



## Community Wealth Fund Update – October 2024

### Background

Launched in 2019, the Community Wealth Fund (CWF) Alliance has led the [successful cross-sectoral campaign](#) to ensure that funds from the next wave of dormant assets are committed to rebuilding the social infrastructure of our most deprived communities.

The proposal for a CWF is based on an extensive body of evidence, research, and analysis – and aims to improve the prospects of [doubly disadvantaged](#) neighbourhoods over the long term. The Alliance has called for the funding to be governed by the following principles:

- Long-term, patient funding (10-15 years)
- Investment directly into doubly disadvantaged neighbourhoods
- Community-led decision making
- Appropriate support provided to build community confidence and capacity.

The initiative was legislated for, but not yet finalised, by the previous government before the general election was called and parliament was dissolved. This means that key details on the Fund's design and delivery remain unresolved.

The CWF Alliance is **calling on the new government to expand the Community Wealth Fund and return it to the campaign's original principles**, by targeting the doubly disadvantaged communities that need it most.

### Current progress

After a sustained campaign by the Alliance and cross-party supporters of the CWF within Parliament, the last government committed in March 2023 to creating a Community Wealth Fund as a new beneficiary of the expanded Dormant Assets Scheme. This decision followed a [public consultation](#) which received over 3,300 responses, with 71 per cent of respondents supporting the proposal.

Secondary legislation was passed, and a technical consultation on the Fund's design and delivery was launched in October 2023 – proposing that the CWF should benefit small towns of less than 20,000 residents. This shift in favour of small towns was a marked departure from the hyper-local, neighbourhood-level targeting previously agreed by the government and the focus of the Alliance's campaign. It was also announced that each of the four named dormant assets causes would receive an equal share of the proceeds of the scheme, estimated at £87.5 million over 2024-2028.

**We are now at a critical juncture for getting details right on the CWF's design and delivery.** Over the next decade, it's [estimated](#) that the funding available through dormant assets could be over £800m. This represents a major potential resource allocated outside of HM Treasury to support the transformation of our most deprived communities, which could provide foundational investment in civic capacity building that sits alongside mainstream funding for economic development.

## **Doubly disadvantaged neighbourhoods**

In 2018, Local Trust commissioned Oxford Consultants for Social Inclusion to develop the Community Needs Index (CNI). The Index considered spaces and places to meet, community organisations and civic engagement, and transport and digital connectivity to identify areas with low social infrastructure. These areas were then cross-referenced with the Index of Multiple Deprivation (IMD). The research [identified](#) 225 wards which were both in the worst 10 per cent on the CNI and on IMD.

Residents of these areas experience worse socioeconomic outcomes across a range of indicators, including worse educational attainment, lower participation in higher education, fewer job opportunities, and significantly worse health outcomes compared to equally deprived areas with a base level of social infrastructure.

**The dormant assets-funded Community Wealth Fund could provide essential long-term investment to develop community capacity for local initiatives in these neighbourhoods.** The goal for this fund should be to build the capacity to develop local ventures which, in time, could become self-sustaining sources of income for a neighbourhood.

### **Next steps:**

The Community Wealth Fund Alliance is calling for:

1. A refocusing of CWF funds back to deprived communities with low social infrastructure
2. Confirmation of at least an equal share of funding for the CWF in the split between the four dormant asset causes. A 10-year commitment to this share of funding reflects the most realistic timeframe for supporting community development approaches in our most deprived communities
3. An investigation into the practicalities of establishing an independently endowed delivery mechanism for the Fund, if necessary reviewing existing dormant asset distribution mechanics to enable this to happen.

### **About the Alliance**

The Community Wealth Fund Alliance is a group of more than 800 organisations from across civil society and the public and private sectors. The CWF proposal is supported by leading regional mayors, business leaders from across banking and finance, and more than 50 local and combined authorities. The Alliance envisaged the CWF as an independent fund, designed to provide support and funding over the long term to reinvigorate England's doubly disadvantaged neighbourhoods.

### **Contact us**

For more information on the Community Wealth Fund or to arrange a meeting, don't hesitate to get in touch with Roshni Mistry: [roshni.mistry@localtrust.org.uk](mailto:roshni.mistry@localtrust.org.uk)