

Making the case for a Community Wealth Fund

#CommunityWealthFund

What is the Community Wealth Fund?

A new wave of unclaimed assets - from bonds, shares, pension funds and insurance policies - could be worth up to £2 billion pounds. This might be supplemented by other dormant assets including those trapped in charitable trusts whose purposes are no longer feasible. An endowed fund of this kind, could also attract corporate support and might value £4-£5 billion.

While it will take time for the dormant assets to come on stream, a consensus is already emerging around how they could be used most effectively for the benefit of society. NCVO, Locality and others are all keen to see the money used to form an endowment to provide strategic, long-term funding to support communities who need it the most.

Why is a Community Wealth Fund needed?

Rebuilding community trust

Since the Brexit vote, many people in the UK have started to give greater consideration to how local communities might recapture a greater sense of empowerment and control over their futures. How can we bridge divides and address the feeling of being “left behind”? Rebuilding social capital and trust is back on the agenda - essential to the functioning of our society and economy.

We know that civil society builds trust and connections and creates a sense of belonging. Associations enable people to participate in their communities. But civil society is fragile and held back from helping communities fulfil their potential, due to a mix of funding pressures, market forces, myths about charity overheads, and flawed policy responses. We know we must address the fragility of the institutions and spaces that enable participation and association, in turn rebuilding social capital. This is how we can rebuild trust.

Continues

Strong resourceful communities: The case for a Community Wealth Fund



To read more about the Community Wealth Fund, please visit: bit.ly/CommunityWealthFund



Nurturing social capital

Some places have been *left behind* by globalisation as our economic model has not benefitted all communities equally. But areas of deep-seated deprivation can recover through emerging models of local economic development. Communities are seizing opportunities to do things for themselves. New Shared Prosperity Funds, which will replace European Structural Funds, will provide a unique opportunity to support and develop these solutions. But prosperity requires investment in social, not just economic capital. We need to nurture social capital in areas where it is weak or nonexistent and help communities develop the capabilities needed to participate in community economic development. This requires a new approach.

Unlocking the power of communities

So our proposal envisages the creation of a Community Wealth Fund, providing long term, patient investment in support of place-led change - a fund to create opportunity and unlock the power of communities. This fund would seek to empower people to develop solutions and enable communities to develop their own responses.

Bringing resources together

Unclaimed assets in insurance and pension funds, bonds and stock and shares are potentially worth billions of pounds. But we could see the creation of a fund worth £4 - £5 billion if a range of resources were brought together.

This could include the release of share capital from the private sector, civil society's stranded assets, other unclaimed assets not yet identified and community assets which already exist at the local level. It is too early to specify in detail how such a fund would be managed and distributed. But our consultation suggests considerable consensus around the principles of a place-based model, long term funding, community control, national support and collaboration with other stakeholders.

Transformative community impact

A fund on this scale could deliver transformative social, economic and financial impact. It could also support community commissioned services, save assets, build new infrastructure, enhance democracy and build new relationships across society. We therefore recommend that civil society establishes an independent and credible taskforce, with the support and endorsement of Government, to take the Community Wealth Fund proposal forward over the coming months. We look forward to playing our part in its development, creation and success.

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