



Community Wealth Fund

The Community Wealth Fund Alliance (CWFA) is calling on government to release dormant assets for the creation of a new independent endowment - The Community Wealth Fund. This would provide long term investment, putting 'left behind' communities in charge of the spend and enabling them to build the social capital and civic infrastructure that they need to 'level up' their areas and enable them to prosper. We believe this funding will be vital in the medium-to-long term response to COVID-19 since research shows that the pandemic is likely to exacerbate existing social and economic problems in 'left behind' neighbourhoods.

The Fund could be financed by the next wave of dormant assets coming on stream (from bonds, stocks, shares and insurance funds), estimated at valuing £2bn. This could be matched by FTSE 350 companies to create a £4bn fund.

'Left Behind' areas

Research commissioned by Local Trust from OCSI identifies 225 'wards across England which are likely to be the most 'left behind'. These are amongst the 10% most deprived on the Index of Multiple Deprivation (IMD). They are also the 10% of areas that have the greatest community need on a new index which looks at three factors:

- **Social infrastructure:** the absence of key community, civic, educational and cultural assets in or near the area.
- **Connectedness:** a lack of connectivity to key services, digital infrastructure, high rates of loneliness and isolation and a weak jobs market.
- **Active and engaged community:** the absence of civic organisations and community participation as well as barriers to participation.

The people living in these 225 'left behind' wards have much worse socio-economic

outcomes than those living in other similarly deprived areas. This suggests

the vital importance of social infrastructure, connectedness and an active and engaged community.

Principles of the fund

- Long-term, patient funding (10-15 years)
- Investment at the hyper-local level (directly to communities of c 3,000-10,000 residents)
- Resident-led decision making
- Appropriate support provided to build community confidence and capacity

Distribution according to these principles, which are based on the learning from current and past programmes and initiatives, will help to shift the dial in these areas.

The Big Local programme, which operates in 150 neighbourhoods across England, provides an indication of what is possible. It shows that, with appropriate support, residents can develop and deliver the activities, services and facilities needed to improve their areas.

The CWFA argues that an appropriate portion of new funds like the Towns Fund and the proposed UK Shared Prosperity Fund (the UK replacement for European Structural and Investment Funds) should be dedicated to community economic development and spent at the neighbourhood level. The principles outlined above should also guide the distribution of the top slice.

Why is a Community Wealth Fund needed?

- A large proportion of people living in 'left behind' neighbourhoods suffer from life limiting illness – 24% compared to 20% in other similarly deprived areas.
- There are just over 50 jobs in these areas per 100 working age adults, compared to more than 88 per 100 in other similarly deprived areas.
- The pandemic has highlighted the vital role community mobilisation can play in responding to local needs. It is clear that areas that did not have the capacity and infrastructure to respond quickly and effectively to the pandemic were disadvantaged; the Community Wealth Fund would place those communities at the heart of its work.

You can read more about the proposal in our report [‘Strong resouceful communities: the case for a Community Wealth Fund’](#).

Dormant assets

The Dormant Assets Commission (DAC) report, published in March 2017, recommended expanding the existing dormant assets distribution scheme, beyond dormant bank and building society accounts, to include insurance policies, pensions, stocks, shares and bonds.

Dedicating the next wave of dormant assets to the CWF would enable government to use the expansion of the scheme to continue to invest money with a strong strategic intent to the issues and places that need it most.

The Community Wealth Fund Alliance

The CWFA is a group of nearly 250 civil society, public and private sector organisations supporting the call for a Community Wealth Fund.

Membership includes major national organisations, such as the Salvation Army, Groundwork and the New Local Government Network, independent funders like the Joseph Rowntree Foundation, and the main civil society umbrella organisations including NCVO, ACEVO, CAF, UKCF and Locality. Recently, several local authorities also added their names to the Alliance. The proposal also has the support of around 40 MPs and Peers who are members of the new APPG for 'left behind' neighbourhoods.

Sign up to the Alliance here: bit.ly/CommunityWealthFund

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