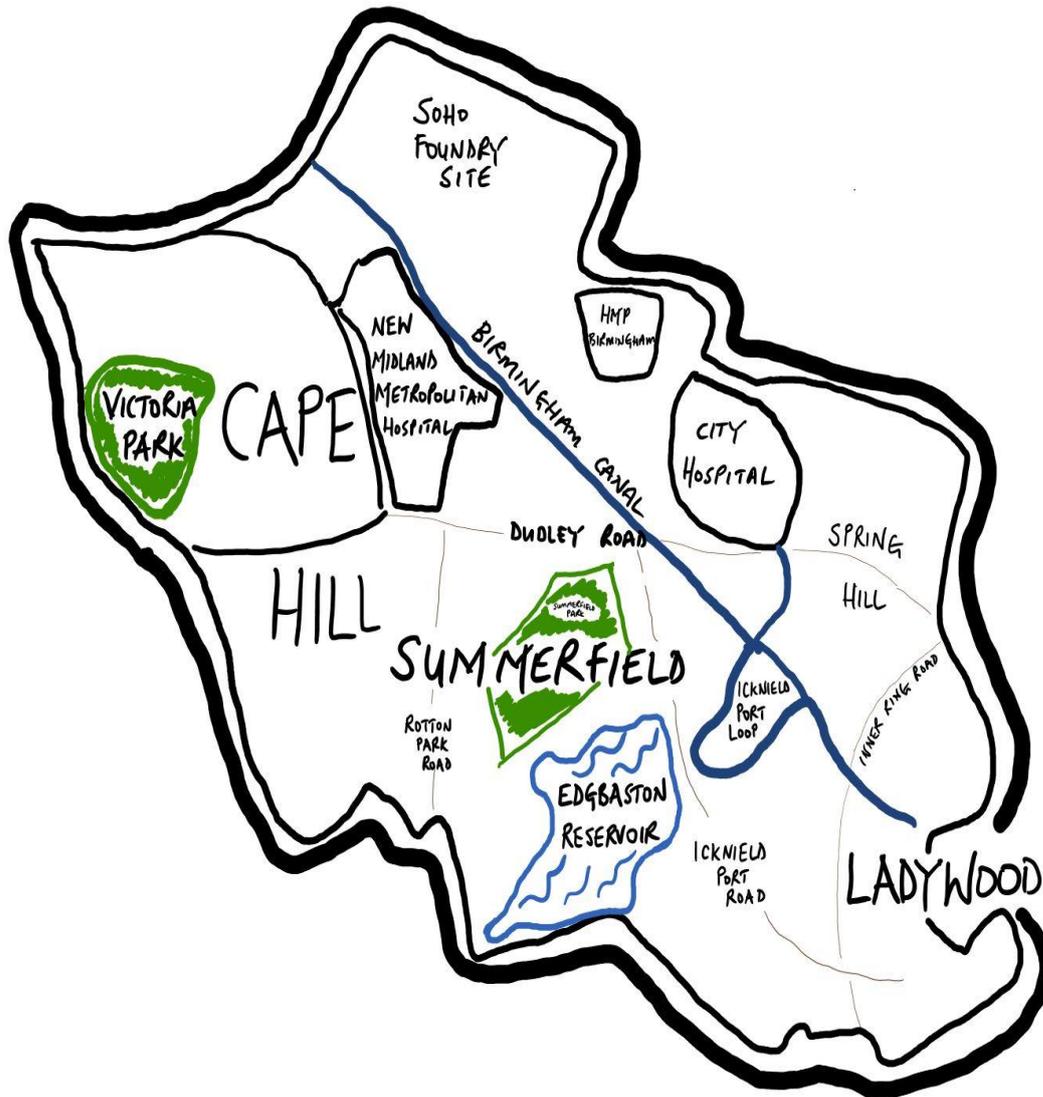


# Linking macro and micro assets for urban transformation

USE-IT! transferability study



**CLÉS**  
the national organisation  
for local economies

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# 1. Introduction

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This guide is intended for people working in economic development in European cities. It describes the USE-IT! project, a European Union funded initiative based in a neighbourhood of Birmingham, UK, which has sought to tackle urban poverty. It identifies the core elements of the project approach which could be applied in other European cities experiencing similar issues. This section provides information about the project, the context from which it emerged and why it represents an important contribution to the theory and practice of urban regeneration.

USE-IT! was a three-year European Union funded project which aimed to pioneer innovative approaches to inclusive urban development in an area of persistent poverty and deprivation in inner city Birmingham. Funding was secured from the EU Urban Innovative Actions (UIA Programme), an initiative which provides cities with resources to test new and unproven solutions to address urban challenges. Recognising that orthodox urban economic development approaches often exacerbate inequality and have little impact on enduring patterns of deprivation, the USE-IT! partnership set out to test an alternative approach in a neighbourhood of west Birmingham. Rooted in a commitment to recognise and build the assets of local communities by connecting them with the resources of the 'macro assets' of the area (including developers and anchors institutions<sup>1</sup>) the programme had four principle strands of activity – referred to below as 'work packages':

- **Connecting refugees and migrants with overseas medical qualifications to jobs in the local hospital:** Led by the Sandwell and West Birmingham NHS Trust this work package sought primarily to provide overseas nationals moving to the UK with the support required to move into employment opportunity within the NHS. The emphasis has been placed not on lower level employment around cleaning and catering, for example, but upon harnessing the existing higher-level medical skills of the participants, which include doctors and pharmacists.
- **Community researcher training:** This work package was led by the University of Birmingham and sought to develop research and analytical skills in the local community. It has two main elements: a programme of community research training, where local people are able to gain an accredited qualification and; a programme of commissioned research, which has seen the community researchers work with University academics to deliver research for clients from across the region.

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<sup>1</sup> 'Anchor institutions' are organisations rooted in place with significant levels of spend and numbers of jobs which are unlikely to leave. Anchor institutions typically include: local authorities, universities, colleges, hospital trusts, and housing organisations.

- **Establishing and supporting social enterprises to grow and embedding them in local markets:** Led by iSE this work package aimed to help local people solve local social and economic issues through starting or growing social enterprises, cooperatives and community businesses. It included development of a peer network of social entrepreneurs, engagement and market development with local anchor institutions, a business support programme for social entrepreneurs and a business mentors and coaches programme.
- **Understanding and strengthening community assets.** This work package was led jointly by iSE and Birmingham City Council and has focused on supporting community economic development activity in neighbourhoods within the USE-IT! area, building a strong legacy for the project and building an infrastructure to support social enterprise in Birmingham.

## Context

### The policy context from which USE-IT! emerged

The USE-IT! programme emerged from the context of regeneration programmes which have been pursued in the UK over the course of the last forty years. Urban regeneration policy started in the UK in the early 1980's with a desire to address the adverse impacts of economic restructuring on urban neighbourhoods. Urban Development Corporations were driven by the market and sought to create the conditions for economic success in places like Canary Wharf, Manchester Castlefield, and Salford Quays through large scale physical regeneration activity. This activity created new industrial heritages and specialisms for these areas, notably around financial services. At the same time, government also started to designate Enterprise Zones, areas in which city councils could utilise inward investment policies (such as reduced business rates) to attract big employers.

In the early 1990s attention started to move towards partnership approaches to regeneration. Still with an emphasis on physical regeneration, initiatives such as City Challenge took an area-based approach to improving the physical conditions of estates in inner city areas such as Hulme in Manchester. 1997 brought a change of government and a new approach towards regeneration. The approach moved away from physical regeneration towards initiatives focused on economic and social factors. The emergence of Regional Development Agencies was a key element of this.

In 2001, the government introduced its National Strategy for Neighbourhood Renewal, incorporating a plethora of initiatives designed to regenerate some of the most deprived neighbourhoods in the country physically, economically, socially and environmentally. These initiatives included: New Deal for Communities, Neighbourhood Renewal Fund, the Local Enterprise Growth Initiative and the Working Neighbourhoods Fund. In 2010, another change of government saw a return back towards the regeneration approach of the 1980's, with a focus on private sector led physical regeneration and inward investment driven economic development through City and Growth Deals; an approach that has largely continued up to the modern day.

The area of Birmingham in which USE-IT! has operated has been the subject of millions of pounds of regeneration funding through the policies and initiative described above

– it could however be argued that the historical approach of physical, neighbourhood and social regeneration has not worked. Cognisant of the failures of these programmes to deliver lasting change for many communities across the UK, we have in recent years seen a wave of places embrace a community wealth building approach to developing thriving and equitable local economies. At the heart of this approach is an intention to ‘rewire’ local economies, drawing on the physical, financial and human assets of a place and connecting them into the local economy to prevent wealth ‘leaking’ out. Key to this approach are anchor institutions, those large organisations rooted in place whose spending, employment practice and management of assets can have a defining impact on local economies. In community wealth building, anchor institutions set out to use these assets to benefit the people and place in which they are based through progressive procurement practices, a proactive approach to employing local people (particularly from deprived neighbourhoods) and ensuring land and assets are used for socially productive purposes. High profile examples, such as the network of Anchor Institutions in Preston, have inspired interest in this type of approach which is now being applied across the UK. The USE-IT approach builds on these approaches by seeking to ‘unlock the potential of macro assets (including anchor institutions but also property developers) by linking them to the micro assets of the area (civil society organisations, community activists, people with specific skills or expertise). In this way the learning from USE-IT contributes to both community wealth building and wider regeneration policy debates and learning.

## About the good practice

### The evolution of the USE-IT!

- While USE-IT! was a UIA funded projects, it emerged from several years of prior work by many of the project partners in the USE-IT! area. The University of Birmingham had been involved in more than six years of work in the USE-IT! area through a postgraduate course focused on the neighbourhoods of the area and equalising knowledge between those living locally and students and academics. The hospital had been assessing its impact as an anchor institution for a number of years with a focus on understanding how it could utilise its employment and supply chains to improve wider determinants of health in the area.
- As a result of these prior activities, when the UIA put out a call for project bids, some of the building blocks for the approach were already in place. The window for submission was just one month but despite this the initial team (the University, hospital and City Council) did hold stakeholder events with an open invitation to organisations interested in participating. These were well attended. While some smaller, local organisations struggled to remain engaged in the development of the programme bid due to limited capacity and stringent UIA requirements for detailed budgets and match funding, several did (including Brushstrokes and Smethwick CAN) and became USE-IT delivery partners alongside 12 other organisations spanning both large public sector organisations (the hospital, university, City Council, Sandwell Council) and large social sector organisations (iSE). The successful involvement of small

community organisations as delivery partners is noteworthy given that the nature of UIA funding.

- Throughout the three years there has been a need to flex the project, an imperative that was embraced by the project delivery team. In the first year of the project events beyond the control of project partners included the collapse of the building company contracted to build the new hospital site which was to be a primary focus for project activity, leading to a mothballing of the site for over 12 months. Delays in securing relevant approvals through the University delayed the recruitment and training of community researchers who were originally intended to drive the identification of micro assets for the wider project. Far from derailing the project, the project deliver team quickly understood that the opportunity was less to deliver a series of pre-agreed outputs or even a pre-defined strategy and more to develop a way of working which could adapt to changing realities on the ground.
- The project achieved significant impact, in terms of social and economic benefits for direct beneficiaries, environmental benefits for the wider population of the area, organisational learning and capacity for delivery partners. These are detailed in full and summary impact reports available on the project legacy website: <https://useituia.co.uk/>. These outcomes are summarised in the infographic on page 6.

The project sought to affect change on the ground but also to generate learning about the efficacy of these approaches with a view to influencing wider system change, including in policy and practice of regeneration in Birmingham and beyond. This guide is intended for people working in economic development who wish to apply the learning from the project to other European cities.

# USE-IT! – CREATING AND UNLOCKING ASSETS IN THE COMMUNITY

## COMMUNITY RESEARCH UNIVERSITY OF BIRMINGHAM

Two people who trained as Community Researchers have gone on to complete an MSC in Urban Planning at the University of Birmingham, and one has applied for a PhD in Planning.

Carol joined the Community Researcher programme and in her project looking at arts and crafts activity in the area interviewed three people – a local priest, community leader and an orchestra conductor/choir leader who all had lots of connections with many other people living locally.

80 Community Researchers deployed  
16 organisations have commissioned research, with one project helping the council to secure a £300,000 grant

## COMMUNITY ASSETS BIRMINGHAM CITY COUNCIL

**Ladywood Leisure Centre & Roundhouse**  
14 local people were employed thanks to USE-IT! Job Club's work with local employers.

**Port Loop**  
Supported flagship initiative, 'Civic Square', to move to the area by negotiating a space for their Neighbourhood Lab with the local housing developer.

**Holy Trinity Smethwick 'ChangeSpaces'**  
Turned space in a local church into a co-working space for local social entrepreneurs, charities, small businesses, and self-employed freelancers.

**Edgbaston Reservoir**  
Supported a consortium of local residents (Summerfield Alliance) to develop a community-driven long-term vision for the Reservoir and the open spaces around it. This led to establishing a larger consortium of local organisations to take the work beyond the project's end date.

## SOCIAL ENTERPRISE ISE

44 new social enterprises launched  
25 new products and services  
5 supply chain opportunities  
5 jobs created  
£248,000 brought into the local economy

**Golden Sparkle**  
Started by Queeni Thomas to provide health and wellbeing support to isolated people over 50. They aim to make available perishable food, pre-packed cooked meals to residents, and meal planning for least two days per week.



**Warm Earth**  
Project created by Summerfield Residents Association to grow vegetables for community groups all year round (winner of the USE-IT! Challenge Award).

**SOHO Network**  
Peer network of social enterprises in the SOHO area which will continue to be supported by ISE after the end of the USE-IT! project.

## SKILLS MATCHING NHS SANDWELL AND WEST BIRMINGHAM

**Horani** is a pharmacist from Syria who fled the country with his family in 2012. After being granted indefinite leave to remain in the country he was keen to use his expertise in the UK and has been supported by USE-IT! to undertake necessary training and undertake work placements at the hospital.

235 overseas nationals engaged with learning works  
104 started IELTS training  
19 NHS placements  
52 with paid work from the NHS  
5 registered with a professional body



**Nikhath Iftikhar** is a doctor specialising in sexual health and HIV from Pakistan. She fled the country in 2013 and since being granted leave to remain has been supported by the hospital to undertake high level English language training, work shadowing and to cover the cost of registration fees.

**Mohammed** is a biomedical scientist from Sudan. He spent four years in the UK trying to find ways to use his skills in the NHS. USE-IT! has funded his English language qualifications and arranged a placement in City Hospital.



## 2. Transfer potential of the USE-IT! model

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The section above outlined the context to and evaluation and impact of USE-IT! This section identifies the core elements of the USE-IT! approach which is made up of two things (i) a model of local economic development which seeks to harness the macro and micro assets and (ii) a way of working which could be applied in other cities grappling with issues of urban poverty and inequality. In this section we set out a number of practical strategies for applying this way of working in other places.

### **The USE-IT! model of local economic development**

USE-IT! has pioneered a model of local economic development which draws on and contributes to the theory of community wealth building. Community wealth building first emerged in the UK in 2008 and has since built traction at a policy and practice level. As an approach to inclusive economic development it seeks to address a flaw in much orthodox regeneration and economic development practice. These models place a strong emphasis on attracting inward investment to deprived neighbourhoods, both by the public sector and, more recently, by private businesses. While these investments lead to some direct benefit for communities (through the creation of jobs or improvement in physical infrastructure), the value generated through this activity (in terms of profits from business activity or spending of public funds) often flows out of the target areas in the form of dividends to distant shareholders. This extraction of wealth sees a growing divide between the places where wealth is created, the people who create it and those who own and benefit from it. This has contributed to widening inequality which has made the UK the fifth most unequal country in the world. Community wealth building addresses this problem head on, seeking to utilise the spending power and physical assets of large anchor institutions to create local flows of investment and grow local ownership of wealth.

The actions of anchor institutions are central to community wealth building, providing the financial and physical assets upon which a locally generative economy can be built. The strategies and approaches employed by these anchors have therefore been the focus for much community wealth building theory and practice. While USE-IT!'s emphasis on the role of macro assets echoes these anchor institution strategies, it adds a new dimension to these approaches by emphasising the need to link macro assets to the micro assets of place. USE-IT! has demonstrated that creating the links between micro and macro assets is crucial to effective community wealth building, in effect 'unlocking' the potential of these assets. This is a key contribution to the theory of community wealth building, providing proof of concept that this bridging work 'unlocks' the potential of local assets.

## The USE-IT! way of working

The USE-IT! model is not simply a theoretical innovation; it is a way of working developed through practice over a three-year period. In this section below we identify the core elements of that practice which could be applied in other cities experiencing similar challenges. Under each core element we describe the practical strategies which the USE-IT team have developed to apply this approach in practice.

### The (continuous) identification of macro and micro assets

All cities and neighbourhoods contain a range of assets. This include physical assets in the form of buildings and green spaces; financial assets in the form of businesses and investments; the financial assets of public, social and private institutions; community assets in the form of voluntary sector groups and social enterprises; and human assets. USE-IT! has demonstrated that the identification of assets is a continuous process.

#### Practical strategies

- **Work with student and community researchers to identify ‘micro assets’ of place.** For example, student researchers from the University of Birmingham carried out research in a deprived neighbourhood of the city. Through their interviews, they identified significant numbers of migrants from overseas living in the area who had medical qualifications but were not working in the health service. Connecting these people to employment opportunities at the local hospital became a key objective of the USE-IT programme.
- **Be present in the community and keep showing up.** A key characteristic of the USE-IT approach was to prioritise building trust and working *with* existing community groups and organisations rather than to setting out to create new organisations. In practical terms this involved members of the project team attending existing meetings, activities and using local community facilities such as cafes and meeting places:

“Previously, the answer to the need for community action [in this area] has been to set up a new group or community organisation, this was different”
- **Map macro assets in your area.** These will vary from place to place. However key characteristics to look for include public, private or social sector organisations employing more than 250 people, and/ or with annual spending on goods and services of more than £1m and/ or with significant land and property assets. In the USE-IT programme, the macro assets included the local hospital and university, the City Council, a local charity which owned land in the area and a property developer involved in redeveloping a large area within the neighbourhood for housing.

### Using the power of anchor institutions to influence the flows of wealth around local economies

Anchor Institutions are large (often) public sector organisations which are important for local economies for five reasons:

- They spend significant amounts on buying goods and services through procurement
- They employ large numbers of people
- They own considerable land and assets
- They often have a democratic mandate
- And they are rooted in place, with as a product of their mission (for example, in the case of a local hospital) or as a result of their considerable investment in physical assets (for example, in the case of a large manufacturer)

Historically, the power and scale of anchor institutions has not been fully realised for local economies and the communities in which they are based. USE-IT! has sought to support anchor institutions such as the Midlands Metropole Hospital and the University of Birmingham to realise their potential and to increase the flows of their wealth around the USE-IT! area.

#### **Practical strategies:**

- **Produce a 'state of the social enterprise market' report for your area.** To help them to identify opportunities for local social enterprises to supply goods and services to local anchor institutions and to each other, they researched existing businesses in the area. From this they produced a 'state of the market' report which described the types of social enterprises in the area – by sector, size and trading history. This enabled the USE-IT team to communicate in detail the types of goods and services already on offer but also understand the needs of social entrepreneurs, the maturity of the sector in the area and the specific support required to grow these suppliers.
- **Focus on a small number of specific actions.** The USE-IT approach has been to focus on working with macro assets has been to invest time in understanding their specific problems or unrealised opportunities related to their land and property, workforce or supply chains. Having identified these the team went on to identify where they could assist by linking the macro asset to the micro assets of the area. For example:
  - In relation to the local hospital they identified that shortages of medically qualified staff were being addressed through costly international recruitment schemes.
  - In relation to a local property developer they identified that they had committed to retaining a historic building in the scheme for community use but had very limited local connections to potential tenants.

The USE-IT team focused on working through one problem or opportunity rather than seeking wide ranging strategic commitment in the early stages. This focused approach has built confidence in the approach, enabled more rapid progress and led to direct benefits. On the back of the, the team have worked with the leadership of macro assets to expand these approaches, for example in the case of the hospital they now are looking to support people who are homeless into roles within the hospital.

## Enabling 'micro' assets as connectors to people who are economically marginalised

The social sector (often referred to as the voluntary and community sector) are key agents in building strong and equitable local economies. Alongside the public and commercial sectors, they form a key cog in the functioning of places economically, socially and environmentally. They are often directly connected with people experiencing poverty and disadvantage and marginalised from the wealth that exists in their local economy. To address this gap the USE-IT team sought to connect community organisations, activists, groups and other social sector organisations to the macro assets in their local area through joint work around supply chain opportunities, recruitment and socially productive use of land and assets.

### Practical strategies:

- **Recruitment of community researchers.** The USE-IT programme developed a community researcher initiative to develop research and analytical skills in the local community. In turn this has enabled the insights, experiences and views of local residents, including those experiencing poverty, to shape the approaches of local macro assets. The aim of this approach is for macro assets in the USE-IT area to directly commission the community researchers to reach out and identify target groups in the community (for example individuals seeking employment opportunities, people who use or would like to use local land or buildings).
- **Community Economic Development planning.** The USE-IT team funded the development of three community economic development (CED) plans for smaller areas within the neighbourhood. Utilising [a model](#) developed by Locality, individuals funded by USE-IT involved local people, groups and organisations in creating ideas to improve their local economies. These plans provided a strong platform for engagement with local macro assets. For example, through the development of a CED plan for a disused green space in the area the USE-IT were able to work with local people to create a vision for how the land could be used and work with the land owner to bring this about.
- **Make micro assets delivery partners in macro asset strategies. In the USE-IT project an** example of this was Brushstrokes, a neighbourhood focused charity. Identified as a key 'micro asset' within the USE-IT! area Brushstrokes joined the project delivery partnership providing English language classes to refugees and overseas migrants with medical qualifications. Brushstrokes worked closely with the hospital to support these individuals and develop pathways of support to enable them to access roles in the hospital trust.

## Being rooted in collaboration across public, private and social sectors

The public, commercial and social sectors have distinct objectives. This diversity of objectives means that often the three spheres of the economy tend to work in relative isolation. USE-IT! has advocated and facilitated collaborative working across the public, private and social sectors, in the delivery partnership and in its activities. In this the

project demonstrated that that economic development and regeneration will not work without such cooperation.

### Practical strategies

- **Build a delivery partnership that bridges social, commercial and public sectors and micro and macro assets.** The USE-IT programme was a collaboration of 15 organisations, from a large hospital and globally renowned university to a community organisation which employs 8 people. It spanned social, public and commercial sectors. This collaboration gave the programme resilience, prevented it becoming dominated by the priorities of one organisation or sector and facilitated engagement with a wide spectrum of other organisations outside of the partnership. It embodied the principle of unlocking potential of micro and macro assets through collaboration.
- **Ensure leadership is shared between delivery partners.** While the USE-It delivery partnership involved a large number of organisations, the steering group was made up of a smaller number of lead organisations. These organisations included micro and macro assets and ensured that decision making was informed by these diverse perspectives.

# 3. What are the enablers of transfer?

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This section is intended to support economic development practitioners to consider how the USE-IT! model could be applied in practice in their city. It describes the strategic and financial approach taken by the USE-IT! partnership to deliver their model of urban regeneration. It also highlights contextual factors which affected how the approach worked in practice.

## Strategic approach

### Shared leadership between (micro and macro) partners

The USE-IT! project was made up of partnership of 17 organisations, from small community organisations to the largest local authority in Europe. Each of the seven USE-IT! work packages were led by one of these organisations, who came together as the overall Project Board. While this structure added complexity to the project management process it gave the project resilience, ensuring that no one organisation's priorities or pressures have dominated.

### Senior sponsorship is critical to creating the “institutional entrepreneurship” needed to work in new ways

Throughout the three years of the project the sponsorship of senior leaders in participating anchor institutions has been a key factor in the success of USE-IT! activities. For example, in the hospital trust, senior managers embraced the approach being taken to support refugees into medical roles and have been open to changing policy to enable the approach to succeed. This has led to policy and cultural change in relation to wider recruitment practice which is now being adopted across the Black Country and recognised at a national level.

### Recognition this won't be static model and that opportunities will emerge over time and therefore activity will develop

The original project application form was very detailed but in practice activity has deviated considerably. This has been an intentional approach from the USE-IT! partnership who has sought out opportunities to test different ways of working and build new practice 'from the ground up'. These opportunities emerged throughout the three years of the project, many in areas which were unforeseeable at the outset of the project. An example is set out below:

## Financial approach

### Investment in bridging people in micro and macro assets

Across all USE-IT! work packages project funded individuals were crucial to bridging the gap between anchor institution, local organisations and individuals. While the concept of large local public organisations acting as ‘anchor institutions’ is now well established<sup>2</sup>, national policy in the UK often runs counter to such an approach. Local government, hospitals and universities are instead subject to national performance and funding frameworks that prioritise cost and efficiency, economies of scale and performance against nationally set metrics. For the smaller community sector delivery partners with greater operational flexibility, the administrative demands of receiving European funding were incredibly demanding. USE-IT! project funding enabled the resourcing of dedicated people based within delivery organisations who had the time and mandate to tackle the difficulties of making their organisation’s standard processes or approaches adapt to the USE-IT approach.

### Dedicated resources are needed to build the bridges necessary to make this approach a success

At the heart of the USE-IT! approach is the principle of bridging the existing financial, physical and human assets of the area rather than focusing on securing and allocating new resources. However, USE-IT! did utilise European funding to supplement anchor institution budgets, enable action and deliver proof of concept. This was necessary because of the work necessary to build working relationships between very different organisations. It is important to note that while dedicated financial resources have been critical to the project’s success, the specific skills and approach of the people working in the project were repeatedly highlighted in the project evaluation. One respondent noted that the success of the programme was as much about the “personality and commitment [of the Programme Manager] as about the money”.

## Context

### High levels of social capital are crucial to the success of this approach – this will affect how quickly this work progresses.

High levels of deprivation and transience in many parts of the USE-IT! area meant that activities to grow social enterprise took longer than anticipated in the original project plan. These related to practical difficulties of establishing new businesses in areas where people are reliant on income from low paid, often precarious work making the early stages of establishing a business extremely challenging. However it was also apparent that there was a lack of recognition of the human and physical assets of these communities and the work that was needed to identify these assets and support individuals and groups to build on them to grow social businesses.

“The fact is that there is so much that exists that is untapped, [there has been a] lack of meeting places, lack of someone who to coordinate things that are

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<sup>2</sup> See [https://cles.org.uk/wp-content/uploads/2017/02/Community-Wealth-Building-through-Anchor-Institutions\\_01\\_02\\_17.pdf](https://cles.org.uk/wp-content/uploads/2017/02/Community-Wealth-Building-through-Anchor-Institutions_01_02_17.pdf)

going on, that's what [the USE-IT project manager] has managed to [do]. It's as simple as making jam, I don't know how to make it, but I know people who do!"

# Appendix 1

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This guide has demonstrated the value of dedicated project funding to enable the application of USE-IT! principles in practice. This section provides information on sources of European funding which could be utilised to help develop USE-IT! inspired activity in other cities in EU member countries.

## Overarching urban innovation funding

- USE-IT! was funded through the Urban Innovative Actions programme. There are likely to be new rounds of this funding in the next Programming period (2021 onwards) and Urban Poverty is likely to feature as a key theme, so other cities could look to devise something similar to USE-IT! <https://www.uia-initiative.eu/en>
- The USE-IT! approach could be transferred through a future URBACT Transfer Network – this is where ‘Good Practice’ is transferred to other. There is likely to be another round of Transfer Networks in 2021: <https://urbact.eu/>

## Social Enterprise

- Interreg Europe is focused upon four themes, one of which is around SME competitiveness - <https://www.interregeurope.eu/about-us/what-is-interreg-europe/>
- Work around Social Enterprise development and support could potentially fit in here. <https://www.uia-initiative.eu/en>
- There is a whole host of support through the Social Business Initiative: <https://ec.europa.eu/social/main.jsp?catId=952&intPagelD=2914&langId=en>

## Pathways to employment Work Package

European Social Fund (ESF) is a potential source of funding for related employment support approaches - [https://ec.europa.eu/regional\\_policy/en/funding/social-fund/](https://ec.europa.eu/regional_policy/en/funding/social-fund/)