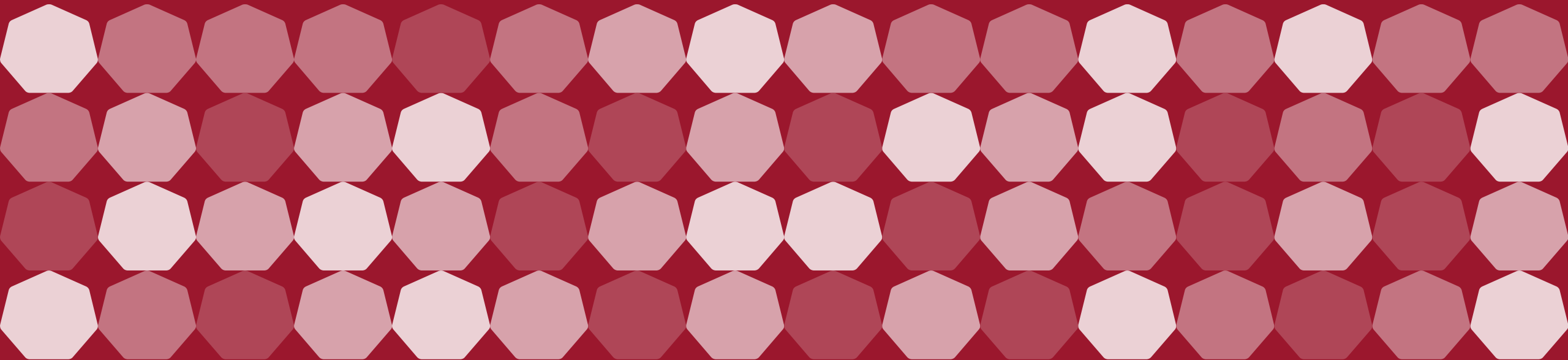


Co-Designing a Community Wealth Hub:

CONCEPT MODEL

September 2022



What did the GM Independent Inequalities Commission recommend?

Where this started....

The report of the [GM Independent Inequalities Commission](#), published in March 2021, included as recommendation 11 that Greater Manchester should:

Create a Community Wealth Hub to support and grow co-operatives, mutuals, social and community enterprises, staffed by people from the co-operative and community sector who understand the market.

CONTEXT - Community Wealth Building

Finance:

Ensuring flows of investment and financial institutions work for local people, communities and businesses.



Workforce:

Increasing fair work and developing local labour markets that support the wellbeing of communities.



Spending:

Maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains.



Land and property:

Maximise the value that local communities receive from land and property assets, including those held by the public sector.



Inclusive Ownership:

Developing more local and social enterprises which generate community wealth, including employee owned firms and coops.



Inclusive ownership underpins
'Community Wealth Building'

[What is Community Wealth Building? |](#)

[CLES](#)

Why did the Commission recommend focussing in plural ownership of the economy?

- Sustainability and productivity - Businesses operating co-operatively are **less likely to fail in the first five years**; more resilient in economic crises; reduce inequalities of power and wealth, and are effective at meeting needs and aspirations of workers, communities consumers and small businesses. Employee-owned business tend to be **more successful, competitive, profitable, innovative and sustainable**, as well as more embedded in their communities.
- Values and Impact - GM's social enterprise sector creates a diverse range of services, whilst addressing **significant inequalities through their values-driven approaches**. The sector is small - around 2,400 social enterprises in GM investing between £45-90m into the region every year. 86% of SEs in GM pay the real Living Wage.
- Empowerment - **Many under-utilised or vulnerable assets in GM could benefit from community ownership** to ensure viability of places e.g. (high streets) and communities
- Benefits in specific sectors - Business models that embed different values can **drive better outcomes in sectors like care** (and others). Foundational sectors in GM's economy contain large numbers of micro-businesses: this is **ideal for introducing and innovating with alternative business models**.

BUT we also know that.....

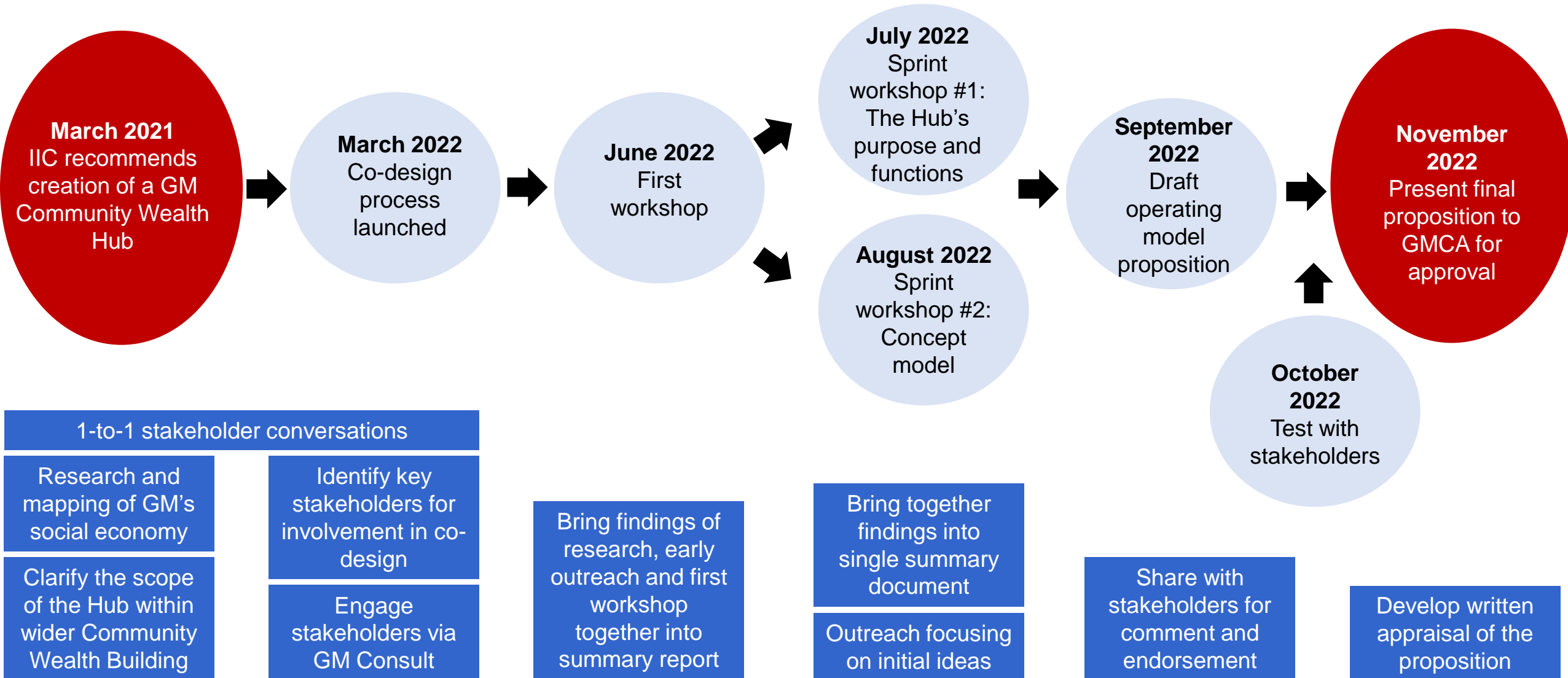
- Support for the social economy is fragmented and often inaccessible - There is a **valuable but disparate network** of different organisations and groups offering different forms of support to those in GM starting or running a generative business or looking to convert existing privately run businesses to an alternative 'social' model. There is also **mainstream business support that is not always recognised as being relevant** to social enterprises or other forms of generative business. A pattern of **parallel silos of support** based on specific governance models has evolved which serves to both confuse and deter potential business owners.
- It is difficult to access funding, investment and new markets - This difficult-to-navigate environment could also **prevent people from accessing available resources**, as they do not know what support is on offer or what support might be needed.
- Setting up and running a social economy organisation has challenges - This leads to a situation whereby for any business leader, **it is far easier (and probably cheaper) to register a new limited company** than it is to establish a co-op or a social enterprise.

There is a wealth of Community Wealth Building activity going on in Greater Manchester; however, **more could be done at the GM-level specifically to increase the proportion of our economy owned by employees, or cooperatives or social enterprises.**

What did we set out to achieve through the co-design process (what is it's purpose)?

- GMCA and its partners want to **design a Hub that supports people to set up social businesses and grow the 'social sector'** – including social enterprises, co-operatives and employee-owned businesses.
- **With the ideas emerging from the workshops and other discussions (like this one), we want to be able to draft an operating model proposition and viable business model** which includes governance, activities, resources, value propositions, customer segments and relationships, key channels of support, cost structure and revenue streams.
- **We aim to make the co-design as accessible as possible:** Workshops are one dimension, running alongside regularly updated consultations on GM Consult, outreach to those who do not participate in the workshops, virtual 'roadshows' and updates to the virtual reference group – these will all feed into the co-design.

Co-design timeline



Work so far...

- Consultation online – GM Consult (April – end May 2022)
- First co-design workshop (early June 2022) – around 70 people in attendance
- Second co-design workshop (early July 2022) – around 15 people
- Online consultation – seeking feedback on what we had learned so far – GM Consult (open until 5th August 2022)
- Third co-design workshop – end August 2022
- Online consultation – testing the proposal – GM Consult (planned for September 2022)
- ALL OF THE ABOVE UNDERPINNED BY outreach and engagement meetings with key stakeholders and communities throughout...

Summary of feedback so far....

PURPOSE:

- A **catalyst for change in the social economy**, focussed on growing community wealth and tackling inequality, building a fairer and more inclusive economy and increasing local community, employee and other local ownership of economic assets

IMPACTS:

- **A financially stronger social economy:** diversification of income streams and support becoming self-sustainable, increased productivity (where appropriate), improved staff retention and wellbeing.
- Increased local community, employee and other local **ownership of business and economic assets**
- **A fairer and more inclusive city-regional economy more broadly:** a buoyant social economy, but simultaneously a reduced number of extractive businesses and better practices across all business types. Social business models supported by the Hub are **considered standard business models** with greater public sector/private sector/consumer **awareness and engagement**

FUNCTIONS:

- To provide **access to support** for the social economy and create a platform for **incubating social businesses, scaling-up organisations and creating social primes**, accessing finance and supporting businesses to generate their own income
- To act as a **connector and facilitator**, and add value to what's there already, not duplicating existing services, and **coalition-building** element, breaking down silos that exist in current support across Greater Manchester; focus on innovation
- **Improving access to social investment** at the city-region scale; Facilitating the flow of money into places that need it
- **Campaign for and champion the social economy** - engagement/outreach and policy functions

STRUCTURE:

- **Physical and virtual space** – an online platform with satellite places and services. Accessible to the communities where the wealth is needed and enterprises grow. Give it a **flexible operating framework** - bring in capacity, depending on the functions / activities. Draw in the skills and capacity as needed to a central 'core team', using secondments. The 'hub' needs to be able to **reach out and make connections** – with potential partners and communities
- Potentially a **membership model** or Co-operative, with an **Alliance or community of people** involved in community wealth building - leave it **open to anyone with an interest in community wealth building** who can see something in the hub for them

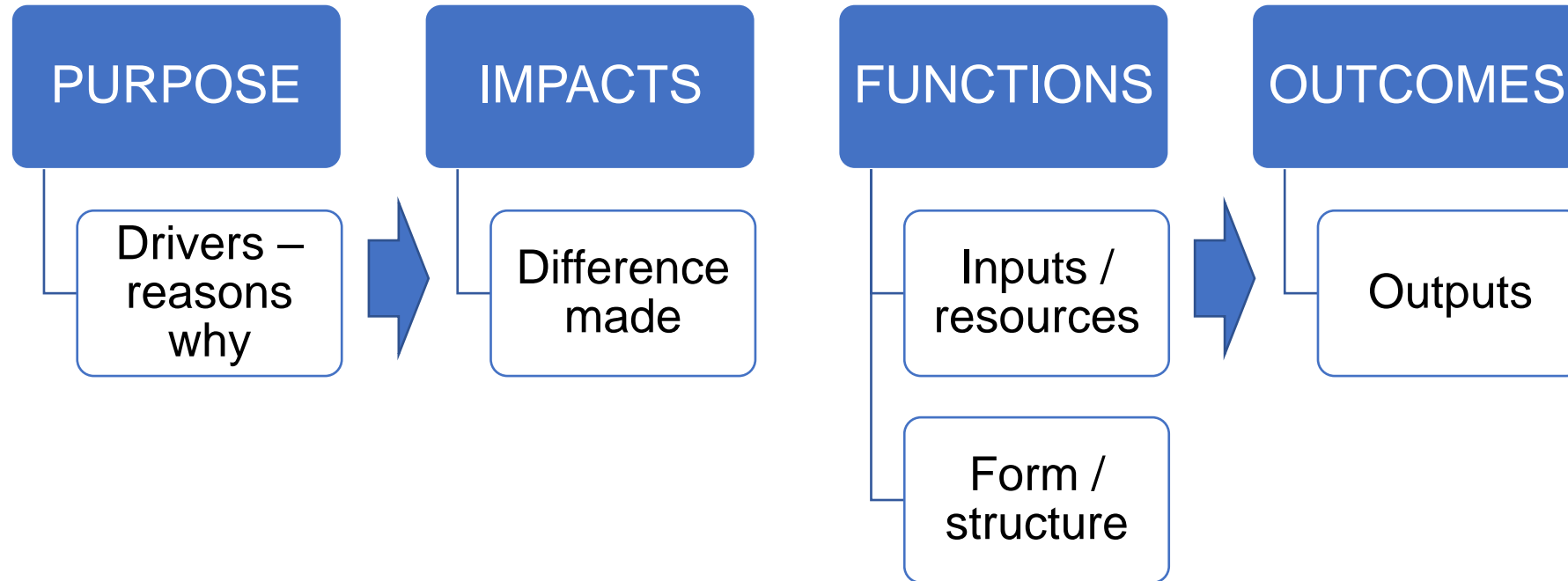
Other key points raised in the co-design....

- **Measurement of the Hub's impacts** was highlighted as a key consideration by numerous stakeholders: this involved intelligence gathering to build better data across business types in Greater Manchester, better consumer/spend data, business productivity/social accounting data across social economy, etc. This measurement of impacts extended into suggestions of online tools measuring and tracking social value across all business types, with the suggestion that the behaviours common within the social economy should be encouraged beyond it, and that perhaps other business types looking to improve their practices could be enabled through the Hub.
- **Diversity** - the Hub's functions will need to cater for the diversity of the social economy, i.e., different business models, sizes, levels of maturity, geographies.
- The Hub's purpose should dictate the operating model (**form following function**), making discussions on this point more abstract at this early stage in the process.
- The 'values' of social economy organisations are what sets them apart – any Hub should have a **core set of values** which underpins its work and operation.
- The **final operating model of the Hub may differ from its initial form**, and that: *“we shouldn't wait for it to be a perfect finished model before starting – need to find a good interim model”* (also *“it needs to be flexible and able to evolve”*; *“operating model starts with purpose, not job roles or channels”*). This would require an *“evolutionary model, moving towards independence but in need of an interim structure”*.

Presenting a concept model...

- The following slides are a **synthesis of what we have heard through the co-design process so far...**
- The aim is to use a logic model approach (*see next slide*) – with the aim that the whole fits together and there is a clear link between what the Hub is doing and the outcomes and impacts that it wants to achieve – as well as the drivers and reasons why it is doing them
- The **rationale** behind the Hub is that:
 - Increasing the share of socially trading organisations in GM economy will generate more community wealth
 - Not only is there potential for these organisations be more successful, competitive, profitable, innovative and sustainable; they also can generate added ‘social impact’
 - Many under-utilised or vulnerable assets in GM could benefit from community ownership to ensure viability of places and high streets – and this also empowers the communities that own them
 - Business models that embed different values can drive better outcomes in sectors like care and other parts of the Foundational Economy
 - Support for the social economy is fragmented and often inaccessible and many socially trading organisations find it difficult to access funding, investment and new markets
 - Setting up and running a social economy organisation has additional legal and financing challenges

Logic model...



Greater Manchester Community Wealth Hub - concept model

PURPOSE

To catalyse **inclusive ownership** as part of **community wealth building** activity in Greater Manchester as a mechanism for:

- Addressing inequality and improving wellbeing
- Building a fairer and more inclusive economy
- Increasing local community ownership of wealth and assets

STRUCTURE

Other Networks –
eg GMSVN,
GMSN,
GMCLHH, GEC,
CLES

Online 'Hub':

- Information
- Resources, case studies
- Simple triage / phone line
- 'Map' and links to support, projects and other activity

Core 'Team':

Drawn from partners (via secondments) to enable triage, core functions, provide capacity for project development, also work experience and shadowing

Satellites:

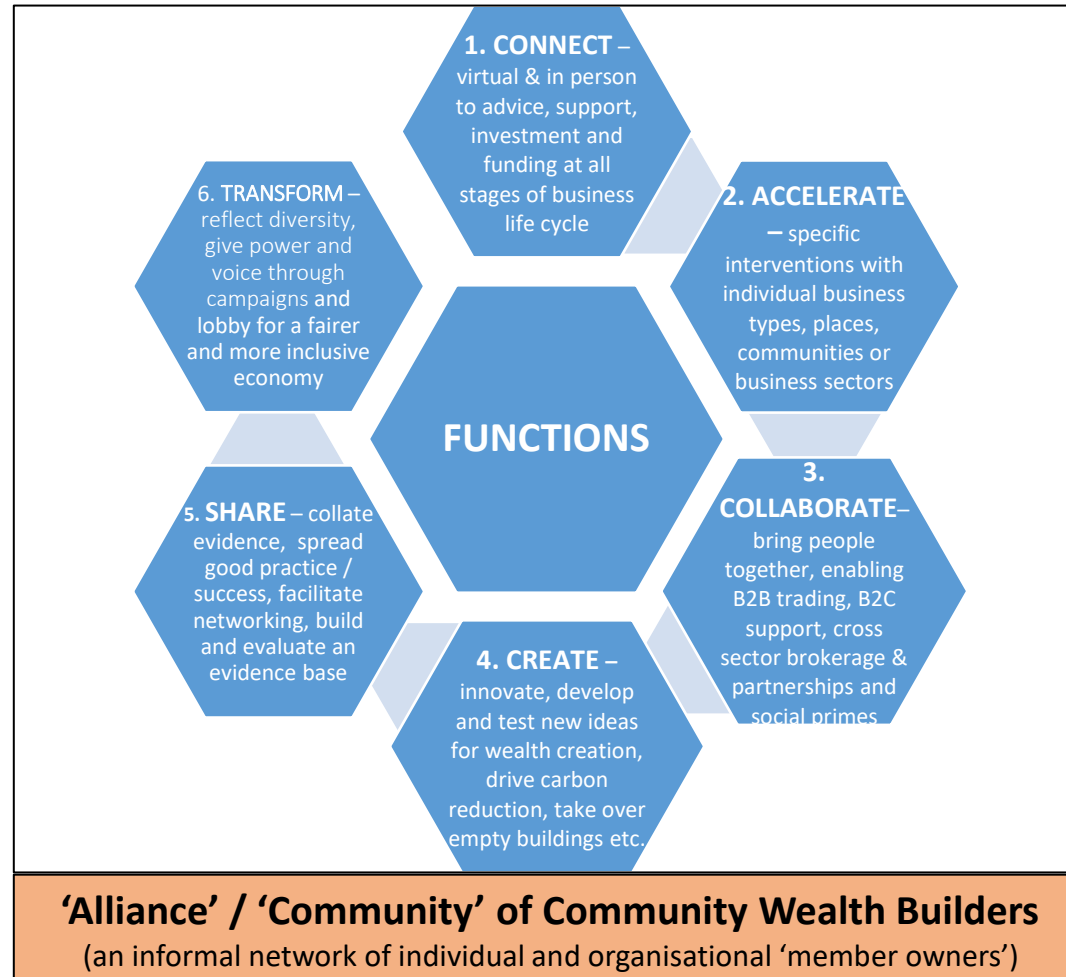
Projects and interventions, mutually beneficial linkages with other 'hubs' and networks across GM and beyond

Sector

Community

Place

Theme – eg low carbon, employee ownership, community ownership (buildings), intrapreneurship, impact



OUTCOMES

Increase the market share of social economy organisations in target sectors

Greater interest in and engagement with the social economy from the public and private sectors

Increased local community, employee and other local ownership of business and economic assets

Improved support arrangements for social economy

Improved diversity in funding options for social economy

Innovation in GM social and Foundational Economy

Increased business investment in 'societal challenges' (social value)

Increased awareness and understanding of social economy

Improved collaboration within the social economy and between public / business / social sectors

Increased local retention of profits and surpluses

IMPACTS

Reduction in economic inequality

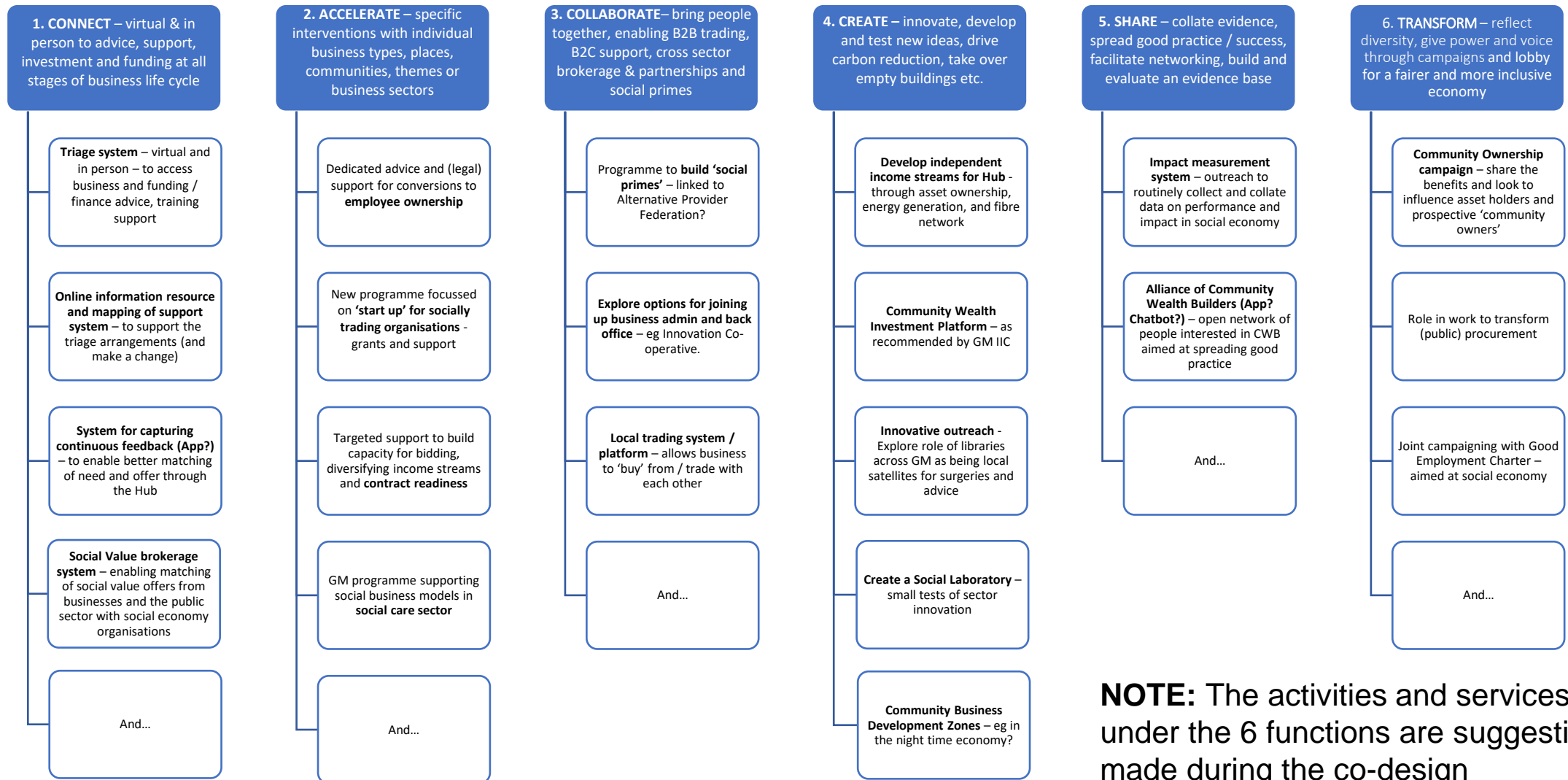
Fairer distribution of wealth

Better jobs and good employment

Resilient and vibrant communities

Wider health, community wellbeing, and environmental benefits

Functions and example activities of a Community Wealth Hub...



NOTE: The activities and services listed under the 6 functions are suggestions made during the co-design

Values..

- Strong message that any Hub should be ‘values-driven’
- These values describe **how** the Hub might approach what it does – a set of organising principles
- Suggested values might include
 - **Inclusive** – encourages involvement of the widest possible range of stakeholders – and reaches out to those least likely to engage
 - **Accessible** – to the diversity of potential users - all of GM but not all GM scale projects
 - **Ethical** – high standards of integrity, moral principle and sustainability
 - **Empowering** – building strength and confidence
 - **Enabling** – (businesses to find what’s right for them and do things for themselves) rather than intervening and seeking to solve issues...
 - **Visible** - includes a number of high profile national events and spaces for conversation & exploration

Other considerations arising from the co-design...

- Community Wealth Hub needs a brand, presence and a figurehead...
- Where this starts depends on the initial funding package
- Proposal needs a sense check with wider stakeholders
- Need to have a clear and simple description of what this is and the benefits of joining
- Prompt to engage with GM Chamber of Commerce and their Communities Foundation [Welcome | Greater Manchester Chamber of Commerce \(gmchamber.co.uk\)](#)
- There may be a 'white label' solution for this – built and operating already (or in the making)
- If 'inclusive ownership' underpins the other pillars of CWB, then there need to be activities which link to – the finance system, employment practice / workforce capacity, public spending and land / property
- Suggestion we should deliberately make it a time limited initiative – e.g. 5 years or to 2030.

The 'one page' description of the Community Wealth Hub...

The Community Wealth Hub will catalyse **inclusive ownership** as part of **community wealth building** activity in Greater Manchester as a mechanism for:

- Addressing inequality and improving wellbeing
- Building a fairer and more inclusive economy
- Increasing local community ownership of wealth and assets

It will do this: by **connecting** individuals and businesses to advice, support, investment and funding at all stages of business life cycle; by **leading** specific interventions with individual business types, places, communities or business sectors; by **bringing people together** to enable business to business trading, help **create partnerships and social primes**; by **developing and testing** new ideas for inclusive ownership; by **collecting evidence**, spreading good practice / success, building and evaluating an evidence base relating to inclusive ownership in the economy; and **using this evidence** to lobby for a fairer and more inclusive economy.

The Hub will be driven by an **Alliance / 'Community' of Community Wealth Builders**; and be supported by an **online knowledge 'hub'**, a core team formed from staff of partners in the Alliance and create supporting linkages with satellite projects or networks or physical hubs dedicated to specific business sectors, communities or places.

Creating the Hub...

- What's proposed is incredibly complex – and potentially huge, and therefore needs to be developed over time.
- Need to identify a **small number** of initial functions and products / activities
- Initial priorities may depend on existing activity, availability of funding and other resources – where are the 'quick wins'?
- It is proposed that the work to create the Hub is hosted for the first 12 months within GMCA, with a view to identifying another organisation to host as it develops
- GMCA will appoint a project manager, and seek expressions of interest for someone who wishes to be the 'advocate' who will actively lead the Hub's creation and development
- GMCA will convene a small multi-stakeholder 'Board' who will act as the steering group for the Hub's creation
- GMCA and the 'advocate' leader will work with the Board to confirm a set of 5-year ambitions and a small number of 'initial products' for the Hub
- The aim would be to start work on the first of these products in April 2023.
- GMCA will appoint independent support with branding, potentially from within the local social economy

Next steps....

Buy-in, endorsement and approval to progress:

- Take the 'concept model' to key stakeholder groups (September and early October 2022)
- Publish concept model on GM Consult (September 2022)
- Share concept model, feedback on it and draft final proposition with strategic / portfolio leads (mid October 2022)
- Final version of proposition through WLT, Leaders Strategy and CA (November 2022)

Resources:

- Opportunity presented by UKSPF from April 2023 – but any activity to support the Hub must deliver the UKSPF outputs and outcomes.
- UKSPF might be used for: Advice and support, Training, the Triage System and supporting activity, Start up and entrepreneurship support, Activity that diversifies income streams, Activity that introduces SE/Coop/EO businesses into new markets, and Financial support (intervention E26)
- GMCA will need to provide staff resource until UKSPF comes on stream in April 2023