Why the Community Wealth Fund should be a beneficiary of the expanded dormant assets scheme

This paper was submitted by the Community Wealth Fund Alliance to government in response to its consultation on the distribution of proceeds from the expanded dormant assets scheme.

Introduction

The government's consultation paper on the distribution of dormant assets in England makes clear that these funds must contribute to achieving levelling up and net zero. The Community Wealth Fund (CWF) would make a crucial contribution to both these objectives.

To 'level up' the fortunes of 'left behind' neighbourhoods, deep seated disparities in social capital must be addressed by pushing more power and money down and out into communities, so that they can be the drivers of local change. To achieve this, we need a serious and sustained commitment to helping local residents to create or rebuild their social infrastructure: the places and spaces, organisations and practices that nurture, strengthen, and deepen connections within neighbourhoods. This would foster the relationships and support creation of the facilities necessary for communities to feel genuinely powerful and rich in social capital.

Just over 620 organisations - primarily civil society organisations but including 50 local authorities and some private sector organisations - have come together in an Alliance to campaign for the CWF. This Alliance has over several years made the case to government for a significant element of the next wave of dormant assets to be committed to building social infrastructure in the most deprived or 'left behind' neighbourhoods, to lay the foundations for transforming the socio-economic prospects of their residents over the long term.

A CWF would also help to achieve net zero. Based on the experience of the Big Local programme, we can expect 'left behind' neighbourhoods receiving support through the CWF to develop projects which enhance environmental sustainability and stewardship of local assets and resources. Communities have invested in solar and wind power, ethical food production and better green spaces, for example.

As part of its consultation on how new dormant assets money should be spent, the government have created a set of criteria that they will use to consider any potential cause for the English portion. Below we outline how the Community Wealth Fund (CWF) meets each one.

The Community Wealth Fund

The Community Wealth Fund, as envisaged by the Community Wealth Fund Alliance, would invest in vital community infrastructure and activities in the most deprived and 'left behind' neighbourhoods across England. It would nurture and create a strong social fabric, strengthening the sense of local pride in these neglected areas. The proposal has the support of over 620 civil society, public and private sector organisations. It also commands the backing of over 200 parliamentarians from across the political spectrum and over 50 local and combined authorities, including leading regional mayors such as Andy Street. The Community Wealth Fund also featured in the government's flagship Levelling Up White Paper having been championed by Andy Haldane. It has been supported by a number of think tanks and was recommended in the Civil Society Futures report produced by the Inquiry into the Future of Civil Society chaired by Dame Julia Unwin.

The essential criteria

1. Any cause must constitute a social or environmental initiative

The CWF, as proposed by the Alliance of organisations advocating for it, would provide investment direct to the communities that need it most. The funds would be distributed at the hyper-local level to neighbourhoods of typically less than 10,000 residents, who are suffering from both the highest levels of multiple deprivation and the lowest levels of social infrastructure – they are amongst the bottom 10 per cent on both the Indices of multiple deprivation (IMD) and the OCSI Community Needs Index (Local Trust, 2019).

These communities have markedly worse socio-economic outcomes on every key indicator - including employment, health, educational attainment and access to higher education - than other areas including those that are equally deprived but benefit from some social infrastructure (Local Trust, 2019).

This suggests that social infrastructure can play a key role in improving outcomes and the foundational role it can have in turning around the neighbourhoods perceived by the public sector as having the most intractable problems. It does this by building stronger, more resilient and prosperous communities in which neighbours support each other and use their talents, skills and commitment to transform their area and their future prospects.

Examples of what you would expect to see in neighbourhoods as a result of CWF investment, are lower levels of loneliness and social isolation, higher levels of community engagement, new community and voluntary organisations, small grants programmes supporting new enterprises and community activities, improvements in community infrastructure (for example, play and leisure facilities), stronger social capital (bridging and bonding) a more cohesive community, and more community-owned assets including housing, cafes, pubs and community centres.

2. There must be sufficient scope to fund initiatives that would not otherwise be funded by central government

The 2008 Act describes additionality as the principle that dormant assets money should be used to support projects and activities for which funding would be unlikely to be made available by a government department or devolved administration.

A CWF, of the sort we commend to government, would pass this additionality test as it would provide a form of funding that a government department or devolved administration would be very unlikely to provide both because of its purpose and how it would be distributed. The funding would foundational - it would enable the residents of the most 'left behind' neighbourhoods to bolster their social infrastructure and build new social institutions for the future. Consistent with this the wards most in need of investment would receive awards as opposed to competing for funding.

The CWF would offer long term, patient investment, over 10-15 years, providing certainty of funding for a longer time span than normal government funding and political cycles. Its approach would be distinctive because priorities and desired outcomes would be determined at the neighbourhood level by the residents and not by the funder. The amount of money invested each year in an area would be relatively small scale - approximately £10 per head of population and as well as larger projects, many micro initiatives would be funded.

The CWF would therefore have a number of characteristics which would differentiate it from mainstream government funding: the longevity of funding; community leadership which means priorities and outcomes are set at the hyper local level, reflecting the particular circumstances of that neighbourhood and the very specific needs and aspirations of its residents which would tend not to register on the radar of central or even local government.

These 'left behind' neighbourhoods have historically missed out on their fair share of resources compared to other areas – from 2004 to May 2021, they received on average £7.77 in national charitable grant funding per head, less than half the amount received in other equally deprived neighbourhoods (£19.31) and well below the average across England as a whole (£12.23) (OCSI, 2021). And research for the APPG for 'left behind' neighbourhoods has found that there are almost three times fewer registered charities per 100,000 population in 'left behind' neighbourhoods than across England as a whole, and just over half that of equally deprived neighbourhoods (OCSI, 2021).

A CWF is necessary to build community confidence and capacity in these neighbourhoods to enable residents to successfully apply for funding thereby ensuring that the investment government makes available for levelling up through such initiatives as the UK Shared Prosperity Fund, which we understand will be around for the long term, is accessible to them. They will otherwise continue to lose out and fall even further behind.

The CWF, as proposed by the Alliance, would therefore complement and not duplicate government funding schemes at the national and local level. It would also complement other potential dormant assets investments such as the Community Enterprise Growth Plan, creating a multiplier effect within 'left behind' areas, providing their residents with access to opportunities and helping them secure a better future.

3. A portion of the £738 million must have a meaningful impact

We are calling for £500 million of new dormant assets funding to be earmarked for a CWF. The Big Local programme, which is based on the same principles as the CWF, demonstrates what might be achieved through long term, community-led investment to re-energise and rebuild social infrastructure in the neighbourhoods that need it the most.

The Big Local programme

The Big Local programme was funded in 2011 by the National Lottery Community Fund. The 150 areas which benefit were chosen on the basis that they were amongst the 20 per cent most deprived in the country and had missed out on their share of lottery or other public funding. The hypothesis was that this was because they lacked civic assets in the form of individuals and organisations with the knowledge and experience to successfully fundraise.

In each of the 150 Big Local areas a partnership comprising a majority of local residents consults the local community, develops a plan of action and then oversees its delivery. Each area has 10-15 years to spend the £1.2 million it has been awarded through the programme. Local Trust provides support in the form of on-going mentoring, peer networking and specialist technical support.

Each Big Local partnership develops spending plans on the basis of extensive community research and consultation. Funding is released once it is demonstrated that plans are feasible and have broad community support.

Big Local illustrates that giving a deprived community decision making responsibility and a budget to improve their neighbourhood can be transformational: rebuilding social capital, generating strong community spirit and civic pride, and positively changing perceptions of areas. The programme evaluation also indicates that as the programme enters its last stages, Big Local areas have turned towards developing and implementing plans to leave a lasting legacy in their neighbourhoods for example by setting up new organisations and securing premises and external funding (McCabe et al, 2020).

Evidence shows that the Big Local programme is improving outcomes in deprived neighbourhoods and improving the quality of life of residents. We know from our experience that it is boosting civic pride, improving perceptions of place, and at the same time seeding local economic activity and supporting communities to transition to net zero. In some areas it has been transformational.

Big Local areas have achieved this through developing and delivering plans to radically improve their areas through a broad range of services and facilities including community-based health and social care, provision for young people, employment and training services, tourism development and enterprise support, community-owned energy and neighbourhood food growing initiatives.

The evaluation of the Big Local programme is taking an in-depth look at 15 areas. The report produced half-way through programme delivery, *Our Bigger Story, Big Local as Change Agent,* outlines the benefits for individuals, groups and organisations as a result of funding and support offered through the programme (McCabe et al, 2020).

It notes that outcomes from the programme so far evidence benefits for individuals - including reduced social isolation, increased confidence and aspiration, and greater access to opportunities - and broader community change (McCabe et al, 2020). Resident-led investment has resulted in the creation and growth of local community and voluntary organisations; physical and environmental improvements; new community hubs and services addressing local needs; new confidence in engaging with local political and consultative forums; and improved community cohesion (McCabe et al, 2020).

The Big Local programme has also built the ability of residents in these deprived areas to respond in times of crisis and meet local need. *Building on Local: Learning about Big Local in 2020* looked at the impact of COVID-19 on Big Local areas. It showed that long term, unconditional investment from the programme enabled them to rethink and readjust their activities, or sometimes develop new ones altogether, during the pandemic (McCabe et al, 2021:24). Many of the interventions delivered responded to urgent and evolving need, such as delivering food parcels, supporting food banks or commissioning family support; often this involved collaboration and partnership with agencies across the public, private and social sectors (McCabe et al, 2021).

The most recent evidence from the long term evaluation of the Big Local programme shows that it will leave an ongoing legacy and result in lasting improvements for these communities. *Building Big Local Futures*, looks at Big Local legacies around physical and social infrastructure – and the potential to secure impact well beyond the programme's official completion date. It shows that long term funding has secured physical legacies of, for example, community hubs, improved physical environments and green spaces which "would not have happened in any programme with a shorter funding time scale" (McCabe et al, 2022:4). But it also shows that the Big Local programme has built greater momentum for grassroots community activity in most areas over the last decade (McCabe et al, 2022:4). Already much of that activity is financially and organisationally self-sustaining, and groups and organisations which have been supported by Big Local are likely "keep things moving" into the future (McCabe et al, 2022: 12).

Therefore, based both on our experience and research on the Big Local programme, we are confident that after fifteen years of investment in 'left behind' neighbourhoods, the CWF would achieve: population level health improvements, reductions in crime and anti-social behaviour, reductions in the number of young people not engaged in education, employment and training, increases in economic activity (more micro and small businesses and an overall increase in employability) and levels of volunteering and community engagement (McCabe et al, 2020). We would also expect perceptions of neighbourhoods to have improved significantly as a result of new places and spaces to meet and the relationships and sense of community and belonging fostered in them (McCabe et al, 2020).

4. The funds must seek to make sustained, high-impact change

Long term, patient investment in the form of a CWF would shift the dial and help to successfully rejuvenate 'left behind' neighbourhoods by creating a legacy of confident and skilled residents to support and facilitate local change.

A generator of significant fiscal and economic returns

Frontier Economics (2021) brought together existing evidence to provide an independent and robust assessment of the likely impacts of a CWF in the most 'left behind' neighbourhoods. They found that targeted investment in community led social infrastructure would provide a significant scale of opportunity to improve outcomes in 'left behind' areas with knock on benefits for the Exchequer.

Having reviewed over 100 research papers, they established three mechanisms through which social infrastructure contributes to local outcomes: through directly enhancing social capital; through supporting broader types of capital; and through supporting the drivers of local economic performance and growth.

Using only robust evidence and with conservative assumptions, they estimate that a £1 million investment in community led social infrastructure in a 'left behind' neighbourhood could generate approximately £3.2 million in economic benefits over a ten-year period. This includes:

- £1.2 million in economic returns, resulting from impacts on employment taxes, benefits and the costs of local services. Returns in employment taxes and benefits are estimated at £0.5 million due to unemployed people moving into work; as such these returns are 'cashable' as they provide a direct saving to the Exchequer.
- £2 million in improved economic outcomes, from increased employment opportunities; improved he alth and wellbeing; direct contributions to the local economy; and crime reduction.

The research also found that a CWF would achieve other important economic, social and environmental outcomes (but it was not possible to estimate the economic value of these because of a lack of data). These included improved social cohesion, civic engagement and reduced loneliness; better physical environment and air quality and reduced urban temperatures from enhanced green spaces; improved wellbeing levels; and a range of outcomes related to crime, community and housing.

A stimulus for local economic growth

The evidence is that investment in community led social infrastructure, through a CWF, would spark local economic growth in the most 'left behind' neighbourhoods in the country. It would achieve this through replenishing stocks of social capital which are vital for seeding economic activity, but also through the direct supply of local employment, opportunities for training and skills development, and through building and rejuvenating valued community assets (Archer et al, 2019; Power to Change and The Cares Family, 2021; Muringani et al, 2021).

The DCMS (2022) rapid data review found evidence of direct positive economic outcomes as a result of "community initiatives that deliver effective (social) infrastructure". And a bank of other research reports have also highlighted the economic potential if long term investment in community led social infrastructure was secured. The Bennett Institute's (2021) report on the value of social infrastructure argues that it would provide growth in local employment and training opportunities. Similarly, both Archer et al (2019) and Reeder (2017) show that supporting the availability and strength of social infrastructure results in higher employment levels. And investment in social infrastructure has also been found to address disparities in human capital, which is closely linked to labour market outcomes (Bennett Institute, 2021).

This rings true with our experience of delivering the Big Local programme, which has shown that investment in community or neighbourhood level social infrastructure and local economic development go hand in hand.

Research on the Big Local programme shows that when given a budget to improve their area, and the freedom to determine their own priorities, communities tend to engage in various forms of local economic development

(Centre for Local Economic Strategies, 2020). Helping residents to secure better job opportunities or to foster and support local entrepreneurship are some of the most common approaches deployed. Activities are tailored to area-specific labour market conditions and include; running apprenticeship schemes, training to help people access employment, CV workshops, IT skills courses, operating bus services or community transport schemes to connect areas to employment hubs, encouraging employers to locate to the area, and support for start-up enterprises (Centre for Local Economic Strategies, 2020). Communities also acquire assets such as community centres, cafes, libraries, or solar farms which provide an opportunity to educate and upskill residents though volunteering and routes back into employment. This is particularly valuable for residents who have been out of work for a long time (Bennett Institute, 2021:25).

The targeted and long term investment in community led approaches that a CWF would allow would give neighbourhoods which previously have been 'left behind' a chance to contribute to, and benefit from, local economic growth. Otherwise, 'left behind' neighbourhoods stand to miss out on the employment, training and business opportunities that would improve economic outcomes in their areas.

See the box below which describes some of the ways in which Ambition Lawrence Weston is improving economic prospects for the community it serves.

A kickstart to community action

A CWF would put decision making power and budget responsibility in the hands of communities, enabling them to exploit their local knowledge and expertise on how to best address the issues that matter most to them.

This would address the appetite and ambition amongst people in 'left behind' neighbourhoods to drive change in their areas, and trust in their conviction that doing so is likely to shift the dial (Survation, 2020).

Survation (2020) polling found that the residents of 'left behind' neighbourhoods held a strong belief in the power of community action, with 63 per cent agreeing that residents have the capacity to really change the way their area is run. When asked if a fund were set up to help their community, who should lead decisions about how the money was spent, a clear majority (54 per cent) said local people, with a further 17 per cent saying it should be local charities and community organisations.

And there is clear evidence that this approach has the potential to make sustained, high impact change in 'left behind' neighbourhoods. Research has found that it would improve outcomes across a variety of domains, incubating civic pride, improving quality of life and boosting community cohesion and resilience (New Local, 2021; Bennett Institute, 2021; Local Trust, 2021).

The evidence is particularly striking when it comes to improved health and wellbeing outcomes. *Communities in Control* is an independent longitudinal evaluation by researchers based at Lancaster University (results not yet published). Using the Big Local programme, they are examining how community control and involvement in local decisions can improve resident health, reducing health-based inequalities over the long run. Cost-benefits analysis shows that the annual benefits of the Big Local programme - measured as the impact on life satisfaction - outweigh the cost of both distributed and committed investments across each of the Big Local areas:

We found the benefits exceed the costs by at least £60 million and maybe up to £1 billion, suggesting that Big Local provides good value for money (Popay et al, 2022).

This supports previous work done by Sir Michael Marmot (2020) and included in *The Marmot Review: Ten Years On* which shows a clear association between higher levels of civic engagement and participation and better health outcomes, particularly with regard to mental health.

Ambition Lawrence Weston

Lawrence Weston is a post-war housing estate in northwest Bristol with a population of roughly 7,000 people. Its geography and transport links mean residents are often socially and economically excluded. Ambition Lawrence Weston (ALW) was set up to turn things around and oversee and deliver local regeneration on behalf of a resident led partnership. Supported by a £1.15 million grant under the Big Local programme, ALW has brought about significant positive change for the area, helping residents to write a Neighbourhood Development Plan and improving access to affordable housing.

ALW has created an employment and enterprise hub to support residents to find work. The hub offers daily access to the internet, laptops and printers to support people in finding employment. It provides one-to-one support, in addition to self-employment advice, training courses and apprenticeships, confidence workshops and benefits advice. ALW funded and delivered a shuttle bus service, providing essential transport to employment opportunities and services that were previously inaccessible to residents. This enabled the community to develop a business case for a public transport provider to run a local bus service, which is now in operation. And the resident led partnership also attracted a low-cost supermarket to the area, providing residents with access to affordable food options as well as local employment opportunities.

In addition, after discovering that 70 per cent of residents were struggling with energy bills, ALW partnered with Bristol Energy Co-operative to build a solar farm. It generates enough electricity to power 1,000 homes a year, with profits reinvested back into community projects. And in 2020, ALW secured planning permission and external funding to build a community-owned wind farm. The planned 4.2-megawatt turbine will power 3,500 homes and is expected to generate £300,000 a year for the community. In total ALW estimate that from the initial £1.15m in Big Local funding they have been able to leverage in a further £15m in external funding and investment.

5. There must be an ability to attribute and measure the impact achieved

Frontier Economics (2022) have undertaken research on how the CWF might best be evaluated so as to attribute and measure the impact of its investment.

The research report Frontier Economics (2022) have produced, based on their research, makes recommendations about the mix of methodologies that might be deployed in order to attribute and measure the impact of CWF investment. It recommends exploration of a Regression Discontinuity Design (RDD) analysis at the scheme level as a means of evaluating the overall impact of CWF investment for a set of key outcomes measures. This would be supplemented with a theory-based evaluation drawing on a detailed theory of change. To ensure rigour the theory-based work would collect a range of evidence specific enough to test the theory of change, triangulate across multiple sources, and rule out alternative causes for impact.

Frontier Economics (2022) have consulted and involved leading experts in evaluation in developing their proposals including experts from across government (including the Cabinet Office Evaluation Task Force, DLUHC, DCMS, the What Works Network, What Works for Local Growth and academic experts from the University of Cambridge and Sheffield Hallam). The consensus that emerged from these discussions is that it would be possible to develop a robust evaluation for the CWF that demonstrated its impact on economic growth through the fundamental building blocks of social, human and physical capital in 'left behind' neighbourhoods.

In parallel to the Frontier Economics work, we commissioned Oxford Consultants for Social Inclusion (OCSI) and Shared Intelligence (2022) to develop and trial a methodology for attribution of the impact of community level interventions. This examines how resident-led neighbourhood-based working impacts on 'liveability' and community strength in deprived areas. Although with many caveats (for example. limited sample size) early results are indicating that in Big Local areas:

- Crime is generally lower than across benchmark areas with low or no neighbourhood management activity
- Areas generally exhibit lower levels of anti-social behaviour than benchmark areas and appear to be showing relative improvement compared with areas with no neighbourhood programmes
- Areas are less likely to have vacant dwellings than similar areas with no neighbourhood working
- Residents were more likely to report strong social relationships and higher levels of participation in local activities than those living in areas without such interventions (OCSI and Shared Intelligence, 2022).

We plan to support a new bigger trial, building on learning from the first and taking into account input from experts both in evaluation methodologies and community development, particularly community led interventions, and the challenges that their evaluation presents.

6. It must align with key government policy priorities, including securing voluntary industry support

Levelling up 'left behind' areas

Our argument is simple – if we are to successfully 'level up' the fortunes of 'left behind' neighbourhoods, then CWF investment is required to bolster their social infrastructure. This is needed alongside interventions targeted at improving specific metrics such as employment, training or education. Both evidence and experience indicate that strong social foundations will help to secure the success of this outcome targeted investment and, without it, impact is likely to be less significant and not sustainable.

In 2021, Onward – a centre right think tank - conducted research into the last six decades of regeneration initiatives, in this country and abroad, to identify what works best in improving outcomes in the UK's most deprived communities. The findings show that New Deal for Communities areas with existing social infrastructure improved more, and their improvement was more sustained, than areas that lacked it:

An area's score for engaged communities is the best predictor of change in deprivation...NDC areas with greater levels of community activity and participation and a more vibrant civic life tend to have seen the greatest *improvements in local deprivation (Onward, 2021:47).*

It also concluded:

The NDC areas that have delivered the most significant sustained improvements are those with the strongest base of civic assets and most engaged communities (Onward, 2021:3).

Over time, investment in social infrastructure can create a thriving eco system of local social and civic institutions, which support the development of social and human capital and enable communities to thrive. It not only sows the seeds of local economic development, but also builds resilience against major shocks – public health, environmental or financial. We saw this during serious floods and the COVID-19 pandemic. We are starting to witness it now against the backdrop of the cost of living crisis. Communities with an abundance of social infrastructure are able to respond much more quickly and effectively in times of crisis.

The challenges facing neighbourhoods where social infrastructure has fallen into decline often fail to be addressed or are not addressed effectively. Part of the reason for this is precisely their lack of civic institutions. We know that 'left behind' areas miss out on the support and buffer that a strong civil society brings. Research for the APPG for 'left behind' neighbourhoods has found that there are almost three times fewer registered charities per 100,000 population in 'left behind' neighbourhoods than across England as a whole, and just over half that of equally deprived neighbourhoods (OCSI, 2021).

Whilst the challenges of residents in these areas are generally more pronounced. Research conducted by OCSI as part of the APPG for 'left behind' neighbourhoods' inquiry into levelling up found that 'left behind' neighbourhoods are particularly vulnerable to the cost-of-living crisis (OCSI, 2022). 213 out of 225 'left behind' neighbourhoods have higher fuel poverty than the national average, with 142 having higher default tariff caps than across England as a whole, leaving households especially vulnerable to rising fuel prices (OCSI, 2022). Likewise, more people in 'left behind' neighbourhoods are income deprived: 26.7% compared to 25.9% in other deprived areas and 12.9 % across England as a whole (OCSI, 2022).

The CWF would provide funding direct to these 'left behind' neighbourhoods, overcoming the problems surrounding capacity to bid for grants. It would embed resident-led decision-making, helping to build resident confidence and capacity and, over time, rebuild or establish the local civic institutions that these areas lack. And the support and guidance offered alongside the funding will ensure that endeavours are successful and have the longevity to deliver a legacy within each community.

Industry Support

The dormant assets scheme is a voluntary scheme and the involvement and support of the financial sector is key to its success. Polling research by Survation (2020) for Local Trust conducted in 2020 found that a majority (49%) of the leaders of financial institutions thought that cash from the expanded scheme should go to new and existing causes and 29% said a new cause entirely. And when asked about dormant assets being invested according to CWF principles, 60% said that 'some' should be invested for this purpose, with 33% saying 'all' (Survation, 2020).

The polling was with senior people working in banking and finance. Of the 150 respondents, 20% were president, CEO or chair level, 18% were owner or partner level, 24% director level with the rest either senior executives, chief financial or technical officers or high-level managers (Survation, 2020). 60% of respondents' banks participate in the current dormant asset scheme (Survation, 2020).

7. There must be scope for nationwide impact across England

Local Trust (2019) commissioned and published research from Oxford Consultants for Social Inclusion (OCSI) which examines the data and identifies 225 'left behind' neighbourhoods across the length and breadth of England that could be the initial target of investment from a CWF.

These wards are concentrated in post-industrial areas in northern England and the Midlands, and in coastal areas in southern England. A high proportion are post war housing estates on the edges of towns and cities. These are some of the places that have suffered economic blight over decades because of the closure or failure of previously buoyant industries including mining and tourism. Many have been in economic decline for decades. These places suffer worse socio-economic outcomes than all other areas and are often found next to places that are relatively affluence. They are missed in analysis of whole towns, cities or functional economic areas.

The CWF would have a nationwide impact by levelling up such neighbourhoods - improving the prospects of their residents and reducing their call on public funds and services into the future to the benefit of all of us. As the Levelling Up White Paper (2022: viii) acknowledges:

If places that are currently underperforming start firing on all cylinders, national GDP will rise by tens of billions each year. That means more growth, more jobs, and higher wages right across the UK.

8. Dormant assets funding must be appropriate for the cause

A CWF would be capable of weathering the highly uncertain funding flows and timings associated with dormant assets funding. Officials have previously informed us that funding will be "lumpy" and take several years to fully materialise. That is compatible with the CWF as we conceive it.

First, large sums of money would not be needed at the outset for the 'left behind' neighbourhoods we have identified, as the focus in the first couple of years is on bringing residents together and local consultation, building community confidence and capacity, and supporting the development of local plans for how they might best spend their area's allocation.

Second, the CWF would support areas over 10 – 15 years through an initial significant award but also with appropriate confidence and capacity building support over the duration. Areas would be brought on stream based on tranches of funding agreed by government from dormant assets and sophisticated profiling of funding draw down rates and support needs based on experience from Big Local.

The desirable criteria

1. Contribute positively to good community relations and integration

The CWF has been inspired by the Big Local programme, which has put the residents of 150 deprived neighbourhoods in England in charge of a budget to revive vital social infrastructure and create lasting change in their areas. A CWF would build on this work to secure long term, patient investment in the 225 neighbourhoods which currently have the lowest levels of social infrastructure in the country – enabling them to rejuvenate existing assets and organisations, or start from scratch if necessary.

This is vital for building strong and lasting community relations in these neighbourhoods. Our experience, delivering the Big Local programme, is that communities lacking in places to meet and social infrastructure – such as youth centres, pubs, cafes, parks, community hubs and day centres – find it much more difficult to nurture the social interactions and relations that play an essential part in developing strong social capital and cohesive, well-integrated local communities (Local Trust, 2019).

There is extensive literature on how social infrastructure investment can contribute to building social capital. Lathan and Layton (2019) and Amin (2012) show that this is primarily because it provides the sites and opportunities for local people to meet and mix with others with whom they share their neighbourhood - enabling cross-community social interactions and relationships to form. And there is quantitative evidence to back this up: research from New Zealand reveals a positive relationship between local public expenditure on social infrastructure and the formation and growth of social capital, albeit involving subtle and complex dynamics (Roskruge et al, 2010).

Without these foundational structures, assets, groups and organisations, communities in neighbourhoods can lack the bonding social capital that ties people together in communities, and creates strong civic engagement and public trust. They also struggle to build the networks and relationships (the bridging capital) needed to access opportunities and services outside their neighbourhood. Social infrastructure is also crucial for increasing civic pride and creating or strengthening a sense of identity and belonging in areas where residents feel that the state, both local and national, has neglected or forgotten them.

A number of recent reports have concluded that social infrastructure is a vital component for improving residents' satisfaction with their neighbourhood and perceptions of place. It has been found to "foster powerful local identities, pride in place and the confidence and wellbeing of local people" (Kelsey, 2021). This, in turn, gives residents the impetus to devote time and energy to working together to drive change - as there is an understanding and trust that they have a shared aim and ambition to achieve their neighbourhood's potential.

And the Bennett Institute's (2022:9) *Pride in Place* shows that improved perceptions of place can have knock on positive impacts, civic pride, in particular, is "linked to, and can be a source of, some of the other 'goods' and values that policymakers believe important to promote" such as community cohesion and resilience and also the inclusivity of neighbourhood activity.

Overall, the evidence tells us that social infrastructure is foundational to building strong, cohesive and well-integrated communities. The investment provided by the CWF, therefore, would revive and rebuild community relations and the broader social fabric in the neighbourhoods that need it most.

2. The ability to leverage in other sources of funding is desirable

One of the objectives of the CWF is to build a community's confidence and capacity to secure external funding. Over time, we would expect to see 'left behind' neighbourhoods receiving awards from the CWF leverage significant further investment into their areas. The Big Local programme provides an indication of what's possible.

Fundraising examples from the Big Local programme

Ambition Lawrence Weston estimate that from the initial £1.15m in Big Local funding they have been able to leverage in a further £15m in external funding and investment, which includes the development of the largest community owned wind turbine in the country. This has the potential to generate around £300k worth of revenue annually, ensuring a sustainable source of income for the community for years to come.

Newington Big Local were recently awarded a grant of £500,000 to extend their community centre and create a training kitchen for people seeking job and training opportunities. This money comes from the Ramsgate Levelling Up Fund.

The Cresswell, Ellington, Linton, Lynemouth Big Local, which is located in a former coal mining area, have successfully fundraised for new football pitches and a clubhouse, and to bring play and fitness equipment to parks. They also helped to secure £750,000 from the Heritage Lottery Fund to restore Cresswell's at-risk 14th century Pele Tower.

Whitley Bay Big Local were able to use the knowledge, skills, and money gained through Big Local to successfully raise more than £450,000 from the Community Ownership Fund and North of Tyne Combined Authority, to purchase premises for a community low carbon eco-hub, as a lasting legacy for their area.

3. Using existing organisations and/or systems of delivery, governance, and accountability is preferable

The CWF could build on existing structures and approaches. The Big Local programme, one of the main inspirations for the CWF, is run by Local Trust and Local Trust would be willing to incubate the CWF and offer access to its tried and tested systems and processes for:

- supporting the development of resident led partnerships;
- assisting them to develop robust spending plans based on extensive community research and consultation ensuring they have local credibility and wide-spread support;
- building confidence and capacity in communities through for example, mentoring, peer learning and advice on specific technical issues.

The CWF could build on the vast quantity of learning from Big Local and other programmes or organisations trail blazing community leadership or community capacity building here and abroad including Community Organisers, Control Shift, the Movement for Neighbourhood Democracy and Citizens UK.

Significant work has already been undertaken on CWF programme design and to develop an implementation plan and evaluation methodology (discussed in more detail above). The work on implementation includes an Equalities Impact Assessment, undertaken by Positive About Inclusion (2021), to ensure that equality considerations are hard wired into programme design right from the beginning rather than being an afterthought.

In addition, research has been undertaken to identify the neighbourhoods that might benefit from the CWF (this is the research on 'left behind neighbourhoods cited throughout this submission) (Local Trust, 2019). A public consultation on a new improved methodology to underpin the next iteration of this research has just closed. This revised methodology was developed by an expert panel including representatives from DCMS, DLUHC and ONS.

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