



Community Wealth Fund

The Community Wealth Fund Alliance (CWFA) is calling on government to release dormant or unclaimed assets (from stocks, shares, bonds, insurance and pension policies) for the creation of a new independent endowment – The Community Wealth Fund. This would provide long-term investment, giving ‘left behind’ communities control of spending, enabling them to build the social capital and institutions that they need to ‘level up’ their areas. 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.

‘Left Behind’ areas

[Research](#) commissioned by Local Trust from Oxford Consultants for Social Inclusion (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 most lack social infrastructure according to a new Community Needs index which looks at three area characteristics:

- **Places and spaces to meet** in the form of key community, civic, educational and cultural assets in or near the area.
- **Connectedness:** connectivity to key services, digital infrastructure, high rates of loneliness and isolation and a weak jobs market.
- **An active and engaged community:** community organisations and community participation as well as barriers to participation.

The people living in these wards have much worse socio-economic outcomes than those living in other similarly deprived areas. This suggests the vital importance of social infrastructure: places to meet, 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)
- Community-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 also 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.

Why is a 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 communities can play in responding to local needs. Neighbourhoods that did not have the capacity and infrastructure to respond quickly and effectively to the pandemic were disadvantaged; the Community Wealth Fund would build community strength and resilience in such areas.

What could the Fund achieve?

After fifteen years of investment in 'left behind' neighbourhoods, we would expect to see: population level health improvements; improvements in educational attainment; and increased participation in higher education; lower unemployment.

We would also expect perceptions of neighbourhoods to have improved significantly and to see a marked increase in the number of places for people to meet, community engagement and economic activity.

Funding sources

The CWF could be funded both from the £600m in the National Fund and the close to £900m that will be available initially from the next wave of dormant assets.

The High Court has determined that the money in the National Fund – a Fund set up to relieve the national debt – could be used for another charitable purpose given that its original aim is now unfeasible.

The government is expanding the existing dormant assets distribution scheme, beyond dormant bank and building society accounts, to include assets from stocks, shares, bonds, insurance and pension policies.

In January 2021, it estimated the value of these assets to be around £3.7bn. After provision for reclaims by legitimate owners is made, just under £900m is likely to be available initially.

Combining these two funding sources to create the Community Wealth Fund would enable government to invest with a strong strategic intent in the places and issues that need it most.

Read more about the proposal in our report '[Strong resourceful communities](#)'.

The Community Wealth Fund Alliance

The CWFA is a group of over 400 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 New Local, independent funders like the Joseph Rowntree Foundation, and the main civil society umbrella organisations including NCVO, ACEVO, CAF, UKCF and Locality. Over 30 councils have also added their names to the Alliance. The proposal also has the support of 70 MPs and Peers who are members of the new APPG for 'left behind' neighbourhoods.

Sign up to the Alliance here: communitywealthfund.org.uk

For more information contact the CWF team:

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