[FIRST SLIDE]

I’m from an organisation called Stir To Action, a co-operative, based in the South West of England. We publish STIR, which is a quarterly magazine that explores new economic ideas, run workshops and business accelerators. And now a lot of our work is partnering with foundations and local authorities to deliver Community Economic Development projects.

I wanted to talk about our work and our approach through a new project we’ve just launched - Unlocking the Next Economy: Churches and Community Enterprise. It’s a year-long pilot to enable communities to meet their own economic needs within church buildings. Over this next year we will be supporting three partner churches through our Community Enterprise programme.

So I thought I’d start by introducing the concept of what we call Community Economic Development, explore why physical assets — physical buildings — are important to the process, define what a community enterprise is, and what it might look like — as part of a national strategy — if we were to seriously think about the role of church buildings within local economic strategies.

So let’s start by asking what Community Economic Development is?

The dominant story of development, at least in the UK, has been to incentivise external developers to come in and invest in our cities and regions. So in Liverpool this is the Mersey Waters Enterprise Zone, a 30-year, £5bn project to transform the docklands. This development approach is known as ‘inward investment’, designed to create quick returns for investors, creating very few local jobs, and providing little or no affordable residential and employment units. And that’s if they actually do any development - 10 years into this project, the docklands are still largely derelict.

Another example of ‘inward investment’, this time from the United States, is the recently proposed $3bn incentive deal - the 4th largest in US history - by Wisconsin to attract the Taiwanese company, Foxconn, to set up a new manufacturing plant in their State. So the idea here, again, is that outside organisations create wealth for local economies, and in turn, are offered these tax incentives - from public taxpayers money - to create jobs. If you look at the deal, and this is according to White House officials, Foxconn are initially offering to create 3,000 jobs for $3bn in tax incentives. That is one job for every $1m invested of taxpayer money. And what we often find with these developments is that they are merely jobs moved from one city or region to another.

[SECOND SLIDEW]

But alongside this approach is a very different story. It’s been called Community Economic Development, community wealth building, and economic localisation. And all of them propose that local economies can become more resilient when development is based on existing local wealth and when the wealth generated is recirculated locally - this is what we call ‘sticky capital.’

One great example of this from the US is the work of the Ohio Employee Ownership Center. In the last few decades they’ve supported the creation of 92 employee-owned businesses that now employ more than 15,000 people. Rather than creating one job for every $1m invested, they are creating one job for every $772 invested.

Another example of this approach is what we call community wealth building, and it’s when local authorities develop social frameworks for their procurement spend, and they redirect public money to local businesses and worker co-operatives. It’s basically the idea that public money can be used to democratise and localise the economy.

Much of this approach owes itself to the history of Cleveland, Ohio:

In 2009 with Cleveland’s unemployment standing at 24% and local median incomes at only $18,000 a year, a group of local people asked why there was so much poverty in the city when the the local government was spending $3bn annually through its public institutions.

From there a new network of businesses known as the Evergreen Co-operative emerged — which includes a laundry, renewable energy company, and a food business. They now have a combined revenue of $6.3m, and most of this revenue is from local government contracts, supplying services and goods to what are known as ‘anchor institutions’.

In terms of scale, The Green City Growers greenhouse is the largest urban food production facility in the whole of the US, producing 3 million heads of lettuce and 300,000 pounds of herbs per year.

[THIRD SLIDE]

Here in the UK, a successful example of this approach is Preston, Lancashire. What happened in Preston is part of a global story about inward investment and the financial crisis. From around 2000 the local City Council had been been working with a large global developer to invest roughly £700 million into a development within the city. When the the financial crisis happened, the lead anchor store, John Lewis, withdrew from the scheme, and local councillors had to start again and come up with a different approach to local economic development.

And it actually made them realise that they could actually start rebuilding their economy by redirecting existing local wealth. So now in Preston there are 11 local anchor institutions - the city council, the constabulary, further education colleges, universities, hospitals, and so on - that have formed a network to rethink how they spend their procurement budget. In 2011, when this work started, they did some research and discovered that only 14% of their annual collective £750m spend was being spent within the area. Within a few years, and with their new social value framework, simplification of tender contracts, and retraining of procurement officers, it rose to 28% - having doubled - retaining another £4m within that local economy.

They are have recently published their latest figures for 2017 and announced another £74m has been repatriated back in the local economy.

So overall Community Economic Development is about transforming the underlying economy, not just about supporting communities to function better within their current environment. This economic transformation involves co-operative forms of enterprise, community land trusts, asset-based development and community finance institutions, such as credit unions, and regional investment banks. These give communities more control over the services and assets that matter to them.

[FOURTH SLIDE]

So what’s a Community Enterprise?

We all know the story of market failure and the impact of local authority spending cuts, but there’s another story of how communities across the UK have set up community co-operatives to protect and own local pubs, shops, brownfield sites, and other places of civic importance.

Within the last decade communities have become interested in buying or leasing physical assets to save them as places to socialise, interact and, I’ll take more about this later, as places to generate wealth.

Community enterprise, community business, or community co-ops, all describe an organisation where communities come together to meet local economic needs through enterprise. They are organisations that are owned, governed and run democratically by their members — for community benefit — not individual benefit. And ideally, more than 50% of their income should come from their trading activity.

The most common legal entity for this kind of enterprise within the UK is the Community Benefit Society. This model allows communities to raise share capital, apply for charity status, trade commercially, and most importantly, operate democratically.

A good place to look to if you want to see how this movement has emerged over the last decade is the Community Shares Unit’s data on how many community share offers were launched in 2004 and then in 2015. So if you go back to 2004 there were only 5 community share offers, and in 2015 there were more than a 100 community share offers issued in the UK.

So what are communities raising money for? The Ecological Land co-operative have raised more than half a million to buy degraded agricultural land and relocate organic farmers to the sites in Greenham Reach in mid-Devon and Sussex; Communities are raising millions of pounds for renewable energy co-ops, like Dorset Community Energy and Brixton energy, who have installed solar on school and council housing roofs. Communities are also buying their local pubs to save them, but also to reinvent them as public spaces to serve the whole community. The pub behind me is the George and Dragon in North Yorkshire. It closed in 2008 and reopened under community ownership in 2010 and earlier this year won CAMRA’s National Pub of the Year award.

These share offers are also being used to preserve local heritage and other community assets, such as piers, halls, and green spaces.

This shift from service provision towards an enterprise approach is identified by Power to Change's research, claiming that over the next few years that community groups are looking to generate income rather than exclusively rely on grants and volunteers

[FIFTH SLIDE]

But why are physical assets important?

Well, the recent background to our project is the significant loss of both public space and public buildings, as we've seen residential and commercial conversions of local community assets — pubs, community halls, chapels, churches, council buildings, and so on. Within this context, church buildings, as places for communities not only to interact and socialise, but to generate income and create new economic livelihoods, means they have a significant role to play in building in their local economy.

Another important piece of research for our project comes from the New Economics Foundation, and is based on their experiences of supporting UK-wide communities over the last few years, which showed that "physical assets are a crucial element of any community-led approach to economic development...and that the material value of community owned assets, is often what makes the difference between a short one-off and ultimately not very impactful project, and a long term systemic change in a local economy."

We know that physical buildings, in some circumstances, can be a burden and a liability, but when managed democratically by the wider community, we’ve seen that physical assets bring financial security, which can then go on to empower local citizens to regenerate their local economy.

Although most people could probably name a church that is used as a creative arts venue, a nursery, or a hub, church assets, strategically, as part of a national economic development project, have been relatively ignored.

And where churches are actually used for secular activities, it’s not always in response to local needs, not run as a democratic enterprise, and is not governed or accountable to a wide range of stakeholders.

And so our project starts from two simple questions — How can church buildings support their local economy? And how can community enterprises be involved in managing and using them?

[SIXTH SLIDE]

Our project

Our project - Unlocking the Next Economy: Churches and Community Enterprise - is not about supporting churches to set up their own social enterprises or supporting them to provide more services to their local community. It’s about unlocking church buildings for communities to meet their own economic and social needs through enterprise.

What Churches are we working with?

Over the next six months we will be working with three pilot churches and communities in the South West of England. We are working with Anglican, Baptist and United Reform churches in a village, a market town and a city, allowing us to see how our community enterprise approach works across three denominations and across three scales.

Our process starts with two consultation sessions with church members. We ask individuals ‘why are you here? What do you want to get out of this? And then in terms of the church, we ask, ‘What has gone well? What could have gone better? And what can we learn for the future?’ This allows us to build relationships with church members, give them the rare time to actually reflect on their situation, and find out about any potential issues and opportunities with the building and the community.

Then we host two Community Engagement days with the wider, local community. This is part of our needs-led approach - what do local people actually need and, really importantly, since it’s not a service, how can they be involved in making it happen. For our programme, these community engagement sessions will be taking place in January.

Our project then opens applications for a 16-week enterprise programme. This will begin across all three sites in March 2018 and will feature 8 four-hour workshop sessions and at least four group meetups. For each pilot we have a lead training partner with local knowledge and enterprise development skills to take the group through legal structures, governance, business planning, and fundraising. Then we’ll bring in specialist support for communication and branding, marketing plans, social value impact, and so on.

An important part of our programme is the initial one-day bootcamp to introduce the programme and get our group to understand their roles and responsibilities, particularly that they are a self-organised group who can access support from myself and my colleague as project managers and our training partners.

At the end of the 16-week programme we hope our three pilots will have registered a new Community Enterprise that will begin operating and trading from within a church building.

This project then is about starting from the needs of the wider community and involving them in every stage of the process. A new research report on *Churches and Social Enterprise* from the Heritage Lottery Fund supports this approach by recommending that churches start from the needs of the wider community, not from conservation needs or reasons of financial maintenance.

Another reason we are working with both the wider and church community to set up an enterprise together, is that it is unrealistic to expect all churches to be entrepreneurial. With the loss of grants, and more competition for traditional funding sources, the third sector is experiencing what's been called 'Compulsory Entrepreneurship'.

So we like to talk about the idea of 'enterprises without entrepreneurs'. Rather than a traditional social enterprise, say, which is usually led by a small group of people, often with business experience, Community Enterprise does not rely on entrepreneurs in the same way.

One of the great examples of where co-operatives and market failure meet with traditional values, are the more than 300 community co-ops - mostly village shops - across rural England. This is largely groups of people, without business experience, coming together to save a local business or asset.

And some of this will happen without support, but as with the Plunkett Foundation, we believe that if you can provide the right support at the right time, you can create a situation where communities are in control of the process, but where external support can give valuable guidance.

So it’s the realisation, even for our sector, as with many local authorities across the UK, that we need to encourage churches to see themselves primarily as partners, as enablers, not as service providers, as they may have been historically.

It’s also about encouraging churches to think more about how the building can be economically generative. And this doesn’t mean that the building no longer has religious use: managing the relationship between spiritual and secular use can be challenging, but I think it presents more opportunities than an empty church.

And what are the benefits for the church? Well, increased use, means more people sharing costs, means more income generation, and more people who are engaged and care for the building. And of course, because of all of this, it makes it easier to practically maintain the church building and puts it in a stronger financial position.

[SEVENTH SLIDE]

So to wrap up here, our project has two main aims. One is to help churches understand community economic development and how they can take on roles as community wealth builders. And the other is to use our programme to support the wider community to create a new community enterprise that uses space within a church building.

I think there is an opportunity for churches to genuinely engage their communities, prioritise the needs of the wider community, and manage these unique historical buildings for both spiritual and secular use.

For those under financial pressure, we really want to encourage churches to consider community ownership, which could retain the building for both spiritual and secular use, unlike private development. And for those who are financially stable, to explore how community enterprise can meet both the social and economic needs of their local community as well as their own mission.

Those in the room will have a much better idea than I do, but from my brief research, some organisations estimate there are 50-75,000 places of worship in the UK, so it’s obvious to see how our pilot programme with three partner churches could develop into a national strategy and programme of support.

[EIGHT SLIDE]

So in Autumn 2018 we hosting a conference in Bristol to bring lots of different organisations and individuals working in churches, heritage, and community development together.

We’ll present the outcomes of our year-long pilot, describe the scale of this historic opportunity, and explore how we can reimagine the use and management of church assets together. We will share more details next year and hope some of you can join us. Thank you.