

The elusive magic of sustainable change

What is Local Alchemy?

Across Britain, a huge amount of emphasis and energy are placed on the economic regeneration of disadvantaged areas. Often this takes the form of large-scale regeneration initiatives that do not fully meet local needs or aspirations, or indeed address the underlying causes of economic disadvantage. As a result, sustainable change in these communities remains elusive. In many places, local energy and creativity becomes trapped, and different parts of the economy - local businesses, voluntary sector agencies, and the public sector - do not talk to each other to maximise local opportunities. For the local economy to undergo durable and robust change, the capability and energy of everybody needs to be harnessed.

The magic of Local Alchemy lies in its ability to harness the key ingredients of successful transformation. Our starting point is the energy for changing the local economy within a community, and the natural resourcefulness, skills and passions of local people. The principle behind Local Alchemy is that people who live and work in a place, and others who care about its future, are best positioned to find solutions, implement them and reap the rewards.

Through a combination of practical tools focused on moving quickly from understanding opportunities in the local economy to individual and group action,

Local Alchemy challenges:

- individuals and groups in a community to take action to reinvent their local economy so that it delivers increased well-being and environmental sustainability rather than just having, and consuming more things;
- institutions and agencies to think differently about communities experiencing economic disadvantage. Challenging them to become responsive and solution orientated - focused on removing the barriers facing entrepreneurs and enterprise in areas experiencing economic disadvantage, and supporting them to use their procurement budgets to strengthen local economies; and
- policy makers to rethink regeneration practice, and to put enterprise at the heart of regeneration.

Local Alchemy is working in 13 communities across the East Midlands supported by the East Midlands Development Agency (emda).

Local Alchemy results in:

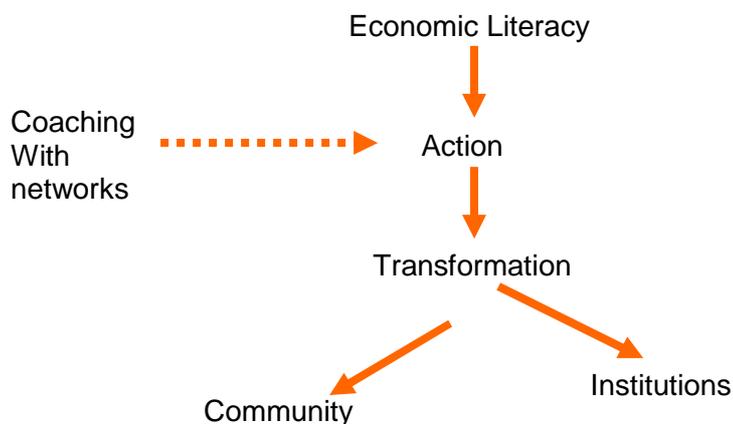
- Harnessing the dreams, passions and potential of people to create their own businesses and enterprises.

- People understanding economics in a practical, down-to-earth way that informs the decisions they make.
- A community educated about the importance of local wealth creation and dedicated to supporting its local entrepreneurs.
- Increasing the effectiveness of local services and the impact of businesses so the local economy can thrive.
- A better networked and connected community with private, public and community sectors working together.
- Increased confidence and sense of self-reliance among the community as a whole. A move from dependence on external solutions to generating community action and fostering local visions.
- Developing a 'can-do' attitude in the area.

How Local Alchemy Works

In summary, Local Alchemy engages people in their local economy through passion.

- Passion for where they live
- Passion for how they would like their community to be
- Passion for the actions they are prepared



Our starting point is where the community is at, we use a toolkit to engage the community in debate and to identify opportunities and passion for action. We then support that action through a coaching approach.

In the community, Local Alchemy makes available the following resources:

1. ***The Enterprising Communities Framework*** – a framework for what an enterprising community could look like.
2. ***The Local Alchemy toolkit*** – a set of tools which help pilot areas to vision, map, plan and implement a new local economy.
3. ***A Local Alchemy coach*** – facilitates workshops and gives practical business and project development advice, and supports the development of networks to support entrepreneurs and wider networks to challenge the economic status quo in their local area.

4. **Seed-corn funding** - Support is provided through the coach and network to access funding sources, and nationally to work with funders to influence availability of funding for local projects with positive local economic, social and environmental impacts.

To support change at the institutional and policy level, the Local Alchemy team at nef (the new economics foundation) provides additional support through the use of practical tools for:

- **Capital projects** (public or private) - irrigating the inward investment and opening local employment and business opportunities through increased spending and re-spending in the local economy.
- **Institutions and agencies** who wish to improve their local economic impact.
- **Local Authorities** to support refocusing their commissioning processes to improve their local economic, social and environmental impact.
- **Regeneration practitioners** through a suite of practitioner workshops focused on coach training, networks and the economic toolkit.

The Enterprising Communities Framework

The Local Alchemy process and content is built around an Enterprising Community Framework, which is our vision of what an enterprising community could look like. In summary this has four elements:

A. ASSETS: *What we have*

An enterprising community needs access to appropriate and high quality infrastructure and assets which are the building blocks for wealth creation (i.e. the available premises, land, community spaces, access to finance through banks or community finance initiatives, business advice and services) and a strong, diverse bank of resources which increase its resilience (local independent businesses, effective public institutions, vibrant civil society). An enterprising community also recognises the importance of a diverse range of assets and the need to use its assets wisely to ensure sustainability.

B. ABILITIES: *What skills and knowledge we have*

One component of abilities is skills (developed talents). Important skills include creating, fixing, analysing and collaborating. Also included are core skills like literacy and numeracy without which lots of other skills can be out of reach.

The second component of abilities is knowledge (awareness, understanding and information). Knowledge helps to effectively use skills to create wealth.

C. ATTITUDE: *What we believe*

An enterprising community has a strong base of people with 'can do' attitude. This is not just the individuals who are thinking of setting up projects or businesses. It also includes those in the private sector and public agencies who choose to make lateral connections, improve their local impact, helping all the work they do to have a maximised impact and be most 'joined up' in its thinking. This also means being strongly collaborative, open to building partnerships, with a strong voluntary commitment to doing things for the local good and investing in education and skill development locally. A key part is about PASSION – supporting people to find what it is they love doing and helping them to do it.

The types of attitudes that can support wealth creation include:

- Looking for opportunities more than problems
- A spirit of enterprise to get things done
- A problem solving approach to overcome obstacles to progress.

D. ACTION: *What we do*

An enterprising community takes action and makes things happen. It uses wisely the existing resources that it has. It re-circulates its money and local resources (cash, material goods, and local people) by re-spending and re-using them locally. Stakeholders work in partnership. It does not destroy its environment but uses it wisely (e.g. taking business decisions which consider the economic and social impact of action as well as the profit generated, investing in community forests, land trusts, recycling, asset matching). It should have a positive impact on the social dynamics and relationships in the community.

Assets, abilities, attitudes and actions are interrelated and mutually reinforcing.

The Local Alchemy toolkit

Local Alchemy has put together a toolkit of activities from which coaches can select and combine tools to support community members to understand their local economy, and then take action to reinvent their local economy. The toolkit supports the following questions to be addressed within a community:

- What are the opportunities for enterprise development of both new and existing business?
- How could goods and services be delivered differently?
- How can we mobilise resources to do what we want to do?
- What will be the outcomes of these activities for the local economy, our community and the environment?

The Local Alchemy Coach

Each project area is supported by a coach. Local Alchemy coaches provide specialist support, information and advice to individuals or groups of people with business and enterprise ideas in the Local Alchemy project areas.

The coach supports the project area in four distinct ways:

- **Runs or leads workshops, events and games** ranging from full days to just a few hours.
- **Networks and helps others in the project area to network** and encourages others to become involved in wider discussions within Local Alchemy and also in specific projects.
- **Brokers partnerships** by supporting the identification and involvement of key stakeholders who are fundamental to the success of particular aspects of Local Alchemy. For example, if a group wanted to set up a recycling centre, the coach would help them decide who they needed to involve in the local council technical services department, residents associations, planners, equipment leasers and work with the group to include them.
- **Advises and supports entrepreneurs and projects in their development** by asking challenging questions, being a member of a temporary project team if necessary, assisting with marketing, supporting funding proposals, and exploring ways to improve the local economic, environmental and social impact of the business / project.

Networks

Networks are developed on two levels within Local Alchemy projects. Networking is one of the most important ways in which the coach will help the entrepreneurs and

project groups to source the support they need to overcome barriers to the success of their enterprising ideas. Because everyone is not equally passionate about all aspects of a business or project idea, the coach supports clients to focus on their passion, and then build temporary teams of support to overcome the particular barriers faced (instrumental networks).

The coach also supports the emergence of transformative networks – the catalyst for on-going challenge and debate at the heart of a community which will drive the reinvention of the local economy so that it delivers increased well-being and environmental sustainability. Through bringing together people who care about the local economy including residents, local entrepreneurs, the voluntary and public sectors through the use of the toolkit, the coach's role is to open up the space for debate, and support the resulting action.

To find out more about Local Alchemy contact:

Elizabeth Cox

Head, Connected Economies, **nef** (new economics foundation)

E: elizabeth.cox@neweconomics.org

T: 020 7820 6381

F: 0207820 6301

www.neweconomics.org

www.pluggingtheleaks.org

www.bizfizz.org.uk