

# BEING IN A GOOD PLACE:

Investing in  
Social Infrastructure

Early Action Task Force  
December 2020

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COMMUNITY  
LINKS

# Summary of key points

Everyone should live in a good place where they can thrive and feel included, a place with:

- a **good home** that is affordable, healthy and safe, environmentally friendly, and well connected to other good quality social infrastructure;
- the **services** that every community needs both to prosper and to support people when things go wrong;
- including equal access to **online services and mobile networks**;
- **physical spaces and places** to meet, exercise, play, enjoy leisure and socialise;
- with **green spaces or a park** within walking distance;
- **activities** which help create connection and community and build social capital and social integration;
- **community hubs and connecting institutions** and individuals that bring people together, connect up services and ensure everyone's voice is heard and needs are met.

A place with this social infrastructure is naturally preventative, helping people across all ages to be the best they can be. It's good for our health, resilience and well-being, helps foster innovation and enterprise and ensures inclusive growth and – if it is sustainable – it's good for the planet. Good social infrastructure also connects us to each other and creates cohesive communities in which we care for each other and for the environment in which we live.

Britain is facing the worst health and economic crisis since the end of World War Two, and the health and economic crisis caused by Covid-19 is deepening existing inequalities. There has already been a haemorrhaging of social infrastructure across the country over the last decade; and many communities have been left behind in terms of social infrastructure, resulting in what we call 'civic inequality'. This reduces their resilience to Covid-19 and capacity to recover from the economic shock. This situation is set to get worse, with many businesses, charities and social enterprises, arts and theatre groups struggling to survive due to the pandemic.

It's never been so crucial to invest in social infrastructure right across the country, as well as in the most deprived communities. Not only will it help us recover from Covid-19, it will also deliver long-term social and economic benefits and savings to the Exchequer as a result of better health and well-being, stronger and more inclusive local economies and reduced inequalities.

Momentum is growing: in November 2020, just before this report went to print, the Chancellor announced a new **£4 billion Levelling Up Fund** to support the 'infrastructure of everyday life', with further details to be announced early in 2021. The scope appears to be wide-ranging, including large capital items such as bypasses and other local road schemes as well as 'community infrastructure', with the danger that the cost of the former will crowd out the other.<sup>1</sup> With only £3.2 billion of the Fund available in England, compared to the £3.6 billion Towns Fund, it is likely only limited resources will be available for social infrastructure as defined in this report. Nonetheless, this investment, including its focus on local priorities, is welcome and we hope that those designing the Fund will take on board the recommendations in this report to make the most of the opportunity.

This publication is aimed at everyone thinking about social infrastructure, from policy-makers in national and local government, devolved administrations and public bodies, to charitable funders, voluntary organisations, social enterprises and businesses, which all have a role.

In addition to a substantial national Levelling Up fund to reduce 'civic inequalities' between areas, this report calls for:

- Changes to the budgeting and financial planning system to remove a bias against social infrastructure, with a Well-Being Comprehensive Spending Review and a Well-Being and Future Generations Act.
- Measures to make a national Levelling Up Fund more effective, including independent management, a broad definition of social infrastructure to give maximum flexibility to meet local priorities, mechanisms to ensure local people are involved in decision-making and control and the use of public land to reduce building costs. To ensure it is sufficient to meet needs, the Fund also needs to be topped up, for example, by use of dormant assets and dedicated taxes on social polluters such as gambling or international internet based companies.
- The setting up of local social infrastructure funds, some of which may be seeded by the new national Levelling Up fund.
- Planning which gives priority to social infrastructure and ensures it is funded and which ensures new homes are only built with ready access to good social infrastructure.

# Why invest in social infrastructure now?

Previous generations have invested in social infrastructure in a crisis, and so should we. The Victorians, facing waves of cholera and typhoid, invested in sewers and clean water, as well as in schools, libraries and public parks and other civic infrastructure. Private as well as public money played a critical role because businesses recognised that healthy, happy and educated workers were good for business. After World War I, the government committed to 'Housing Fit for Heroes'. After World War II, the reconstruction of Britain involved investment not just in physical infrastructure but in the NHS and measures to prevent poverty and ill-health. They knew that ensuring better health and prospects for all was in everyone's interests and that a devastated country needed more, not less social infrastructure.

Eric Klinenberg's *Palaces for the People: How to Build a More Equal and United Society*, published in 2018 in the USA, points to decades of research that shows that social infrastructure affects our personal and collective well-being, leading to safer, healthier, more tolerant and stable communities. This truth first came home to him by studying the impact of a heat wave in Chicago, which led to many deaths. He looked at areas with similar levels of inequality and deprivation but very different death rates. There was no difference in people's culture or wish to look out for each other, but a very great difference in levels of social infrastructure. In one area with high death rates, poor social infrastructure discouraged interaction and mutual support. In others with low death rates, strong social infrastructure encouraged those things.

Even before Covid-19, Britain was very divided, with some areas and communities suffering serious inequalities, not just of income and wealth but also in health and the social infrastructure which helps them build a good life. This is a matter of life and death. In Britain, life expectancy for men living in the most deprived areas is more than 9 years less than men in the most affluent areas, and it is only slightly better for women. Health inequalities between wealthy and deprived areas have only widened over the last 10 years, and the increase in life expectancy overall has stalled.

It is not surprising, therefore, that the [Office of National Statistics](#) has found that the death rate from Covid-19 in the most deprived areas is more than twice that of the least deprived.<sup>2</sup> [Public Health England](#) has also established that BAME people are more likely to die of Covid-19 than white people, with people of Bangladeshi origin being twice as likely to die as white people.<sup>3</sup>

Professor Sir Derek Marmot in his [2020 review of health inequalities](#) highlights the critical role of the social determinants of health, including healthy and sustainable places and communities, and recommends investment in the development of economic, social and cultural resources in the most deprived communities.

Covid-19 has brought home the link between health and social infrastructure most starkly in relation to housing, where a strong correlation has been demonstrated between poor quality housing and deaths, with overcrowding, the existence of multiple housing, the proportion of people with temporary housing and lack of access to social housing all appearing to be [factors](#). John Gray, lead member for housing services at Newham Council, has said 'This is a housing disease'.<sup>4</sup>

Poor social infrastructure has also been found to contribute to the lack of inclusive growth and levels of low productivity for left behind communities. [The Inclusive Growth Commission](#), for example, called for investment not just in physical infrastructure in poorer communities but in the social infrastructure which 'develops the capacities and capabilities of individuals, families and communities to participate more fully in society and economic growth'.<sup>5</sup>

Finally, a reduction in social capital – the connections between people which are facilitated by social infrastructure – has contributed to a decline in tolerance and trust across society, argues Philip Putnam, most notably in his influential book, *Bowling Alone*, which looks at the USA.

New investment in this infrastructure will not only level Britain up, it will also unlock creativity, innovation and other local resources that can help rebuild the economy and build in local resilience for the future. A society and a community that does not pull together is held back. Where people and communities feel disconnected from the mainstream or left behind, huge potential is lost and the health of our democracy is threatened.

# A broad definition of social infrastructure

There are many definitions and dimensions of social infrastructure. Eric Klinenberg, for example, focuses on the connecting role of social infrastructure such as libraries, parks, markets, schools, playgrounds, gardens and communal spaces. Professor Sir John Marmot's definition of 'healthy and sustainable places and communities' in addition includes good quality housing, services, as well as activities and spaces. He specifically includes the social sector and, significantly, highlights the importance of a sense of personal and community control, which he says includes social cohesion, a sense of trust and belonging. The Inclusive Growth Commission definition focuses mainly on preventative services and recognises the importance of 'anchor institutions', which we call community hubs.

When thinking about investing in social infrastructure, a broad definition is a good starting place. Thinking in the round reflects the truth that some places will have strengths in one area, and deficits in others, but will not thrive unless they have them all. Investment in a community meeting space will bring significant benefits, for example, but if the basic living conditions, including sub-standard housing and lack of access to green spaces, remain poor, it will not enable the people who live in that community to thrive.

The health of the whole eco-system is also important: social infrastructure is produced not just by local and national government but by businesses and the social sector too, from shops and pubs to broadband, choirs and community hubs. Government generally does not fund these, but it sets the regulatory, planning and policy framework which enables them to thrive, and invests in a critical mass of social infrastructure, such as schools, health services, transport links and green spaces, which attract others to invest in a place. Lack of public investment or neglect can unmake a good place, resulting in a negative spiral. Shops close, businesses leave, homes become derelict and crime and graffiti move in. Public investment can reverse the cycle of decline that has hit some towns and communities especially badly, which in turn will attract new businesses, and help create job opportunities, new facilities and activities.

Our definition is set out in detail in the following box. It includes housing, services, physical spaces and places, activities and community hubs and other connectors, and it stresses that good infrastructure gives local people influence and accessibility and is inclusive and sustainable. It depends not just on public investment but also a healthy voluntary and private sector.

## Social infrastructure: What is it? Who runs it?

**Good, genuinely affordable housing,** connected to good social infrastructure.

**The services which every place needs to thrive and support people when things go wrong.** Some of these are universal public services such as the NHS and education, funded mostly by central government. Others include:

- high quality childcare, adult social care, good broadband and mobile signals, and public transport, often delivered by the private sector;
- remedial health and welfare support, from rehabilitation to foodbanks, often provided by the voluntary sector;
- public health and children's social care often provided directly by local authorities.

**Physical spaces and places in which to meet, exercise, enjoy leisure and build community.** Some of these, such as parks, allotments, libraries and museums, are mostly owned and managed by the public sector. Others, such as shops, cafes, pubs, community spaces, places of worship, gyms, arts centres and theatres are usually in private or community control.

**Activities which help create connection and community and build social capital and social integration.**

Examples are local sports groups, yoga and exercise classes, shared hobbies and adult education classes, and lunch clubs and faith and mutual aid groups which support the community. These are mostly run by the community, not for profit, faith groups and the private sector.

**Community hubs and other connectors.** These institutions and individuals connect up people and institutions, give people a voice so that they have genuine influence, and can be vital in ensuring accessibility and inclusivity.

Some of them, such as community libraries, and charities and social enterprises rooted in communities, provide places for people to meet and/or services and activities. Others, such as community organisers and local area coordinators, work with individuals and communities to help them achieve their goals. Some are 'umbrella' organisations who link up different institutions, for example, local CVSs. A case study, Community Links, is featured in this report.

Good social infrastructure also has to be underpinned by these principles:

- people have **influence** over what happens in their area, for example, about planning decisions, about the design of public services and about the uses of public funding, and control over key community assets;
- **accessibility**, both in terms of affordability and physical accessibility, so that people can use social infrastructure in their area;
- **inclusivity**, in which every part of the community feels a sense of belonging and is welcomed, and has a say; and
- **sustainability**, so that assets are conserved for future generations and the local and global environment are protected.

Community Links in Newham is an example of a community hub that not only provides services and activities and a meeting space, creating a community that is inclusive, but also helps make public services more accessible and gives local people more influence over what matters to them locally and nationally.

## Community Links – a community hub for the future

Community Links is a community-based organisation and charity based in Newham in East London, founded in 1977. It is located in the old Canning Town Public Hall, built in Victorian times as a hub for its community, and seeks to be a 'Community Hub of the future,' with a preventative vision of 'Ready for Everything Communities' underpinned by three aspirations:

- **Getting Ready**, communities that have stronger voices, the resources and the desire to actively engage with change;
- **Moving Forward**, communities that are ready to participate in the creation of their own futures, overcome barriers and seize opportunities;
- **Stronger Together**, communities that are connected, inclusive and cohesive, willing to come together, build solidarity and act.

Newham is one of the most deprived areas in Britain, with a very high proportion of families living in poverty. 25 per cent of its residents are living in overcrowded housing. It is ethnically diverse. Unsurprisingly, therefore it has experienced high levels of Covid-19 illness and deaths. Community Links delivers a range of services to help people in difficulty, from advice on debt, housing, employment law and a foodbank, to mental health crisis prevention initiatives aimed at those facing crisis in their personal lives, and employability support for those who normally do not access services. Its services have been exceptionally busy during the Covid-19 crisis.

It also offers social opportunities and activities, for example, music projects for at risk young people, providing peer support and advice for both them and their parents.

Community Links works as a collaborative community organisation for those often unheard within the community and has over 40 years' experience of addressing the complex cultural, religious, economic, generational and gender experiences of distinct communities and of working creatively with those communities to inform and empower.

Public bodies have therefore turned to it to help them improve the reach and effectiveness of their services because Community Links knows its community and enjoys high levels of trust. For example:

- it works with the NHS to increase accessibility and uptake of breast and bowel cancer screening, calling up people not just in Newham but across London;
- the London Borough of Newham chose Community Links to deliver a 7-day a week Covid-19 helpline;
- the Home Office reached out to Community Links to become a partner for the 'knife free' campaign, where advocates work for better relationships with young people who are at risk of becoming involved with knife carrying or knife violence;
- in 2019, working with One Newham (a partnership network for the voluntary and community sector in Newham), it helped local GP practices find out patient views on a regular basis and use this to improve their services and ensure those, especially from at risk backgrounds, get better treatment.

Finally, Community Links gives voice to its community, using its connection to and understanding of its needs to feed into national and local policy. One example is the Early Action Task Force, established in 2011, which seeks to make early action (which includes all forms of prevention), including social infrastructure, not just common sense but common practice.

# The decline of our social infrastructure and civic inequality

As a developed country, the 6th largest economy in the world, with a long history of investment in social infrastructure, our overall level is better than in many countries and this is one reason why the UK continues to attract inward investment. But our social infrastructure is not keeping up with our wealth. The [2019 Legatum Prosperity Index](#), which compares countries across a range of indicators, scores the UK only 23rd in the world on the conditions that create good health.<sup>6</sup>

Over the last decade, there has been a general decline in social infrastructure, which has reduced resilience to Covid-19.

## The decline of social infrastructure

The [Centre for Progressive Policy](#) has shown that spending per head by local authorities on libraries, open spaces, recreation and sports, Sure Start, and services for young people - what it calls community spending - was cut by 60 per cent in the decade leading up to the Covid-19 crisis, double the level of cuts in total local authority spending.<sup>7</sup>

The Health Foundation has estimated an [overall fall of almost a quarter in spending power per person](#) on public health between 2014-15 and 2019-20.<sup>8</sup>

The [2020 Marmot review](#) noted a decline in the affordability of housing, with nearly 40 per cent of the most deprived families spending more than a third of their income on housing, compared to less than 30 per cent 10 years ago. The English Housing Survey in 2017 found that 1 in 5 homes did not meet the Decent Homes Standard, 1 in 4 in the private sector.<sup>9</sup>

Communities are roughly half as likely to have a local post office than they were nearly two decades ago, and there are now only 7 pubs for every 10,000 adults, compared to 11 pubs per 10,000 adults a decade ago in 2010, Onward in its [State of our Social Fabric](#) found.

As a result of the pandemic, many businesses, charities, social enterprises and arts groups are threatened further.

The most deprived communities often have the worst social infrastructure, resulting in what we call 'civic inequality', which exacerbates the already deep-seated income, wealth, race and health inequalities which exist in Britain. Cutbacks in local authority services and expenditure over the last decade have fallen disproportionately on the most deprived communities, according to the [Marmot review](#)<sup>10</sup>, making this situation worse.

## Civic inequality

Data on civic inequalities is still patchy but demonstrates the deep divide that exists.

A [2019 index](#) by the Local Trust and Oxford Consultants in Social Inclusion (OSCI) found that deprived areas that lacked key civic assets, services and levels of community engagement have higher rates of unemployment, ill health and child poverty than other deprived areas. They noted a concentration of such areas in post-industrial districts in northern England and in coastal areas in southern England.<sup>11</sup>

There are clear regional differences in the quality of housing. In the West and East Midlands, and Yorkshire and Humber more than [1 in 5 homes don't meet the decent homes standard](#).<sup>12</sup>

Charitable wealth and resources are disproportionately concentrated in the most affluent areas, according to [NPC](#).<sup>13</sup> In 2016/17, the lowest density of charities was in the North East, North West and London. Blackpool, which has 8 out of 10 of the most deprived neighbourhoods, had [the smallest number of charities](#) operating relative to local population size.<sup>14</sup>

A [Fields in Trust Green Space index](#) shows that 2.7 million people in Britain do not live within a ten minute walk to a park or green space, with an urban and rural divide - Scotland enjoys 43.5 sqm of provision per person, but London has just 19 sqm.<sup>15</sup> Moreover, in [recent figures released by the ONS](#)<sup>16</sup>, London residents were also found to be the least likely to have access to a garden.

# Investing more in social infrastructure

As well as targeted action to address these civic inequalities, we need more investment in social infrastructure right across the country, and key to this are reforms of the UK's current system of budgeting and financial planning.

## Removing the bias against social infrastructure

As the current system stands, social infrastructure will always be short-changed, whatever the quantum of spending agreed, and when hard choices have to be made, as will happen in the next full Comprehensive Spending Review (CSR) in 2021, it is often cut back disproportionately.

This is because the existing financial planning and budgeting system is short-term - too geared towards the immediate needs of the economy at the expense of well-being and sustainability, including the needs of future generations. Inevitable future financial, social and environmental costs, such as global warming, the increasing costs of obesity and the social and economic costs caused by lack of good housing, are ignored. The positive benefits of early action (by which we mean all forms of prevention, including social infrastructure) are not sufficiently taken into account.

The incentives are instead to cut back on this in times of financial stringency because, unlike spending on key remedial services such as the NHS, the costs are relatively invisible in the short-run. Moreover, the true value of social infrastructure does not appear on the Government's balance sheet and the public land on which it might be built is sold off to fund short term priorities instead, rather than retaining it for long-term public benefit.

The creation of public wealth, in the broadest sense, is no longer seen as the business of government. For decades, the focus of government at national and local level has been on the provision of services, many of them there to provide a 'safety net' of support. Remedial services are important; but it is often ongoing activities, institutions and facilities that add the most long-term value to people's lives and are both preventative and creative, helping people to be the best they can be.

## Well-being at the heart of the next Comprehensive Spending Review

The starting point for correcting this bias is to set clear goals in the next CSR focused on the ultimate purpose of any good economy: well-being for its people and environmental sustainability. This includes a healthy economy, but ensures the economy is working for everyone, now and in the long-term.

Some countries are already doing this. In New Zealand, for example, they have established a [Well-Being Budget](#) which judges proposals against outcomes-focused measures of well-being - for example, the quality and affordability of housing, healthy life expectancy and access to nature, and subjective well-being, as well as economic indicators. Importantly, New Zealand's well-being 'dashboard' also measures the impact of spending decisions on the assets of the nation that generate well-being and sustainability, now and into the future. This includes human capital, environmental capital and social capital, not just the financial and physical capital which appears on the UK balance sheet. If the Westminster government used such a system, the loss of social infrastructure over the last decade would not have gone unnoticed.<sup>17</sup>

In Scotland, the government has a [performance framework](#) against which it assesses everything it does. At its heart is the goal of increased well-being with sustainable and inclusive growth, with a range of indicators of how it will achieve this. Amongst them is a commitment to creating communities that are inclusive, empowered, resilient and safe.<sup>18</sup>

A similar approach to New Zealand should be adopted in the UK government. Indeed, former Cabinet Secretary [Lord O'Donnell](#) proposed that the CSR should have well-being, not growth, as its focus back in 2019.<sup>19</sup>

## Longer term planning

To correct the current bias toward the short-term, the Comprehensive Spending Review and other forms of budgeting in central and local government should also look at a ten-year planning horizon, as is already happening for the NHS.

All existing and proposed spending in the CSR and elsewhere should be assessed against its impact on the future, through an 'intergenerational test', with provisional ten year plans introduced in the CSR and reassessed in the light of developments every 3-5 years.

## Ring-fencing social infrastructure and other spending

Spending that creates future assets and/or reduces liabilities should be prioritised and protected as an investment in the future in a similar way to how cash investment on physical capital items is ring-fenced now. Up until the turn of the century, the UK treated current and capital expenditure in exactly the same way, but at this point separate budgets were introduced, to stop capital expenditure from being 'raided' to fund short-term pressures, although this was eroded during the austerity years.

A similar approach should be introduced now to protect and prioritise expenditure on social infrastructure and other forms of preventative spending, such as public health. Such spending should be ring-fenced and kept separate from other forms of revenue spending. The criteria used by the Treasury in the so-called Green Book to evaluate spending should also be reassessed to ensure it recognises the benefits of social infrastructure sufficiently, as argued by [the Centre for Progressive Policy](#).<sup>20</sup>

## Using public land for social infrastructure

The Government should change the Cabinet Office rules which encourage the selling off of public assets to private developers where they might be better used for social infrastructure and kept in public or community ownership, producing long term financial and social capital assets. Large amounts of public land are held by bodies such as the MOD, NHS, National Rail as well as local authorities, which are rarely transferred between public bodies or to other forms of community ownership because they must normally be sold at market value. There are also disposal targets to raise funds to plug holes in short-term budgets (currently £5bn by 2020), when they might be better used for social infrastructure.

## Social infrastructure core funding

Social infrastructure should receive core funding through ongoing grants, linked to reviews which must demonstrate the value, including the social value and social capital, that they generate. As public funding has moved from grants to contracts, many vital pieces of social infrastructure, like youth services, have been forced to apply for funding for specific projects, linked to outputs or outcomes, for example, reducing knife crime, rather than their ongoing activities, or have lost out on funding because their 'outputs' are less tangible and measurable.

## A Well-Being and Future Generations Act

These measures should be backed up by a Well-Being and Future Generations Act which requires every public body to promote well-being and sustainability, with an Office for Future Generations which monitors progress, both of which already exist in Wales.

A similar Bill was put forward by Lord Bird in the House of Lords in 2019. It would have required public bodies to act in pursuit of environmental, social, economic and cultural well-being and to establish, meet and report on well-being objectives. It would also have forced public bodies to publish Future Generations impact assessments and account for preventative spending. It would also have established a Commissioner for Future Generations and a Joint Parliamentary Committee on Future Generations.



# A social infrastructure levelling up fund

As well as enhancing social infrastructure across the country by changing the way we budget and financially plan, the Government must establish a major new investment fund to help level up communities with poor social infrastructure.

Promisingly, just before this report went to print, the Chancellor announced a new £4 billion Levelling Up Fund for the 'infrastructure of everyday life.' The details of the fund are yet to be announced but it is clear that the new fund will be available to meet locally determined priorities and will be available for 'high value' projects costing up to £20 million. It has been announced that it could include large capital items such as bypasses and roads and refurbishments of railway stations, as well as 'community infrastructure', local arts and culture. £600 million will be made available in 2021-22. The Government has also said the fund will be cross-departmental and will move away from 'a fragmented landscape with multiple funding streams'.

It is not yet clear how this fund is being resourced and whether it will include, as suggested by Danny Kruger, in his earlier report to the Prime Minister, dormant insurance accounts worth £2 billion, which Kruger proposes should be used to set up a permanent endowment fund for social infrastructure.

The problem with an endowment fund is that it has to be huge to generate the kind of annual return needed to address immediate needs. The likely return on an invested endowment fund could be as little as £42 million a year and, by comparison, the Government had already set up a Towns Fund of £3.6 billion to help regenerate 100 places. Australia has five sovereign wealth funds investing for the benefit of future generations, including a Building Australia Fund for infrastructure projects (for transport, water, energy, communications and broadband) and an Education Investment Fund for capital investment in education. In 2018, both were individually valued at 3.9 billion Australian dollars, equivalent to £2 billion, and had an investment return of 2.1 per cent.

The potential demands on the new Levelling Up Fund are huge, and it is understood that £800 million of it will go to the devolved countries, leaving £3.2 billion for England, less than the existing Towns Fund, the remains of which may also be being folded into the new Fund. By comparison, in the USA, Reimagining the Civic Commons is investing in five cities to upgrade existing infrastructure to reflect 21st-century needs. Philadelphia alone is investing \$500 million (£385 million) – with \$400 million raised in bonds and revenue from a sugary-beverages tax – to revitalise existing city parks, recreation centres, libraries, and other social infrastructure.

To help make the fund go further, part of it could be used to invest in the building of capital social infrastructure assets, with the rents providing annual returns which could be used to support other projects. But it will still need additional annual income from another source if it is to make significant inroads in civic inequality in the near future.

We propose that the Fund is topped up from other sources, given the scale of investment required and the need to ensure that the full range of social infrastructure is funded, not just relatively large capital projects such as roads.

Borrowing has to be part of the solution. Just as we borrow to buy a home, or to invest in HS2, so we must borrow to create a good place, creating an annual revenue stream to finance these assets.

Dedicated taxes specifically for this purpose (known as 'hypothecated taxes') might also be used to finance the fund, for example, a specific tax on internet based companies that, despite the tax recently imposed, are still paying low levels of tax and have contributed to the loss of shops and facilities locally; and one-off taxes of 'social polluters' contributing to avoidable costs in public services such as the alcohol and gambling industries; and health related taxes such as the sugar tax.

The National Debt Fund, estimated at £475 million, is also another potential source.

There are also a number of existing funds which might be amalgamated into this annual fund, for example the £3.6 billion Towns Fund<sup>21</sup> being directed at 100 places, which incorporated the Future High Streets Fund<sup>22</sup>, the £500 million Youth Investment Fund for 60 new youth centres announced in the Spring budget and the £10 million New Development Corporation Competition.<sup>23</sup> Some of these may already be in the Chancellor's calculation.

Publicly owned land and buildings which are genuinely surplus to requirements or currently undeveloped might be used for social infrastructure, reducing building costs, and kept in public and community ownership so that rents can be used to maintain social infrastructure. The MOD and NHS as well as local authorities own considerable assets which might be used in this way.

## Remit and management

A fully effective social infrastructure fund would aim to level up all communities to a basic minimum standard. It would have a preventative focus and be targeted at places with the highest civic deprivation. Although it would be a national fund, it would have a remit to give local communities more say and control over what really matters to them, as advocated by the [Government's civil society strategy](#).

We think the new fund should be available to help preserve existing social infrastructure as well as to create new elements, and this is particularly important given the negative impact of Covid-19 on some social infrastructure. Both capital and running costs funding should be made available, and funding would in many cases need to be long-term.

It might invest some additional top-up resources to enhance some services locally that are otherwise funded by other means, for example, the NHS or social housing. But it is vital that funds do not become a substitute for mainstream funding.

Although this does not appear to be the Government's intention, a fully effective fund should be able to plan for the long-term and should be ring-fenced and guaranteed across administrations. It might be better independently managed outside of government, but with goals determined by Parliament, and priorities informed by a Citizen's Assembly. A Citizens' Assembly of 120 representative adults was set up in 2019 to identify future priorities for Scotland, and could be a [model](#).<sup>24</sup>

## Local management and ownership

We hope that resources will be allocated to an area on the basis of need; and within the parameters described above, it would be up to local people to determine their priorities. For example, some areas need new homes and new social infrastructure to support them. In others, the priority may be to find new uses for buildings that are currently unoccupied. Some areas will lack recreational spaces whereas others may have access to rich natural resources.

It is welcome that the Government has decided that its new Levelling Up Fund should be used to meet local priorities, but it is not yet clear how these will be determined. The Fund is likely to be more successful if it is made a condition of funding that local people determine priorities and are involved in the local fund's management. Local engagement is critical. A [Centre for Policy Impact report](#), looking across the world, found that strategies for levelling up are most successful where there is strong local engagement, leadership and legitimacy, and ownership.<sup>25</sup> Community hubs and connectors may have a role in bringing different voices together. Community ownership should be encouraged. New mechanisms may need to be established and funded for local people to engage and control resources.

Another condition of funding should be that local assets are mapped so that any new development does not overlap with or undermine existing social infrastructure.

It is unclear what role the Government envisages for local authorities in accessing their new fund, and it is vital that they are involved, but the principle of subsidiarity should be used in determining who ultimately controls the funds locally i.e. it should go to the level at which it will work best, giving power to local people. In some cases, this will be a single ward but in others a city or town-wide, local authority, or even regional strategy may be needed as well or instead. People do not just live in one street, or a ward, but move around to live their lives and want social infrastructure that supports this.

Depending on the project, local funds could potentially be enhanced by profits from local authority owned energy and other enterprises, as well as the use of local land, and also potentially by crowd-funding and local donations from businesses or high net value donors with links to the area.

Where there are new housing and social infrastructure developments or redevelopments affecting a wide area, particularly where they are using public land, there is likely to be a role for a development or urban trust, drawing in specialist expertise, but this should engage local people in its governance. Various models exist for this kind of body, including Urban Development Corporations, New Town Development Corporations, the Garden City Movement and, on a smaller scale, Community Land Trusts.

# Local social infrastructure funds

Local investment funds are already being established across the country, and should be considered by other areas wanting to set up their own fund. New ones might also be seeded by the national Levelling Up Fund and existing ones enhanced. There are different models, for example:

- The **Bristol City Funds**, with investment by Bristol and Big Society Capital creating funds of £10 million, used to address priorities determined by local people and managed by local people and organisations from different sectors.<sup>26</sup>
- A **Community Investment Fund in Wigan** is designed to invest in communities in ways that lead to better services for the community and savings, creating a shared sense of purpose amongst public servants and wider social partners about how to improve services, as well as giving out grants to the community.<sup>27</sup>
- The **Barking Neighbourhood Fund** uses part of the community infrastructure levy to create a fund to support community activities.<sup>28</sup>
- Frome has set up its own Community Interest Company, boosted by a large private donation, to help regenerate its community.
- Liverpool City Region set up in September 2020 a **Land Commission** focused on community wealth building looking at the best use of public land to make it 'the fairest and most socially inclusive city region in the country'.<sup>29</sup>
- In Exeter, they want to use public land - retained in public ownership - to develop good housing and social infrastructure. They need some government funding for short-term development costs and have applied to the new Development Corporation Competition.
- The Orkney and Shetland Islands have both put aside the proceeds they receive from servicing the North Sea oilfields in ring-fenced funds for community use to improve local infrastructure.

# Urban Planning that ensures good social infrastructure

When the Victorians built new housing, they built the social infrastructure that should go with it. For example, the Bourneville model village built by the Cadburys in Birmingham for its workers in the nineteenth century included sports fields, bowling greens, fishing lakes, a lido and the Rowheath Pavilion which was also used for balls and dinners. [Research](#) by the Joseph Rowntree Foundation in 2003 found that it was 'one of the nicest places to live in Britain'.<sup>30</sup>

Nowadays, [research](#) has confirmed that many new housing estates are built without shops, pubs, GP's surgeries or schools, and lack buses, cycle ways or footpaths to town centres – homes built for cars, not people.<sup>31</sup> There are inspiring British models of investment in creating good communities: model villages like Saltair, Garden Cities such as Letchworth Garden City, where local communities exercise long-term stewardship of collectively owned land to shape development, and Poundbury and the Nandlesden Urban extension, both built on Duchy of Cornwall land. But we need more aspiration in our planning system.

For example, Melbourne has developed '20 minute neighbourhoods', where everything you need, such as shops, doctors, parks, are within a 20 minute walk, or a short bike ride or public transport. The Mayor of Paris has created a similar aspiration to make Paris a '15 minute city'.

The Greater London Authority has a progressive [social infrastructure policy](#), which could be a model for others.<sup>32</sup> Social infrastructure is widely defined, and the GLA says that London requires additional and enhanced social infrastructure provision to meet the needs of its growing and diverse population. It specifies that development proposals which provide high quality social infrastructure will be supported in the light of local and strategic social infrastructure needs assessments; and proposals which would result in a loss of social infrastructure in areas of need should be resisted, and repurposing of redundant social infrastructure premises for other forms of social infrastructure should be considered before alternative developments. The GLA also encourages the multiple use of premises and highlights the need for accessibility to all sections of the community (including disabled and older people) and within easy reach by walking, cycling and public transport.

Section 106 of the Town and Country Planning Act 1990 and the Community Infrastructure Levy do allow for developers to pay for social infrastructure, though this is often circumvented or social infrastructure is narrowly defined. The Government is currently considering some changes to the current system and, whatever the outcome, it is critical that more funds are successfully released in this way and applied to comprehensive and ambitious plans for good social infrastructure, as defined in this report.

# Conclusion and summary of recommendations

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Against a background of disinvestment in social infrastructure over the decade of austerity, and a pandemic which has brought home its importance but may undermine it further, everyone who is thinking about how to build future resilience, support the economy and tackle deep-seated inequalities should be investing in social infrastructure. Our recommendations are:

- The Government's next Comprehensive Spending Review should put well-being at its heart and take into account the long-term as well as short-term impact of spending decisions and the value of social assets.
- Social infrastructure, along with other preventative spending, should be ring-fenced and protected in national and local budgets, akin to the treatment of capital spending now.
- There should be a Future Generations and Well-Being Act placing a duty on all public bodies to plan for the future.
- The Government's new Levelling Up Fund will be stretched to bring up communities left behind unless it is topped up by other sources of funding, for example, dedicated taxes on social polluters and international internet based companies. To make it go further, some of it could be invested in social infrastructure capital assets within communities, with annual revenues from these being used to help other projects, and existing public land and buildings could be repurposed for social infrastructure and kept in public or community ownership.
- To be effective, a social infrastructure fund needs to be long-term, with priorities determined through participative democracy, and control over spending devolved according to the principle of subsidiarity. To be fully effective, the national fund should be managed independently of government and should set a broad definition of 'infrastructure of every day life'.
- Some areas have already set up local funds, which are models that others can follow; and more of these could be seeded by the national fund.
- There should be changes to the planning system to protect existing social infrastructure and ensure we no longer build new housing without accessible social infrastructure.

# About this publication

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This has been written for the Early Action Task Force and Community Links by Caroline Slocock, the Director of Civil Exchange and Co-convenor of A Better Way. Caroline worked for 9 years in the Treasury as a senior civil servant, and while she was there she designed the existing public expenditure system, so is well placed to advocate for changes now. She has been writing about early action and social infrastructure for many years.

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# COMMUNITY LINKS

Community Links  
105 Barking Road, London E16 4HQ  
W: [www.community-links.org](http://www.community-links.org)  
E: [Murshad.Habib@community-links.org](mailto:Murshad.Habib@community-links.org)  
T: 020 7473 2270

Registered charity number 1018517



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