



# 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. 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).

---

## '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 according to a new index which looks at three factors, whether areas lack social infrastructure:

- **Places and spaces to meet:** 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:** civic 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, 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 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 these funds.

## 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. 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.

## 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.

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.

## 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, stocks, shares and bonds.

Dedicating £4bn from the next wave of dormant assets to the CWF would enable government to use the expanded scheme to invest money with a strong strategic intent in the issues and places 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 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. Local and combined authorities have also added their names to the Alliance. The proposal also has the support of MPs and Peers who are members of the new APPG for 'left behind' neighbourhoods.

Sign up to the Alliance here: [communitywealthfund.org.uk](https://communitywealthfund.org.uk)

For more information contact the CWF team:  
0203 588 0426 / [CWF@localtrust.org.uk](mailto:CWF@localtrust.org.uk)