

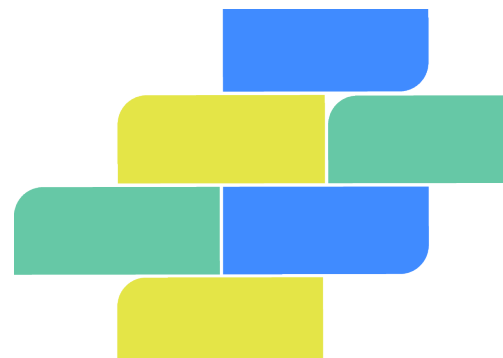


Backing
community
business

Fixing the foundations

A communities strategy for
Britain

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About Power to Change

Power to Change is the think-do tank that backs community business.

We back community business from the ground up. We turn bold ideas into action so communities have the power to change what matters to them.

We know community business works to build stronger communities and better places to live. We've seen people create resilient and prosperous local economies when power is in community hands. We also know the barriers that stand in the way of their success.

We're using our experience to bring partners together to do, test and learn what works. We're shaping the conditions for community business to thrive.

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Foreword from community businesses

When the place you live ends up in the news it is usually either because the local football team has won something, or because there is bad news. Sadly, it is too often the latter.

In the summer of 2024 in towns and cities across England we saw violence on our streets, hatred directed towards ethnic minorities, and anger towards authorities. It was rightly condemned and the perpetrators punished.

But it didn't come as too much of a surprise. Because when you work closely with a community, you pick up on anger and alienation that can't be noticed by policymakers in London.

In Bolton and in Hartlepool, we work hard to make our places better, opening up space to all of the community, working with people to tackle local issues, and listening to them without judgement or money changing hands.

We know we have an impact because we see it and feel it in our neighbourhoods, and research from organisations like Power to Change backs it up. So it is hard when another crisis puts that under strain. We don't let that set us back.

In Hartlepool, we listened without judgement to what people were thinking and feeling in our community, focusing on love and understanding, not hatred and division. Outside of crisis, in our everyday work, we build agency through community organising, seeing it as a form of learning that helps people become more confident in themselves and more trusting in other people too.

10 years ago in Bolton, we worked with the local authority and public bodies to diffuse tensions when the British National Party and English Defence League came to town. When trouble started this summer, we were less well placed to deal with it, as infrastructure has dwindled and community development has been cut from council budgets, so organisations like ours were contacted too late. This work needs to be ongoing – we're still working to rebuild meaningful relationships across divides in our communities.

We know there will be more difficult moments to come. We want to be as well prepared to deal with them as possible, but also to grasp new opportunities too.

The steps in this report help to bring together two parts of communities policy – cohesion and empowerment – and link them to economic growth. The recommendations set out put communities in the lead and reflect the importance of places to meet and of support from all levels of government.

A communities strategy should take this on board to build social capital and draw on the power that exists in communities, by backing community-led institutions that can once again form the backbone of national associational life. Community businesses, like the organisations we lead, are one such institution.

Sacha Bedding, The Wharton Trust, Hartlepool

For over 30 years, the Wharton Trust has supported people in the Dyke House area of Hartlepool – one of the most deprived wards in the UK. From access to employment and training advice to youth engagement and skill development, the organisation is having a tangible impact on local challenges. At the core of its ethos is social action and community organising, providing people with the tools to change things for themselves

Inayat Omarji, All Souls Bolton

Inayat has dedicated over 10 years and 5,000 hours to spearheading the renovation of a redundant church building in the community where he lives. What was once an abandoned and vandalised space has been transformed into All Souls Bolton—a vibrant and welcoming hub for community life.

Inayat is a connector, bringing together people from diverse backgrounds to tackle challenges in engaging with communities and fostering understanding. His work emphasises building pathways for leadership, ensuring that new leaders emerge who are equipped to make a meaningful difference in their communities. By bridging divides and nurturing talent, Inayat has created a legacy of collaboration and empowerment that continues to inspire others.

Introduction

The riots of summer 2024 prompted many in civil society and in government to begin thinking about cohesion again. There has been talk of a new communities strategy in response to the riots that summer.

At Power to Change, we know community business has an important role to play in fostering cohesion. But we want the conversation about communities to be broader. Communities need to be strong and cohesive, but they also need to be empowered, able to contribute to national missions and respond to their own challenges.

Communities policy has treated cohesion and empowerment as separate for too long. In this paper we have attempted to show how the two relate to and reinforce one another, and to link them to a national mission for growth that everyone can be a part of and feel, and which can be sustained. The policy programme itself is not new and draws on lots of excellent work from a range of organisations. But in drawing together cohesion, empowerment and growth, we see this paper making a fresh contribution by distilling the relationship between these policy areas.

We hope this helps to shape thinking around a new communities strategy whilst knowing there will be ground we have not covered, or that others will be better placed to cover.

Cohesion, empowerment and growth

A communities strategy needs to be clear on what government is hoping to achieve, responsive to the context in which it came about, but durable enough to set the direction for a decade of communities policy.

With those considerations in mind, we propose that the long-term outcome of a new communities strategy should be:

Communities are strong and empowered, able to drive growth in their local area and are resilient to challenges and shocks.

To achieve this, there needs to be a sustained commitment from government to supporting more resilient communities. That requires bringing together areas of communities policy – cohesion and empowerment – that have too often been separate. Linking these together and connecting them to a national mission of growth offers an opportunity for greater permanence in communities policy.

A new communities strategy needs to be clear on the links between cohesion, empowerment, and growth. Cohesion is the bedrock upon which communities can take advantage of opportunities, are more resilient to shocks, and are better able to respond to them when they do happen.

In every community, people must have opportunities to connect across lines of difference and encourage positive social contact, whether that's in community centres or at the school gate. There needs to be capacity in the community for initiatives that promote this. This can help build trust between groups in a community and towards institutions. Trust is foundational. Without it, local businesses struggle to function, local government struggles to reach the entire community, and community organisations compete over funding, spaces, and who represents the community.

Promoting cohesion and trust between groups and towards institutions can therefore be the foundation on which community empowerment takes place, which in turn is likely to build greater trust with communities having been on the receiving end of it. Empowerment should grant people greater ownership over the spaces and businesses in their local area. It should give them more control over decision-making that affects them. And it should allow them the time to dedicate to this work.

Together, promoting cohesion and empowerment would go a long way towards building a nation of communities that are strong and empowered, able to drive growth in their local area, and are resilient to challenges and shocks. But without linking these to growth, it would – in a sense – be admitting some kind of defeat. On one level, because cohesion and empowerment can help contribute to growth. But also because many communities have felt left out of national stories of prosperity with the eyes of London and the South East only turning in their direction when things are in decline. In part, this is because previous attempts to turn around the economic fortunes of these places have lacked permanence, so when the funding has dissipated there has not always been much to show for it.¹

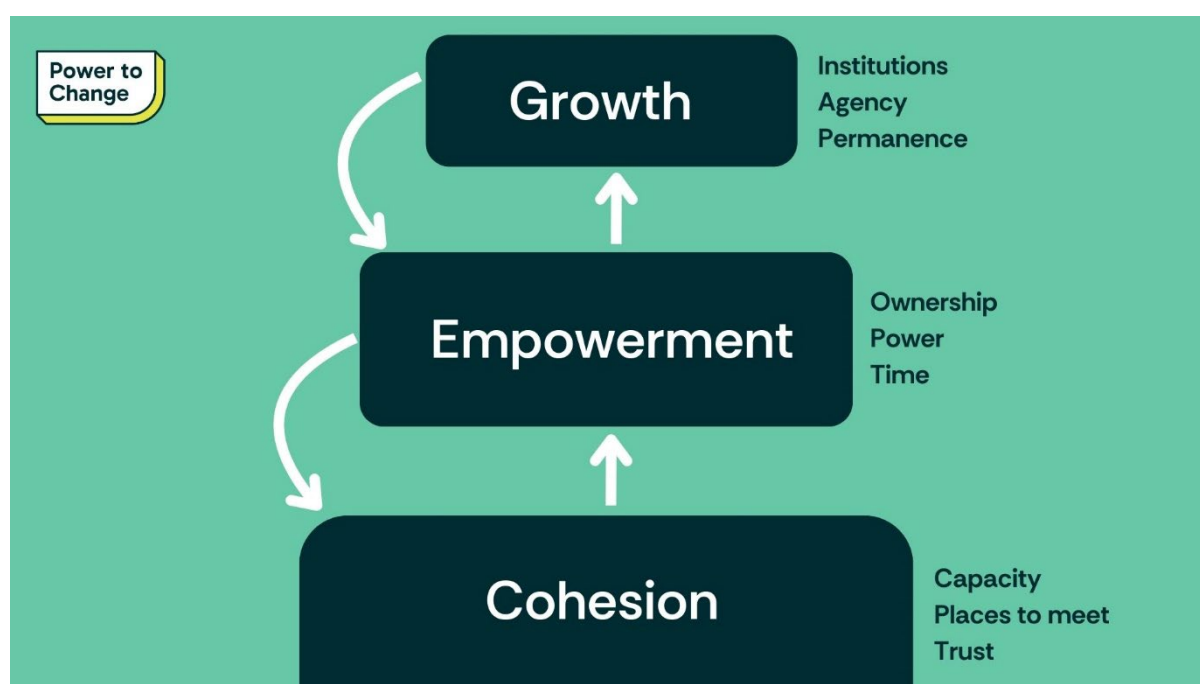
That is why cohesion and empowerment must be connected to the government's growth mission. Communities need the agency that comes through community-led institutions like community business, that can create and keep wealth in a local area, provide good local jobs and respond to the needs and aspirations of a community. Community businesses can spot opportunities not seen by traditional businesses or local government and be the first mover to draw in further investment, working together with regional and local government.

Community-led institutions can deliver a permanence to a new communities strategy so that into the future, *communities are strong and empowered, able to drive growth in their local area and are resilient to challenges and shocks.*

The three stages of the strategy

The communities strategy should be thought of in stages. This does not mean the strategy would need to be delivered wholly sequentially – some communities are already cohesive, some are already empowered, some are already contributing to growth. But it means that at each stage the policy prescriptions are complementary, either providing the bedrock for what follows, building on the previous stage, or reinforcing the previous stage.

Figure 1. The building blocks of community resilience: a three stage strategy



Summary of recommendations

- Recommendation 1: Government should implement the Community Wealth Fund
- Recommendation 2: Government should extend, expand and improve funding for community ownership
- Recommendation 3: Government should require Community Asset Strategies and local authorities should establish Community Asset Taskforces at the local level
- Recommendation 4: Government should encourage asset owners and developers to work with community organisations to shape and create spaces as social infrastructure
- Recommendation 5: Government should support community-based initiatives and programmes to increase inter-group social contact
- Recommendation 6: All combined authorities and councils should put in place local social cohesion strategies
- Recommendation 7: Government should work towards universal fluency in English by 2030 and make it mandatory for schools and colleges to promote intergroup contact
- Recommendation 8: Government should introduce a Community Right to Buy as part of the English Devolution Bill

- Recommendation 9: Government should introduce a Community Right to Shape Services as part of the English Devolution Bill
- Recommendation 10: Government should introduce a Right to Control Investment as part of the English Devolution Bill
- Recommendation 11: Government should introduce a new Right to Community Service
- Recommendation 12: Government should establish a Community Growth Network
- Recommendation 13: Government should require combined authorities to include the social economy as part of Local Growth Plans
- Recommendation 14: Government should commit to a 10-year communities strategy

1. Cohesion

As stated earlier, we see cohesion as the bedrock of communities that are strong and empowered, able to drive growth in their local area and are resilient to challenges and shocks.

At its heart, cohesion is about people getting along with and trusting one another.² This is not likely to happen unless people are able to have positive social contact with each other across lines of difference.

Taking that as our starting point, our policy proposals intend to create the conditions in which positive social contact is more likely to occur.

Capacity

There is a challenge around capacity in some communities, much of which has been driven by successive decades of underinvestment and hollowing out. There are places in the country that lack the human, organisational, and social capital to tackle problems in their community. Whilst people who live in these places might want to help better connect people from different backgrounds, they struggle to for that reason.

23 of the 27 cities and towns that experienced riots in 2024 performed below the median score on Onward's Social Fabric Index. While the level and ferocity of the violence was shocking, the fact that it took place in areas where the social fabric is frayed is not.

Table 1. Places that experienced riots in 2024 and their social fabric index score

Place	Social Fabric Index	Below median?
Hull	0.34	Below median
Blackpool	0.37	Below median
Middlesbrough	0.37	Below median
Hartlepool	0.37	Below median
Sunderland	0.4	Below median
Belfast	0.4	Below median
Nottingham	0.4	Below median
Rotherham	0.4	Below median
Southampton	0.4	Below median
Manchester	0.42	Below median
Leicester	0.42	Below median
Portsmouth	0.43	Below median
Darlington	0.44	Below median
Tamworth	0.44	Below median
Sheffield	0.45	Below median
Plymouth	0.45	Below median
Liverpool	0.45	Below median
Blackburn	0.45	Below median
Preston	0.46	Below median
Birmingham (Yardley)	0.46	Below median
Leeds	0.47	Below median
Aldershot	0.48	Below median
Bolton	0.48	Below median
Weymouth	0.49	Median
Southport	0.5	Above Median
London (Westminster)	0.52	Above Median
Bristol	0.52	Above Median

Source: [Full Fact](#) and [Onward's Social Fabric Index](#).

Building, strengthening and unlocking human, organisational, and social capital is key for enabling communities to begin addressing local issues themselves and promote positive social contact through local initiatives.

To do this, we know – through our work on our Empowering Places programme³ and other programmes such as Big Local – that patient, long-term funding and support is needed to build up capacity in a local area.

Recommendation 1: Government should implement the Community Wealth Fund

Implementing the Community Wealth Fund from dormant assets would support communities in England’s most disadvantaged neighbourhoods to exercise these new powers. Bringing forward flexible funding pots of around £1.5 million per place over ten years, delivered alongside a programme of capability building support, will help communities who have long suffered from underinvestment to grow the community-led institutions they need to exercise community power. These institutions can in turn leverage additional investment from the public and private sectors and social investment over time.

Community Wealth Funds should be distributed to both communities with no social infrastructure and communities which are disadvantaged but have some existing community institutions, like community businesses, that could play a convening role in developing social infrastructure. They should be allocated in places with highest need, while maintaining a geographic spread across England.

Places to meet

The What Works Centre for Wellbeing’s review of existing evidence has found that places like community hubs – as well as green space, such as parks, or blue space, such as rivers or lakes – can help to promote social cohesion, increase social capital and trust, and widen participation.⁴

But we are losing those spaces and places. The Institute for Public Policy Research found that on average 6,000 council-owned assets, including anything from playing fields to community centres, have been sold off each year since 2010.⁵ Alongside this, other places to meet or interact with other people are becoming few and far between. 50 pubs a month closed in the first half of 2024.⁶ In new developments, green space provision has declined by a third when compared with early-20th century ones.⁷

To improve cohesion, space of all types is needed to facilitate and promote positive social contact. This should include ensuring funding is in place to maintain and increase the number of community-owned spaces, as well as requirements on local authorities to plan more strategically around community assets in the local area.

Recommendation 2: Government should extend, expand and improve funding for community ownership

The Community Ownership Fund has been a much-valued source of investment in community asset ownership, supporting over 330 community ownership projects across the UK so far. This has helped to elevate the profile of community asset ownership, and the role of community ownership in preserving the social and economic benefits of at-risk assets. It has also leveraged other forms of investment in community-owned assets, including democratic finance models like community shares. This has also been reflected in Power to Change's previous role as funder where, since 2015, £52.3m has been invested in community assets through our funds, in 356 community businesses, including 70 community pubs which drew in £14m from community shareholders.

The Community Ownership Fund has also helped to scale ambition and appetite for community asset ownership.

The government should extend and expand the funding available for community ownership to £1 billion over ten years. This should be drawn from a range of sources, including government grant, charitable foundations, social investment and Dormant Assets. We expect the government contribution to be roughly £300m over this period.

Recommendation 3: Government should require Community Asset Strategies and local authorities should establish Community Asset Taskforces at the local level

Government should introduce a new requirement on local authorities to have a Community Asset Strategy or to integrate this into an existing Asset Management Strategy. At the most recent count, only 45% of local authorities had dedicated Community Asset Transfer strategies. With the introduction of a Community Right to Buy, this should be expanded to cover community assets more broadly, including those assets which have entered community ownership via the Community Asset Transfer (CAT) process, others which have done so via the use of Community Right to Buy, or where the local authority incorporates community involvement, and/or management short of ownership itself. These

should be developed with the community sector and identify local outcomes for community ownership within a more supportive national policy framework where central government is encouraging greater community ownership, either through transfer or sale.

Stretford Public Hall, Manchester - showing the benefits of community ownership

Stretford Public Hall had long been a public building for people in the local area, one of the most striking buildings in Stretford at the heart of the community. Having struggled to stay in business as a civic theatre, the council eventually bought the space for its own offices, but then in 2014, put the building up for sale.

At this point Friends of Public Hall stepped in, determined to keep the building in local hands. Joining together, they persuaded the council to sell the hall to them for just £10 through a Community Asset Transfer.

Now a Community Benefit Society backed by over 800 local people and organisations, the much-loved venue offers a programme of services and activities ranging from social and health support to outreach events, yoga, ESOL and children's theatre.

A new communities strategy should also consider the role of the private sector, such as developers, in the provision of places and spaces where people can meet, with these actors playing an increasingly prominent role in the provision of social infrastructure.⁸ This is also important with the prospect of new towns on the horizon as part of the government's proposed planning reforms. Community and social infrastructure needs to be a core component of their development, from day one.⁹

Working closely with communities to develop social infrastructure can both deliver economic benefits to asset owners by enhancing the vitality of a place, and also ensure that in regeneration or development projects there is sustainable social infrastructure where the people who live there are able to meet. Commitments to incorporate these principles into the design of new towns would help ensure there are places to meet now and into the future.

Recommendation 4: Government should encourage asset owners and developers to work with community organisations to shape and create spaces as social infrastructure

At the earliest possible stage in a development or regeneration project, private asset owners and developers should identify trusted community organisations and work with them consistently and equitably to develop and deliver social infrastructure that responds to local need.

Sherford, Plymouth - using policy levers to prioritise community ownership

In the new town of [Sherford](#) on the outskirts of Plymouth, the local authorities involved in this large new residential development utilised the policy levers available to them to prioritise community participation and community ownership.

Through a Section 106 agreement with the private developers, the councils ensured the establishment of Sherford Community Land Trust with an endowment of £1m, which will enable the local community to take on public assets, such as the local medical centre, town hall, and potentially some commercial units too, once they have been constructed. The S106 agreement also earmarked funding to build community capacity.

As part of this, the local authorities contracted the local community business, Real Ideas, to help residents build soft skills and develop technical insights, such as how to work with customers and suppliers, undertake financial responsibilities, and understand regulatory frameworks. The activities and initiatives organised by Real Ideas will equip residents with the skills necessary to own and maintain many of Sherford's assets in the future.

Trust

Together, building capacity and increasing the provision of places and spaces for people to meet can help create conditions in which trust can be built between groups in an area. This could be through local initiatives run by community organisations to address shared problems and opportunities or local government

playing a convening role in places to promote shared values and ease emerging tensions.

There is clearly an important role for local government here too. In a place, local government can take a leadership role, not just through working with community organisations, but also by offering a vision for the area and positively promoting cohesion, as well as working to resolve conflicts when they do arise. This important role should be considered when decisions are being made on the funding settlement for local government.

Central government should play its role in setting the conditions for trust to exist, as described above in part, but also additional measures such as ensuring universal fluency in English and introducing requirements for schools to promote intergroup contact.

In this section we draw from and defer to the policy recommendations in a recent report by British Future, *Belong, and Together*, entitled *After the riots*.¹⁰

Recommendation 5: Government should support community-based initiatives and programmes to increase inter-group social contact

Our forthcoming Community Business Market Survey shows that 98% of community businesses work to promote cohesion in their area.

The Ministry of Housing, Communities and Local Government (MHCLG) should provide funding to a small number of strategically important community organisations involved in conflict resolution, promoting positive masculine behaviour, developing critical thinking programmes, strategic dialogue interventions, or work to increase levels of contact across social divides.

Revved Up, Toxteth – helping young people turn their backs on crime

Revved Up is a youth-led community organisation based in Toxteth, Liverpool. Its purpose is to provide young people with skills and opportunities to live fulfilling personal and professional lives. Toxteth is a divided area where crime and violence are prevalent. For Revved Up, given that opportunities are limited in the area, it is important to engage the youth and prevent them from turning to informal employment.

Revved Up does a lot of ‘personal development by stealth’. Rather than sitting young people around a table for this, development happens wherever it fits and always alongside something that they have chosen to do.

Revved Up also supports young people who have been involved or are at risk of being involved in crime and violence. By creating a space where young people can be themselves, giving them positive role models, coaching them and building their business skills, the organisation has had a positive impact on individuals and the community. Staff’s lived experience of the issues also shaped their approach: “Most of us have lived experience at Revved Up and we use that. [...] We all see ourselves in the people we work with; that way you can emphasize with them more. We are not here to tell young people what to do, we are here to help them find the answers for themselves.”

Recommendation 6: All combined authorities and councils should put in place local social cohesion strategies

Based on a national strategy and using guidance from MHCLG, all combined authorities and councils should develop local social cohesion strategies. This process should involve input from the public, community organisations, police, other public services and business. Differences in local context mean that there will and should be differences in the priorities and content of local strategies. But all local strategies should look at ways to promote shared values and reinforce norms of decent behaviour, in ways that reach and resonate with all sections of society. Similarly these should consider their alignment with local community

asset strategies as well as the development of any Local Growth Plans at the combined authority level.

Café Laziz, St Helens – learning English and building connection over food

When St Helens became a settlement town for Syrian refugees back in 2019, the passion and perseverance of the local community would go on to create a community café as unique as its customers.

“At the time, Debra Hill was one of the first English for speakers of other languages (ESOL) tutors working at St Helens Council,” says Emma Bamber, the current Project Manager at [Café Laziz](#). “Before this, the town had been predominately white, and Deb realised that as well as [being taught] English, the refugees needed more; more opportunities to share their culture, more ways to gain work experience and more ways to meet people from the community. And so Café Laziz was born.”

Initially just an Arabic cafe, today Café Laziz supports refugees from all over the world. “We give people a place to come to, to get out of their hotel room, to learn English, to meet new people, to eat food from different cultures and to generally provide a safe, welcoming, warm place for them to be,” says Emma.

“Our dishes reference a different country each week, so there could be an El Salvadorean main and a Hungarian dessert one week, a Pakistani main and a Sudanese dessert the next.” Emma continues, “The benefit of having multicultural volunteers is that the only common language is English, so everyone has to speak English. It’s great to hear the laughter coming from the kitchen as they all share and cook together.”

Recommendation 7: Government should work towards universal fluency in English by 2030 and make it mandatory for schools and colleges to promote intergroup contact

Whilst we see work in communities as the primary focus of a communities strategy, central government has a role both in creating the conditions for trust

to be built but also through ensuring the delivery of services like English for Speakers of Other Languages (ESOL) to support the overall aims of the strategy, alongside requirements on public services to promote cohesion.

2. Empowerment

With a foundation of more cohesive communities, empowerment is both more likely to happen and more likely to be productive. Without capacity and trust, empowering communities either with new powers or with resources is likely to lead to competition that might increase inter-group tensions.¹¹ In contrast, with capacity and trust, the community should be able to work across divides to address shared challenges and take advantage of new opportunities if they are empowered to do so. Equally, trust is more likely to be reciprocated by citizens towards institutions that have put trust in them.¹²

Empowerment is key to addressing the lack of control that people feel over decisions that affect their lives.¹³ This lack of control should be thought of in its roundest sense. Post-Brexit, control became synonymous with migration, understandably so. But this has overshadowed the lack of control people feel in other aspects of their lives. Focus group research carried out by the Pew Research Centre in both the US and UK in 2019 attests to the ways in which the forces of globalisation have left many feeling 'rudderless'.¹⁴ People have seen persistent vacancy on their high street, with little they can do about it. People have been on the receiving end of public services they have had little say over. And people have seen money spent on things they don't want or need in their local area.

A passage from respected pollster Deborah Mattinson's book on British social attitudes post-Brexit, *Beyond the Red Wall*, elucidates this well:

"Another major complaint was the poor quality of the town centre. Most said they hardly went there, preferring instead to drive to nearby Blackburn or even Manchester, or to shop online. The men were both amused and irritated by the council's recent resurfacing of the entrance to the Arndale Centre. 'It looks like someone's stuck cornflakes in the Tarmac', Irfan told me to roars of laughter. It was a well-rehearsed local joke. I went there the next day. They were right: bright yellow flakes were scattered in the freshly laid black tarmac. No one was very sure how much it had cost, but it seemed to them to be another example of the local government's misplaced priorities. Some of the irritation lay in the fact that it had just appeared, replacing what several thought was expensive granite flooring, without explanation or consultation. 'No one ever asks us', grumbled Andrew, a self-employed mechanic.

A much bigger blow for the women was the recent closure of Marks & Spencer. 'There's nothing nice here anymore, 'Nowhere to get something special - nowhere for presents, Nowhere with good-quality things.'"¹⁵

Empowerment should grant people greater ownership over the spaces and businesses in their local area. It should give them more control over decision-

making that affects them. And it should allow them the time to dedicate towards this work.

Ownership

As has already been stated, space is important in encouraging social connection. But so too is having ownership of the space.

The act of coming together to save or restore a building or piece of land in an area can in itself strengthen ties in that community. Once in community ownership, the community has a greater say over what the space is used for, to suit the needs and aspirations of the local community and give them a stake and further development. It can allow income generation and act as leverage for further investment, alongside a whole host of other benefits.¹⁶

Taken together, community ownership can help reverse or halt the decline of places where traditional market mechanisms or intervention from the local state are unable to do so.

However, as things stand there is little in the way of real power to bring assets into community ownership. That is why the Government is right to have included a Community Right to Buy in its first King's Speech, in order to address the core weaknesses of the existing Community Right to Bid.

Recommendation 8: Government should introduce a Community Right to Buy as part of the English Devolution Bill

In introducing this new Right, government – both central and local – should implement the broader range of proposals that are contained in the recent Power to Change report, *Getting it right: Introducing and implementing a Community Right to Buy* to ensure a supportive policy framework is in place to encourage use of this new right in all places.¹⁷

Owning businesses

Beyond spaces, the ownership of business is important. Businesses owned by local people tend to employ local people and are more likely to act in the interests of the local area.¹⁸ Employee-owned businesses ensure the fair treatment of their employees.¹⁹

Alongside this, more democratic forms of business are more sustainable and have a higher survival rate than traditional businesses when they are properly

supported,²⁰ while spaces owned by community businesses are less likely to be vacant.²¹ This can help to address the disempowering and corrosive effect of large retailers leaving a town, as described by Mattinson above.

Having a stake in business and the wider economy is a much-needed corrective to the current situation in which communities are at the whim of business owners – or their shareholders – who do not live in that place.

The new government is already moving in the right direction in this regard with its commitment to double the size of the co-operative sector, a proposal that we are supportive of and look forward to working with government on. Indeed, many of the recommendations laid out in this report would help the government move towards achieving this goal, particularly those such as the Community Growth Network that seek to increase the number of community-led institutions such as community businesses and co-operatives.

Power

Of course, empowerment is about more than space and more than business. Decisions about services that people rely on matter too, as does how money is spent in a local area.

Radical Help by Hilary Cottam was published six years ago sparking debate about how public services could put relationships at their heart, and there is growing momentum across grassroots, civil society, think tanks, and government for a more relational approach to public services. Whilst this is not the place for discussion of comprehensive public services reform, it is appropriate for a communities strategy to address the disempowerment felt by people due to public services – namely the organisations and institutions delivering them – doing things to people rather than with them.

Recommendation 9: Government should introduce a Community Right to Shape Services as part of the English Devolution Bill

Using the Right to Challenge as a framework, a new community right to shape public services would be based on a genuine partnership approach. It would enable the “*relevant community*” to trigger a joint review of a particular local service, which the local authority or relevant public body would be required to undertake alongside local organisations, service users and the provider. There would be a set period of community consultation and co-design, with the option

of triggering a full commissioning exercise, which could lead to a community-led delivery partnership or to insource a service.

Centre 4, Grimsby – working with councils for the services people need

Since 1995, [Centre4](#) has supported the regeneration of North East Lincolnshire, as well as acting as a crucial and vibrant hub that offers services to the local community and an incubator space for small businesses and social enterprises.

“There are very high numbers of unemployment, so our first job is helping people struggling with poverty in a dignified way,” says Paul Gutherson, the Empowering Places programme co-ordinator at Centre4. “Raising aspiration across generations is really important. The health and wellbeing side of what we do is also really important. An increased sense of wellbeing has a positive impact on the community.”

“Community businesses are a form of civic engagement,” says Paul. “If you want to talk about creating stronger communities and a stronger economy, then they can work hand in hand – they are not two ends of an opposite spectrum.”

A close-knit relationship with the local authority has been key in developing this engagement and Centre4 has proven to be a vital resource, “We try to use funds that we’ve received from central Government to support local organisations to provide direct support to people”, says Helen Isaacs, assistant chief executive for North East Lincolnshire Council.

In addition to decisions about services, how much of a say local people have over how money is spent in their local area is a test of empowerment. Our analysis of levelling up funding and interviews with community business found that the delivery of the funding was hampered by complex and resource-intensive bidding processes, delays in allocation and short-term and fragmented funding pots – much of which can be attributed to a distrustful centre unwilling to let go of power

and resource. This was reflected in the public opinion work at the time, which showed across regions – but most acutely felt in northern England – that that levelling up was not perceived to be tackling key issues in local areas.²²

This reflects the angst described by Mattinson above, when people don't have a say in how funds are spent. Control over a proportion of regeneration or local economic devolution funds would help ensure investment is in line with what the local community cares about.

Recommendation 10: Government should introduce a Right to Control Investment as part of the English Devolution Bill

Where there is an accountable community-level decision-making institution such as a Community Covenant or parish council, a significant proportion of all public regeneration and local economic devolution funds allocated to that area should be controlled and invested directly by that community-level institution.²³

This could, for example, include funds such as the UK Shared Prosperity Fund or future levelling up style funding pots.

Time

Time to dedicate towards community work and make use of new powers is unequally distributed. Lack of time can therefore act as a barrier to more disadvantaged groups being able to exercise power in their local area. National Council for Voluntary Organisations (NCVO) research found that the primary barriers that prevent people from volunteering were not wanting to make an ongoing commitment (33%), doing other things with spare time (32%), and work or study commitments (23%).²⁴

To address this, individuals need a mechanism through which they can request time from work to dedicate to serving their community should they wish to.

Recommendation 11: Government should introduce a new Right to Community Service

This would provide individuals who are working for larger businesses or in the public sector with a right to request time for community service, in consultation with their employer. Should it be successful this right could be expanded to all businesses.

If after being implemented this has little effect, for example due to employers rejecting permission, this could be strengthened further to give employees a statutory right to time off to volunteer.

3. Growth

Cohesion and empowerment are fundamental to the government's growth mission. Nationally, a more empowered and cohesive country is a pre-requisite to growing the economy as social capital is strongly linked to GDP growth.²⁵ For a market economy, the trust required for trading and investment to function is crucial, as is appetite to take risks. The literature shows that in high trust social environments, businesses are more likely to engage with each other.²⁶ In turn, this encourages strategic risk-taking and reduced supply chain and legal costs²⁷, as well as the facilitation of both investment and wealth-generating ideas.²⁸

Alongside this, who is included in the growth mission must be considered. Taking a long view of our politics over the last 25 years, and particularly the last 8, people not feeling part of national stories – including in relation to prosperity – is a key theme. A government with a broad but shallow majority is right to want to see economic change in every part of the country.

That is why cohesion and empowerment must be connected to the growth mission. Communities need the agency that comes through community-led institutions like community business, that can create and keep wealth in a local area, provide good local jobs and respond to the needs and aspirations of a community. Community businesses can spot opportunities not seen by traditional businesses or the local state and be the first mover to draw in further investment, working together with regional and local government.²⁹

Institutions

To build on the stages of this strategy outlined previously – cohesion and empowerment – a communities strategy needs to translate progress in these areas into community-led institutions that can embed change and ensure permanence beyond the existence of a specific funding programme or initiative. This can help address James Plunkett's argument that the legacy of the last Labour government was least enduring where it was most technocratic, and vice versa.³⁰

The long-term aim of a communities strategy should be to create community-led institutions that can outlast it and can be a route through which *communities are strong and empowered, able to drive growth in their local area and are resilient to challenges and shocks*, in perpetuity.

Recommendation 12: Government should establish a Community Growth Network

A Community Growth Network would support the strengthening of community capacity to deliver on a national mission for growth in a way that is equitable and fairly distributed across the country.

A Community Growth Network would build on initial investment in places with low social infrastructure and high deprivation through the Community Wealth Fund, by then translating increases in capacity into community-level institutions and a contribution to equitable growth. This organisation, modelled on the New Schools Network, would connect communities in receipt of investment, supporting them to formalise community-led institutions and establish trading activity to finance their ambitions. It would establish a network of communities building growth from the neighbourhood up, enabling them to engage in peer learning and gain insight into best practice from existing community businesses.

Establishing a Community Growth Network would be a concrete step towards meeting the government's manifesto commitment to double the size of the co-operative sector.

Agency

Of course, the government's growth plans are developed to an extent, so it is important that the communities strategy aligns with and complements this. A key focal point for this is the role of combined authorities which have been tasked by the Deputy Prime Minister with drawing up Local Growth Plans that work alongside a national industrial strategy.³¹

The government's growth mission must be thought both in terms of headline economic performance but also something that is felt in people's everyday lives. It is crucial, therefore, that Local Growth Plans are connected to and influenced by the knowledge and expertise of community businesses operating in a combined authority area. More than that, Local Growth Plans should look to strengthen the social economy.

We are already working with the North East Combined Authority which has recently launched a flexible Social Finance Fund to provide finance and support to community business and socially-trading organisations, as well as the West Midlands Combined Authority (WMCA) where we co-fund the role of Social Economy Strategic Lead, as well as match-funding WMCA to involve grassroots community businesses and minoritised communities in making it happen.³²

Recommendation 13: Government should require combined authorities to include the social economy as part of Local Growth Plans

Having tasked combined authorities with developing local growth plans, government should ensure that this takes place in partnership with local communities and encourages inclusive forms of growth.

Permanence

As stated above, the communities strategy should aim to create community-led institutions that can outlast it and can be a route through which *communities are strong and empowered, able to drive growth in their local area and are resilient to challenges and shocks*, in perpetuity.

This will not happen overnight. The strategy, as well as any investment that accompanies it, therefore needs to be long-term. We know from our Empowering Places programme, and other programmes like Big Local, that long-term, flexible funding is needed to support community-led action. Additionally, this should be aligned with other government priorities.

Recommendation 14: Government should commit to a 10-year communities strategy

This should be aligned with the national industrial strategy that is operating on a ten-year timeframe, and presents an opportunity for the private sector – as an investor and partner – to play a fuller role in this space. Accompanying funding should be long-term, flexible and patient.

An inquiry into enabling society-wide partnership to collaboratively rebuild communities should underpin this, as recommended by Power to Change and Demos.³³ This should not just include the ‘great and the good’ but ordinary citizens who have shown leadership in their community.

Endnotes

¹ Tanner, W. Krasniqi, F. and Blagden, J. (2021), Turnaround: How to regenerate Britain's less prosperous communities by helping them take back control, Available at: <https://www.ukonward.com/reports/turnaround-regeneration-Neighbourhood/>

² 'Community cohesion' was popularised by the academic Ted Cattle, in his inquiry to the 2001 riots – it emphasized the importance of strong connections and trust with and between communities.

³ This five-year, £5m programme empowered and supported locally rooted 'catalyst' organisations to develop and nurture community businesses, and to provide benefits and opportunities for local people. Programme analysis using a 'hyper-local' version of the Community Life Survey showed positive impacts on community pride and empowerment in Plymouth and Hartlepool and on civic action in Leicester. For more see here: <https://www.powertochange.org.uk/evidence-and-ideas/hyper-local/>

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¹¹ Issues around neighbourhood governance in Spitalfields illustrate this: <https://commonslibrary.parliament.uk/why-do-parish-councils-only-exist-in-some-parts-of-england/>

¹² UCL Policy Lab and More in Common, (2024). *The Respect Agenda*. Available at: <https://www.moreincommon.org.uk/our-work/research/the-respect-agenda/>

¹³ Westerling, J. (2022). *Empower communities, don't just tinker with Westminster*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2022/12/Empower-communities-dont-just-tinker-with-Westminster-Power-to-Change.pdf>

¹⁴ Pew Research Centre (2020), *In U.S. and UK, Globalization Leaves Some Feeling 'Left Behind' or 'Swept Up'*, available at: <https://www.pewresearch.org/global/2020/10/05/in-u-sand-uk-globalization-leaves-some-feeling-left-behind-or-swept-up/>

¹⁵ Mattinson, D. (2020), *Beyond the Red Wall: Why Labour Lost, How the Conservatives Won and What Will Happen Next?*. Pp.38

¹⁶ Further benefits can be found in this briefing by the Development Trusts Association Scotland: <https://dtascommunityownership.org.uk/community/community-asset-transfer/getting-ready-asset-transfer/benefits-community-ownership>

¹⁷ Westerling, J. (2024). *Getting it right: Introducing and implementing a community right to buy*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2024/11/Getting-it-right-on-Community-Right-to-Buy.pdf>

¹⁸ *Community Business Market Report 2022*, CFE Research and Power to Change (2022) www.powertochange.org.uk/market-reports/market-report-2022/

¹⁹ <https://employeeownership.co.uk/Site/Site/content/News-and-Insights/Research/Research.aspx>

²⁰ Estelle Uba, 'Social enterprises supported by SSE more likely to survive first two years than other small businesses, research shows'. *Pioneers Post*. Available

at: <https://www.pioneerspost.com/news-views/20240201/social-enterprises-supported-sse-more-likely-survive-first-two-years-other-small>

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²³ For more detail on community covenants, please refer to the We're Right Here campaign's website: <https://www.right-here.org/asks/#covenant>

²⁴ <https://www.ncvo.org.uk/news-and-insights/news-index/time-well-spent-2023/volunteering-barriers-enablers/#71-what-stops-people-from-volunteering>

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²⁷ Humphrey, H, and Schmitz, H, 'Trust and inter-firm relations in developing and transition economies', *Journal of Development Studies*, 34(4) (1998)

²⁸ Yates, J (2021). *Fractured: Why Our Societies Are Coming Apart and How We Put Them Back Together Again*, London: HarperCollins

²⁹ Nudge Community Builders are an example of a community business that have begun to regenerate their local high street and begun to draw in further investment having been the first mover in that place. They feature as a case study on page 17 of this report: https://www.powertochange.org.uk/wp-content/uploads/2021/08/PTC_3822_Backing_our_Neighbourhoods_DR3-1.pdf

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³¹ <https://mhclgmedia.blog.gov.uk/2024/07/12/driving-local-growth-through-a-new-era-of-devolution-no-10-mayoral-roundtable/>

³² For more detail see this page: <https://www.powertochange.org.uk/our-work/for-regional-government/>

³³ For more detail please refer to this joint letter to The Guardian <https://www.theguardian.com/society/article/2024/aug/14/we-need-a-national-effort-to-rebuild-communities-after-riots>