicle to steer this work forward. The Group is chaired by Rose Marley, the new CEO of Co-operatives UK.

Discussion with Mutual Ventures substantiated previous discussions with Commission members and also the recommendations of the Co-operative Commission, that in order to build more co-operatives and mutuals, GM should bring together a hub of expertise, practical support and

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[92] PossAbilities
[93] Aspire | Disability Care and Support (iamaspire.org.uk)
[94] Home - SCL (salfordcommunityleisure.co.uk)
[95] Social Enterprise Advisory Group - Greater Manchester Combined Authority (greatermanchester-ca.gov.uk)

investment. This should be part of, or work alongside, existing 'mainstream' business support and provide a pathway of support which would be easy to follow.

Greater Manchester Bid to Co-operatives UK 'Ownership Hub'

Our approach to targeting outreach and engagement for a partnership with the Ownership Hub will use an intersecting assessment based in:

- *Geography* – identifying the locations where there is an institutional enthusiasm for co-operation, resources are available to support development or conversion
- *Sector* – we will focus on business sectors where co-ops and mutuals have a proven track record, including the foundational economy
- *Existing ownership / governance* – Greater Manchester has proven success in public sector 'spin out' co-operative / member driven enterprise and we are exploring the feasibility of 'spin in' of privately owned or equity-based businesses that provide public services.
- *Social impact* – the ability to generate additional social, economic and environmental wellbeing through employee and worker ownership
- *People* – the Greater Manchester Co-operative Commission concluded that co-operation needs people and communities – to become those business owners and co-operative members, but to also generate a local, ethical market for the products and services created.

We are looking for the following three key outcomes from Greater Manchester's participation in the Ownership Hub, all of which align closely with the ambition and recommendations of the Greater Manchester Co-operative Commission, and relevant strategies:

- Increase in the number of co-operative, worker and member-owned businesses involving people from the most deprived neighbourhoods of Greater Manchester

- Increase in the number of co-operative, worker and member-owned businesses in targeted business sectors, with a key focus on the foundational economy

- Development of a dedicated and expert business support infrastructure for co-operative, worker and member-owned businesses and social enterprises in Greater Manchester

These three outcomes have been chosen because of their creation of longer-term impacts, which include:

- *Economic inclusion* – addressing the long-term challenge of ensuring that the people of Greater Manchester can all benefit from economic growth

- *Building of co-operative markets* – the Co-operative Commission explored international examples of co-operative places and concluded that Greater Manchester needed to shift the dial in a number of ways – changing the business environment, the ways that co-ops and mutuals are regarded by the state, but also by citizens, and by radically changing mainstream business support.

- *Re-building following the Covid pandemic* – although the full economic and social impacts of the coronavirus pandemic are still to be understood,

- *Creating a sustainable and diverse business support capability*

Social Value activities and opportunities in Greater Manchester

Author: Anne Lythgoe, Greater Manchester Combined Authority

Purpose:

This note will draw upon recent work carried out in Greater Manchester and outline opportunities for the Commission to consider around the concept of 'social value'.

Summary of key points:

- Greater Manchester has been seen as being at the forefront of activity around 'social value'
- However, this has mostly been focussed on social value in public sector procurement
- There is a growing interest nationally and internationally in the concept of 'social value' as a way of conducting business (rather than a set of outcomes or a small percentage in the public sector tendering process)
- There is an opportunity to harness business interest in social value and channel this into tackling inequality
- Greater Manchester has recently published a new Social Value Framework of Priorities – which could be used to guide the actions which businesses take and spearhead a campaign to change business behaviours. This would draw in 'good employment', environmental / carbon reduction measures, jobs and skills, for example, and could be driven through a network of 'anchor' organisations.
- It would be relatively simple to pull together a programme of activity and engage key stakeholders in this – what's needed is the political mandate and dedicated resources to drive this forward.

Background:

The Public Services (Social Value) Act 2012 placed an obligation on local authorities and other public bodies to consider the social good and wider impact that could come from the procurement of services before they embark upon it. The effect of the Act has been to alter the commissioning and procurement processes by ensuring that councils give consideration to the wider impact. This requirement is reflected in the GMCA's Constitution, which requires the organisation to include considerations of social value in all purchasing and disposal procedures. Greater Manchester was an early adopter of the Social Value Act. In 2014, GMCA published its first Social Value Policy, which set out how the Combined Authority would deliver social value

through its commissioning and procurement activities. Greater Manchester's local authorities have used this policy to formulate their own arrangements, with adjustments made to fit the locality and its unique characteristics or requirements. The city region is seen as one of the leading areas for social value in the UK, and recently hosted the national Social Value Leaders' Conference. The city region has won awards for its work around social value and several districts are acknowledged for their long-standing commitment to local supply chains, sustainable procurement and creating job opportunities for local people.

The Combined Authority has used the GM Social Value Policy across all its procurements since 2014, incorporating the existing objectives into procurements of large scale and diverse programmes such as the Adult Education Budget contracts and the GM Full Fibre programme. These contracts have realised new jobs, new opportunities for young people, enhanced the environment and supported work with voluntary, community and social enterprise sector partners.

Greater Manchester Social Value Framework:

In September 2020, the GMCA agreed[96] an updated Social Value Framework of Priorities for Greater Manchester and endorsed the link between the Framework and public procurement in Greater Manchester. An action from the GM Living with Covid Resilience Plan[97], it was agreed that 'social value' will sit at the heart of work to tackle the widening inequalities which now exist, and to build back a better, fairer and greener economy in Greater Manchester.

The refreshed Social Value Framework aims to take a high-level, systematic approach to the delivery of social value and sits at the heart of building a movement for change in Greater Manchester. Grounded in the UN Sustainable Development Goals, the Greater Manchester Strategy and Local Industrial Strategy, it is not a benchmarking scheme or just a procurement tool, but a driver of actions aimed at making a difference in the post-COVID period.

The framework is now published at the GMCA web pages[98], and includes the following 6 priorities:

- Provide the best employment that you can

- Keep the clean air in Greater Manchester

- Create the employment and skills opportunities that we need to Build Back Better

- Be part of a strong local community

- Make your organisation greener

- Develop a local, GM-based and resilient supply chain

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[96] Economic Development (greatermanchester-ca.gov.uk)
[97] 7 Living with Covid Plan.pdf (greatermanchester-ca.gov.uk)
[98] Social Value can make Greater Manchester a better place - Greater Manchester Combined Authority (greatermanchester-ca.gov.uk)

Barriers and issues

Despite of having a strong history of embedding social value into procurement exercises, Greater Manchester has not yet fully embraced the opportunities which might be presented by social value. there is no clear political portfolio for 'social value' and it falls between a number of areas of focus, and has largely been ignored by politicians other than the Mayor.

Embedding social value across a large organisation can be difficult to do, and requires dedicated staff resources, joined up corporate practice and expertise. This requires behaviour change across a number of service areas.

Measuring and putting a 'value' on social value has also been a barrier. A number of online applications exist to do this, particularly in procurement, but most fall short of truly capturing the ability of this approach to tackle inequality, and are instead limited to outcomes which can be easily 'measured' in financial terms.

A further barrier relates to the ability of organisations in the public sector supply chain to report their social value and respond in a tender situation. Greater Manchester has seen small, local companies and voluntary, community and social enterprise organisations drop out of our supply chains – when it can be supposed that they are in the best position to actually tackle local inequality. Unfortunately, the existence of specialist social value bid writing teams in large national prime organisations, has successfully created higher scores in procurement for these organisations.

Opportunities which using 'social value' as a driver of change might present for Greater Manchester:

At the current time, there is considerable interest in social value across the business and voluntary, community & social enterprise (VCSE) sectors, amplified by the COVID-19 crisis. An opportunity now exists to use the GM Social Value Framework of priorities to redefine and strengthen the way 'social value' is used in Greater Manchester, both through procurement and as part of a broader, more purposeful, outcomes-focussed and inclusive approach to operating and doing business for organisations across all sectors.

To do that it is clear that 'social value' should be uncoupled from the confines of the Public Services (Social Value) Act and applied as an approach across all public sector activity. Several of GMCA's partners are now exploring how 'social value' can become part of their corporate policy, embedding the ethos of the six priorities outlined above into their own recruitment, employment, environmental and social responsibility practices, as well as commissioning and procurement. An opportunity exists for GM level public sector organisations to develop a single policy approach around social value.

There is also a strong link to the emerging work around 'Anchor Institutions'.

Early work by CLES[99] for the Salford Social Value Alliance indicated that key 'growing conditions' which should be nurtured to drive social value in an organisation include leadership, values / ethos and creation of partnerships. It will be important to build profile and leadership around this work to effect system change and embed consideration of social value across all aspects of the operation of an organisation, large or small.

Emerging post-Brexit policy from Government also presents an opportunity to push forward 'social value'. The recent Green Paper[100] presents six 'core principles' – public good (social value), value for money, transparency, integrity, fair treatment of suppliers, and non-discrimination. Procurement Policy Note 11/20[101] also enables the reservation of below threshold procurements for SMEs, social enterprises, and local suppliers.

Suggested actions which could now be taken:

The following list includes possible actions that the Commission may wish to consider and endorse. All will need leadership, resources (mostly officer time) allocated, buy in from senior leaders and political support.

1. **Sharing and embedding the social value priorities**
   Now the framework of priorities listed above is published, there is a piece of work to do to make sure that organisations and their staff across GM are aware of this, using the priorities in their planning of activities which generate social value (including procurement) and accessing the links and support that we have signposted.

   GMCA and partners could lead a *behaviour change campaign* around social value across various channels, including network events, social media, conferences, leaflets / checklists and other designed assets all aiming to increase take up of the framework of priorities.

2. **Adopting a 'corporate' social value policy**
   There is an opportunity to put in place a 'corporate social value policy' which would place social value at the heart of the work of the Combined Authority, TfGM and the Health and Social Care Partnership. A draft policy has been developed, and now requires completion, approval and adoption into practice. GMCA may also consider developing a e-learning module for all staff to learn about social value.

3. **Maximising social value in procurement practice**
   The GMCA and former Association of Greater Manchester Authorities Hub collaborative procurement teams are already working up specific guidance around each of the priorities listed above. This would include how to embed the Good Employment Charter into procurement practice, for example. Procurement officers are also developing guidance on 'how to' best embed social value in commissioning and procurement, to maximise outcomes.

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[99] Salford Social Value Report (CLES) - Salford Social Value
[100] Green Paper: Transforming public procurement - GOV.UK (www.gov.uk)
[101] Procurement Policy Note 11/20: Reserving below threshold procurements - GOV.UK (www.gov.uk)

These two pieces of work are proving quite demanding, and might require additional resources and support to get them over the line. It would be helpful to set targets and deadlines for their completion and adoption into practice.
GMCA might also consider pushing the boundaries of its procurement practice, within legal parameters, setting out minimum expectations around good employment, carbon neutrality, etc. This would be in addition to the work which is already ongoing.

4. **Embedding social value in commissioning**
   Linked to the above, colleagues in the Skills and Work Commissioning Team have been working for several months on a 'commissioners toolkit' for social value. As with the procurement work, this would benefit from dedicated resources, targets and deadlines for its completion and rolling out across commissioning teams. There is an opportunity for both the Commissioning Toolkit and the procurement guidance to be developed with and adopted by other organisations – the 10 local authorities, the Health and Social Care Partnership and TfGM, for example.

5. **Developing the social value supplier 'market'**
   Using the social value framework in commissioning and procurement practice will have limited impact unless we also work to improve social value generation and measurement in the sort of organisations that we would like to see in our supply chain. At the current time, despite their obvious, local, social value benefits, smaller and VCSE organisations are not necessarily winning contracts or delivering local public services.
   Furthermore, there is an opportunity, as described at point 1 above, to have more GM businesses, public sector and VCSE organisations carrying out activities which generate social value – with obvious collective benefits for communities, the economy and the environment.

   Therefore, as well as the behaviour change campaign described above, it is suggested that GMCA works with the GM Social Value Network, Growth Company and other partners to put in place a programme of enabling activities for GM organisations around topics such as 'building social value into your business planning', 'measuring and reporting your social value', 'improving your carbon footprint', for example.

6. **Creating brokerage arrangements to enable organisations to generate more social value**
   The GMCA social value web pages offer very simple brokerage, by signposting users to people and organisations from whom they can get help and support with their social value activities – for example there are links to the Good Employment Charter, Our Pass, Green Growth GM or Bridge GM, for example.

   Whilst helpful, this only scratches the surface of the potential support available, and doesn't actually connect organisations wanting to increase their social value activity with those who might benefit. Organisations such as Business in the Community and Forever Manchester do this to a limited extent, but there is a lot of interest in making social value easier to do! It is suggested therefore that GM might consider creating a virtual hub of social value 'asks' and 'offers' – learning from practice around such projects as the Social Value Exchange or iSE, and the GM Social Enterprise Directory.

7. **Measuring the impacts**
   Measuring social value has long been one of the most contentious issues that we face.

However, if we think about who and what should be measured, that leads towards two broad drivers – firstly, the ambition to 'measure' the difference that adoption of these social value approaches and activities are making in GM (which could be done through a set of outcome measures linked to the GMS outcomes framework) and secondly, the need for individual organisations to 'measure' their social value to inform business planning / prioritisation, marketing activities, tender submissions or to be accountable to stakeholders and shareholders. The latter is picked up through a range of support agencies, such as Social Value UK, the Social Audit Network and locally through our VCSE infrastructure organisations.

It is proposed therefore, that GMCA and its partners agree a GM social value dashboard of measures which is linked to the GMS, and a systematic arrangement for upkeep of that dashboard.

8. **Embedding social value into business investment funds**
   The Greater Manchester Local Enterprise Partnership European Structural and Investment Funds Investment Plan 2014-2020[102] states that '*All applications coming forward under this plan will expected to demonstrate how they will contribute to the Greater Manchester Social Value Policy*'. However, no further guidance is provided, or targets set for driving out social value through GMCA investment funding. In January 2020, the GMCA agreed a Social Enterprise Investment Framework for the GM Investment Fund, but this mainly seeks to level the playing field for social enterprises rather than use the Funds to directly tackle inequality.

   It is suggested that Greater Manchester may wish to looks to areas like the Liverpool City Region, which has set up an investment vehicle (Kindred)[103], which is designed to grow individual and collective social impact. The Liverpool City Region has invested through this agency.

The Greater Manchester Social Value Network:

Formed in 2015, the Greater Manchester Social Value Network (GMSVN) has several hundred members across GM and nearly 1,000 followers on Twitter. This community of practice has been involved in the development of the draft Framework and has indicated their full endorsement. They will play a key role in promoting, embedding and refining the Framework.

The Network offers:
- A repository of good practice through its own website www.GMSVN.org.uk, including case studies, stories, blogs and practice notes
- Training, workshops, webinars, and a Network to share learning
- A community of experts
- Access to wider networks and sources of training and support

GMSVN has driven forward the Social Value agenda in Greater Manchester and has a vision that Social Value should be at the heart of everything that Greater Manchester does, whether that be the contents of the GM Strategy and the activities of the Mayor, the process of

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[102] GREATER MANCHESTER EU INVESTMENT PLAN 2014-2020 (greatermanchester-ca.gov.uk)
[103] Kindred LCR (kindred-lcr.co.uk)

procurement, the behaviour of business, or the activities of people. GMSVN is led by volunteers from across all sectors, including the Co-op Group, CLES, GMCA, the GM Housing Providers, Manchester Community Central and Salford CVS. It has no core funding and acts in an opportunist manner to drive forward its work.