



# Bring the local in:

Why empowering communities is  
the key to sharing prosperity –  
and how to do it

A briefing for 'lead authorities' on the  
UK Shared Prosperity Fund from the  
Communities in Charge campaign

Communities  
in Charge



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# About Communities in Charge

The Communities in Charge campaign is a coalition of local people, community groups, businesses and national organisations calling for communities to be put directly in charge of the Government's post-Brexit funding for local economic regeneration – specifically, the UK Shared Prosperity Fund. The campaign is made up of a coalition of core organisations ([Co-operatives UK](#), Locality and the [Plunkett Foundation](#)), supported by [Power to Change](#) as well as community leaders around the country.

Since 2019 the campaign has been calling for:

- At least a quarter of the UK Shared Prosperity Fund to go directly to communities to invest in their own priorities for the economy
- Local people to scrutinise all spending decisions through a dramatic increase in accountability, including citizen panels
- Resources to be made available to the people and places which need it most

# Context

In April 2022 the Government published the [prospectus for the UK Shared Prosperity Fund](#). This confirmed that much progress had been made on some of our campaign's main areas of concern.

Most importantly, the Fund appears broadly weighted towards the areas that need it most, rather than the more orthodox approach of being concentrated on areas with the highest productivity potential (in practice London, the South East, big city centres and university towns).

This is in line with a broader realignment of Government policy around local economic development, most clearly seen in the Levelling Up White Paper. Instead of a single-minded focus on aggregate growth, the White Paper is geared towards much more well-rounded and inclusive economic outcomes around pay, living standards, wellbeing and opportunity. And two of the Government's Levelling Up aims represent a step change in the way central Government has tended in the past to think about regeneration funding:

- Restoring a sense of community, local pride and belonging, especially in those places where they have been lost
- Empowering local leaders and communities, especially in those places lacking local agency

The UKSPF is geared towards helping achieve these aims – its overall objectives are 'building pride in place' and 'increasing life chances'. In the past, we would have expected much more single-minded focus on productivity growth. When the UKSPF was first announced by Theresa May's government, for example, it was in line to be shaped by that government's flagship Industrial Strategy. This was overwhelmingly focused on big-ticket infrastructure projects in major cities; large R&D investments in things like AI, big data and bio tech; and agreeing "deals" with a few high-yield sectors. This built on the direction of the previous coalition government's focus on Local Enterprise Partnerships (LEPs) and growth funds. So, the approach the UKSPF now takes is a marked change and a big step forward.

On the question of who controls the Fund, the picture is more mixed but still represents significant progress. Whereas the original assumption was that distant and broadly unaccountable LEPs would administer the Fund (probably with very tight Whitehall oversight), instead it is 'lead' Local Authorities (and where they exist, Combined Authorities) which are in charge. That represents a much greater level of accountability to communities than LEPs.

What is more, lead authorities have significant discretion in administering the Fund. Whereas last year's Community Renewal Fund (a pilot for UKSPF) required lead authorities to submit individual project proposals to the Department of Levelling Up, Housing and Communities to sign off, with UKSPF the lead authority must instead

submit an “investment plan” which sets out the outcomes sought. And lead authorities “will have flexibility over how they deliver the Fund” – for instance they can decide what mix of competitions, procurement and commissioning they use to disburse the funding.

But the extent to which lead authorities in fact involve the community – and the neighbourhood-level organisations which know best what their areas need – is broadly up to the authorities themselves. There is a requirement for each lead authority to set up ‘local partnerships’ in order to draw up their investment plan, and this may or may not include community organisations. Beyond that, there is no formal need to consult with communities at all, let alone give them real control over how this vital fund is spent.

There is therefore a need for lead authorities themselves to recognise and include local communities – and those organisations most accountable to local communities – throughout the process of drawing up plans for, and delivering, the Fund. The rest of this briefing sets out why this is an important consideration for lead authorities, and how they can put communities in charge of the UKSPF.



# Why community organisations should play a leading role in the UKSPF

There is a growing body of evidence – from the likes of Locality<sup>1</sup>, Power To Change<sup>2</sup>, Local Trust<sup>3</sup> and New Local<sup>4</sup> – for the central importance of community power for creating stronger local economies and more prosperous places. Different local areas have different strengths and needs – so it is local people who know best where the opportunities to drive forward their neighbourhoods are. That points to a critical role for small, neighbourhood-level organisations in the design and delivery of the UKSPF. These are the organisations with their ear to the ground, who can ensure that this vital funding is well directed to meeting the nuances of local need and ambition. In other words, community organisations have a vital role to play in ensuring the UKSPF is a success.

Making good decisions about how to spend UKSPF allocations requires close and nuanced understanding of the communities which most need it. Community organisations are essential partners in this. By bringing them into the discussion and involving them in the local partnerships set up to consult on UKSPF investment plans, lead authorities will have greater insight into local need and therefore make more impactful and cost-effective decisions.

There are three priorities for the UKSPF: ‘communities and place’, ‘supporting local business’ and ‘people and skills’. For each of these priorities, there is a clear case not only for investing the UKSPF in community-level initiatives, but also for involving communities in the design and delivery of the Fund.

The ‘**communities and place**’ priority will be well served by directly investing in projects owned or run by community organisations, or in community organisations themselves. Indeed, two of the available ‘menu’ of interventions speak directly to this:

- Funding for new, or improvements to existing, community and neighbourhood infrastructure projects

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<sup>1</sup> See Locality (2017) Powerful Communities, Strong Economies. Available at: <https://locality.org.uk/wp-content/uploads/2018/03/LOCALITY-KEEP-IT-LOCAL-ONLINE-revised-260318-full.pdf>

<sup>2</sup> Power To Change (2019) Our Assets, Our Future. Available at: <https://www.powertochange.org.uk/research/assets-future-economics-outcomes-sustainability-assets-community-ownership/>

<sup>3</sup> Local Trust (2019) Achieving Local Economic Change: What works? Available at: <https://localtrust.org.uk/wp-content/uploads/2019/10/Achieving-local-economic-change-Oct-2019.pdf>

<sup>4</sup> See New Local (2021) Community Power, The Evidence. Available at: <https://www.newlocal.org.uk/publications/community-power-the-evidence/>



- Investment in capacity building and infrastructure support for local civil society and community groups

But the active involvement of community organisations in designing and delivering UKSPF locally would not just mean greater funding being directed towards these organisations. It would also mean greater hyperlocal insight being applied across the piece.

Locally rooted organisations consistently show that they can take on a strategic role, using their deep insight to inform wider programmes. For instance, the food co-operative Regather in Sheffield deployed its day-to-day understanding of community need and interest to work with the local authority to develop an independent Food Partnership. Regather is now co-lead in a new Sheffield-wide strategic framework for the development of urban agriculture and a wider sustainable food system for the city.

Under the **‘supporting local business’** priority there is a clear role for community businesses, co-operatives and social enterprises not only in receiving support but also in ensuring investment is well directed hyper-locally. Many community businesses are not only enterprises in their own right but also help incubate other local enterprises and start-ups, giving them important strategic insight into the local business environment. Indeed, one of the approved ‘interventions’ (E26) listed in the UKSPF prospectus is: “Support for growing the local social economy, including community businesses, cooperatives and social enterprises.”

For instance, Nudge Community Builders in Plymouth has spent many years building community involvement in the takeover of empty or neglected high street properties on Union Street. They have brought three previously derelict buildings into community ownership and intense local use, which in turn is incubating new local businesses. One of the Nudge-owned buildings is The Plot, an alternative shopping arcade. The Plot is now home to 17 small businesses including Jabulani, a food court supporting female entrepreneurs from minoritised communities to get started with their aspirations to run a food business.

Finally, community organisations have really shown their worth in achieving outcomes around **people and skills**. Research for our campaign<sup>[4]</sup> has shown that local community organisations play a unique role in tackling local unemployment. They are direct providers of jobs and volunteering opportunities in areas facing some of the greatest challenges; they provide tailored and sensitive employment support for their community; and they take a strategic role in supporting local development. The research also found that these community organisations are concentrated in exactly the places where they are most needed – the neighbourhoods most in need of ‘levelling up’. Similarly, research for Power to Change has shown that community businesses, when compared to other businesses, support more people furthest from the labour market back into work<sup>5</sup>.

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<sup>5</sup> See Power of Community (2020) Available at: [https://www.powertochange.org.uk/wp-content/uploads/2020/11/PtC\\_Employment\\_and\\_Skills\\_RI\\_report\\_Final.pdf](https://www.powertochange.org.uk/wp-content/uploads/2020/11/PtC_Employment_and_Skills_RI_report_Final.pdf)

For instance, Centre4 is a community organisation set up in 1995 to serve the Nunsthorpe and Bradley Park estates in Grimsby, and to support economic development of the local area. The neighbourhood is within the 10% most deprived in the country, facing challenges of high unemployment and health inequalities as well as a legacy of negative perceptions of the area. Centre4 responded to local need by setting up the Ethical Recruitment Agency which offers employment, training or social action within the neighbourhood. The social action strand kicks in if there are no jobs currently available; instead a volunteering opportunity is offered and people will collect points which can be exchanged for vouchers to be redeemed with local businesses. As well as supporting people to gain more experience and build their CV, it also develops local relationships, connections and community capacity. The insight of Centre4 and organisations like it would be essential in developing plans for the areas most in need of the funding provided by UKSPF.



# What ‘lead authorities’ should do to put Communities in Charge

For the enormous potential of community to be realised in the context of UKSPF, ‘lead authorities’ should consider doing three things:

## 1. *Convene community organisations early*

Lead authorities should seek to collaborate actively with local, neighbourhood-level organisations both in the design of the overall Fund locally, and in its delivery. To kickstart good working relationships, lead authorities should convene meetings with community organisations in their area at the earliest possible stage in the UKSPF process.

## 2. *Bring community organisations into ‘local partnerships’*

It is up to lead authorities how they structure the ‘local partnerships’ which will inform the design of the investment plan submitted to DLUHC by each area. These partnerships need significant presence of community organisations and other neighbourhood-level representatives if their vital, hyperlocal insight is to be taken properly into account. A guiding principle could be to reserve one-third of local partnerships for community organisations (leaving a third for the public sector and a third for the private sector).

## 3. *Create community-led delivery partnerships*

In the longer term, the interests of the neighbourhoods most in need of the funding provided by UKSPF are best served if the organisations and institutions with their ear closest to the ground are directly involved in making spending decisions that affect them. Lead authorities should consider setting up ‘community power partnerships’ in these neighbourhoods<sup>6</sup>. These would bring together all the key players in the local, neighbourhood-level economy: the relevant local authority, local community organisations, small businesses, local traders, residents. Funding could be devolved by the ‘lead authority’ directly to these neighbourhood-level partnerships via the investment plan, to put them in charge of how to meet the identified outcomes. It would mean organisations in priority neighbourhoods wouldn’t have to go through complex bidding or procurement processes. Instead,

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<sup>6</sup> See Locality (2021) Community Power Partnerships: How to level up for the long term. Available at: <https://locality.org.uk/wp-content/uploads/2021/10/Community-Power-Partnerships-How-to-level-up-for-the-long-term-.pdf>

they would be shaping solutions from the start, whether that's home-growing locally owned businesses, creating intermediate labour markets, or developing community ownership strategies that breathe new life into disused assets.



# Find out more about the Communities in Charge Campaign

## About the Communities in Charge Campaign

The Communities in Charge campaign is a coalition of local people, community groups, businesses and national organisations calling for communities to be put directly in charge of the government's post-Brexit fund for economic regeneration. The Communities in Charge campaign is made up of a coalition of core organisations and community leaders. These are Co-operatives UK, Locality and the Plunkett Foundation, supported by Power to Change.

To find out more about the Communities in Charge Campaign, [visit our website](#).

You will find a range of resources including a series of reports showing how communities can be put in charge of the UK Shared Prosperity Fund.

- [Communities in Charge: Give people the power to prosper after Brexit](#)
- [Communities work: how community organisations can lead the post-Covid jobs recovery](#)
- [Community Power Partnerships: how to level up for the long term](#)

Watch our campaign film, telling the story of The Annexe in Hartlepool:

- [The Annexe's Story](#)

Communities  
in Charge



**Locality supports local  
community organisations  
to be strong and  
successful.**