The Policies of Belonging

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About Onward

Onward is a campaigning thinktank whose mission is to develop new ideas for the next generation of centre right thinkers and leaders. We exist to make Britain fairer, more prosperous and more united, by generating a new wave of modernising ideas and a fresh kind of politics that reaches out to new groups of people. We believe in a mainstream conservatism – one that recognises the value of markets and supports the good that government can do, is unapologetic about standing up to vested interests, and assiduous in supporting the hardworking, aspirational and those left behind.

Our goal is to address the needs of the whole country: young as well as old; urban as well as rural; and for all parts of the UK – particularly places that feel neglected or ignored in Westminster. We will achieve this by developing practical policies that work. Our team has worked both at a high level in government and for successful thinktanks. We know how to produce big ideas that resonate with policymakers, the media and the public. We will engage ordinary people across the country and work with them to make our ideas a reality.

Onward is an independent, not-for-profit thinktank, registered in England and Wales (Company Registration no. 11326052).
Thanks

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We would also like to thank the many people who have helped at the various different stages in creating this report, especially Jessica Hopwood and James Blagden at Onward and the invaluable contributions from the members of the Steering Group set out later on. We would also like to thank the policy thinkers and community experts that have provided their time and ideas which have helped shape this report.

We are indebted, in particular, to our Founding Patrons: Martyn Rose, Michael Spencer, David Meller, Bjorn Saven, Richard Oldfield, Robert Walters, Tim Sanderson, James Alexandroff, Jason Dalby, Graham Edwards, John Nash and Theodore Agnew. Without this philanthropic support, our work would not be possible.
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Summary of the argument
Since September 2019, Onward has focused on the way that community is changing in Britain and the impact of deteriorating social fabric on our political economy and culture.

In *The Politics of Belonging* (2019), we articulated a new agenda based on the common good and pre-empted the electoral realignment witnessed in the December 2019 general election. In *The State of our Social Fabric* (2020), we provided detailed statistical evidence for a broad-based and long-term decline in the strength of local community, which has affected some places more than others. In *COVID-19 and Community* (2020), we showed how communities embraced reciprocity at a time of national crisis, but also how they lacked the power to really take back control.

Our conclusion from this work is that, while politicians rightly place a great deal of emphasis on the economic divide in our country, the disparity in social fabric is at least as great and requires an interlinked programme of policy to correct it. Put simply, we need to level up communities too.

The question is how. Successive governments have tried to turn around declining places and stimulate ailing communities. Their record of success is not particularly impressive. Many of the places that received funding and support through Harold Wilson’s Community Development Projects, John Major’s Single Regeneration Budget or Tony Blair’s New Deal for Communities remain “left behind” today. Indeed, a large proportion continue to score poorly on a variety of measures of community, as illustrated by our UK Social Fabric Index.

What is striking about many of these attempts is the extent to which they have tended to rely almost exclusively on economic regeneration as a tool for placemaking. Policies like grant funding, job creation schemes and physical infrastructure investment dominate. While this may be understandable given the evidence available at the time, it is also one-sided. Our work has clearly shown that it is in the interaction between social and economic policies, giving people the means to social action as well as the financial security to make use of it, that places can be revived.

In this paper, we take the holistic approach. Our aim is to give citizens and their communities the power and resources to shape their places and to meet the needs of their members. At its heart is a simple idea - that people are pro-social given the right conditions - and a simple principle: that policy levers should, wherever possible, give people entitlements to take personal and collective responsibility for themselves, their
families and their communities. We have grouped our proposals under four headings, all of which are intended to sustain, inspire and ‘level-up’ community strength across the UK.

1. **Giving individuals the *power* to repair their social fabric.** People have an innate desire to contribute to the social fabric of their community, whether that is investing in their families, looking out for neighbours, or working for local causes. But arcane rules, lack of time, the hoarding of power by centralised bodies, and other formal barriers often prevent them from doing so. Wherever possible, we should give people power to make a positive difference.

2. **Giving individuals the *capital* to repair their social fabric.** Many people do not have the financial and social security that would allow them to contribute to their community. Housing and labour insecurity strongly relate to fraying social capital, and the absence of capital can be an insurmountable barrier to contributing to the community. For power to turn into action it is critical that we give people the security they need to play an active role in repairing the social fabric.

3. **Giving communities the *power* to repair their social fabric.** A strong community is more than the sum of its individual parts - it includes public goods as well as private ones - and many challenges can only be overcome through collective action. Grasping the opportunities to repair and strengthen the social fabric means giving citizens power and control over the things that matter to them collectively, empowering existing community institutions and creating new ones that can serve as vehicles for action.

4. **Giving communities the *capital* to repair their social fabric.** Without collective resources, whether money, time or institutions, even the most committed communities are fragile. Philanthropy, public spending and private investment, together with volunteering and institutional strength, are all needed to repair the social fabric. When we say community capital, we explicitly mean capital that is controlled by members of the community, not spent on their behalf, based on assumptions about what they want.
This framework speaks directly to the important traditions of community life: people, place, institutions and capital. It focuses on providing the much needed engines of change (power) with the fuel for those engines (capital), for both individual and collective actors.

While we hope, through this paper, to stimulate debate about which are the right policy levers to strengthen Britain’s communities, we make no claims for perfection and look forward to improving on the ideas we are proposing.

More importantly, we believe the conceptual framework we are presenting - a broad understanding of what needs to change, together with the powers and resources to achieve change - is the only way in which to meaningfully level up communities across the UK.
## Summary of Recommendations

<table>
<thead>
<tr>
<th>Area</th>
<th>Problem</th>
<th>Recommendation for action</th>
</tr>
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</table>
| **Giving individuals the power to repair their social fabric** | People have an innate desire to contribute to the social fabric of their community, whether that is investing in their families, looking out for neighbours, or working for local causes. But arcane rules, lack of time, the hoarding of power by centralised bodies, and other formal barriers often prevent them from doing so. Wherever possible, we should give people power to make a positive difference. | 1. Allow working age adults to draw down a year of their pension for a “civic sabbatical” early to create time during working age for people to contribute to their community.  
2. Introduce a ‘Year to Serve’ youth employment scheme to provide 18-24 year olds with civic service opportunities at the start of their careers. The scheme could also help young people fulfill government pledges on mass tree planting, and improve literacy.  
3. Imbue young people with the skills and motivation to serve others through comprehensive character education in schools.  
4. Create a long-term well of support for communities by transforming the NHS volunteers scheme into a permanent standing reserve for health and other challenges, and make the DBS streamlining introduced during the pandemic permanent. |
| **Giving individuals the capital to repair their social fabric** | Many people do not have the financial and social security to invest in their community. Housing and labour insecurity strongly relate to fraying social capital, and the absence of capital can be an insurmountable barrier to contributing to the community. For power to turn into action it is critical that we give people the security they need to play an active role in repairing the social fabric. | 1. Replace the marriage tax allowance with a “working family tax allowance”, paid as an higher tax-free threshold for working parents, to give families the flexibility and capital to support themselves.  
2. Introduce a ‘Red Book Bonus’ for families that meet their regular health and development reviews during the first two years of their babies’ life to encourage the development of positive social norms in early years.  
3. Use the Renters Reform Bill to tackle precarious housing which deprives people, in particular young people, of the security needed to contribute to community and put down roots.  
4. Introduce ‘Community First,’ a new civic leadership programme to increase the quality of civic leadership going into community organisations, local government and charities, especially in harder pressed places. |
5. The Apprenticeship Levy should be reformed to focus a much larger share on retraining lower-skilled workers in precarious local economies, with the Government topping up company levy accounts to achieve this.

| Giving communities the power to repair their social fabric | A strong community is more than the sum of its individual parts - it includes public goods as well as private ones - and many challenges can only be overcome through collective action. Grasping the opportunities to repair and strengthen the social fabric means giving citizens power and control over the things that matter to them: empowering existing community institutions and creating news ones that can serve as vehicles for action. |
| Giving communities the capital to repair their social fabric | Without collective resources, whether money, time or institutions, even the most committed communities are fragile. Philanthropy, public spending and private investment, together with volunteering and institutional strength, are all needed to repair the social fabric. When we say community capital, we explicitly mean capital that is controlled by members of the community, not spent on their behalf, based on assumptions about what they want. |

| 1. Create Community Improvement Districts (CIDs) to give power to local community groups to shape their lived environment. | 1. As well as the Levelling Up Fund, the New Infrastructure Levy should fund hyperlocal social infrastructure as well as economic infrastructure, with an automatic share (5-10%) granted to town and parish councils. |
| 2. Give every local area the right to form a town or parish council to improve hyperlocal governance, with an expectation that everywhere in the UK will have a community level council in due course. | 2. Give universities in areas which have fewer graduates a local premium for every student who studies locally to the area that they grew up in or currently live to help retain more graduates locally. |
| 3. Introduce a business rate exemption for community institutions to keep them at the heart of local life and to stop them from being priced out by rising rates. | 3. Give local people the ability to put down roots through a local right to build and the much wider rollout of Community Land Trusts for the delivery of social and affordable housing. |
| 4. Help local people take over empty buildings and shops on the high street for community use to help revive the high street with vibrant social hubs. | 4. Introduce Charitable Enterprise Zones, special areas where charitable support generates additional tax incentives, to focus philanthropic investment particularly in places with fraying social fabric. |
Social contract

*Why social fabric matters*
There is a growing recognition in British politics that the social fabric of many places in Britain is fraying. At least since the EU referendum, and in many respects for much longer, politicians have spoken of the need to replace feelings of decline, rootlessness and disconnect with a greater focus on purpose, community and connection.

The dilapidated high street is the perennial symbol of community decline. But in reality there are many tragic emblems that most people experience locally every day. Public spaces that are no longer kept up. Common institutions, from pubs to post offices, that are no longer viable. Sports clubs which are either struggling or have sold out to commercial interests. Shopping centres that have moved out of town, leaving a gap unfilled in the centre of towns. The COVID-19 crisis, while in some respects bringing the best out of Britain’s communities, has also shone a harsh light on those that lack strength and resilience.

But is this feeling of community decline real, and even if it is, why is it important? Is it not just nostalgia - a longing for days gone by? Given the huge improvements in our lives as a result of globalised trends like e-commerce, agglomeration and automation, should we not focus on what we have gained, not what we have lost? In a world when we can connect to thousands of people through our smartphones, are we not more connected, rather than disconnected?

Our work, which has drawn on both qualitative research in communities and statistical analysis of how aspects of community are changing, suggests that the perceived deterioration of community is both reflected in reality and materially important to our politics and society.

In particular, we have shown that there has been a broad based and long-term decline across many key indicators in the UK in recent decades. For example, today fewer than half of people in the UK are now members of a group (48%), compared to three-fifths in the early 1990s. Communities are also roughly half as likely (47%) to have a local post office than they were nearly two decades ago and three quarters (76%) as likely to have a local pub. This has also been seen in people’s home life: between 2011 and 2017, the share of parents engaging in activities or outings with their children several times a week declined from 36% to 29%.

*The Policies of Belonging*
This is not to say that everything has got worse. People can now expect to live for longer, 82.9 years for women and 79.3 for men. The crime rate has steadily decreased from almost 20 million incidents in the mid-1990s to 5.7 million incidents today. The proportion of the population achieving at least NVQ4 level qualifications in the UK have nearly doubled from 27% to 40% since 2005. These positive trends have, in some respects, helped to mitigate some loss of community.

Some places have been affected more than others by these trends. By analysing a wide range of social fabric indicators, we show that the places with the strongest social fabric are typically located in the South of England, especially in London’s rural commuter belt and parts of Scotland. These are characterised by high levels of physical infrastructure, economic security, enduring relationships, strong civic institutions and positive social norms. On the other hand, coastal areas, city suburbs and large towns have tended to see their social fabric fray, with the East of England, South Wales, and the M62 corridor from Grimsby to Huddersfield particularly affected. It would be a mistake to understand this only in economic terms, for while these areas have borne the brunt of Britain’s deindustrialisation, it is also their social and cultural institutions that have suffered. A true levelling up agenda must incorporate all these elements of repair and renewal.

The geography of these places will not be lost on many readers. They are mostly the same places which voted to leave the European Union in 2016 and include many of the constituencies and rugby league towns of the Red Wall that fell at the last general election, as ‘Workington man’ switched long held allegiance from Labour to Conservative. Statistically, there is a strong correlation between support for Brexit and fraying social fabric. The electoral realignment that we are experiencing, and the politics of post-Brexit Britain, are inescapably bound up with the state of community. The anxieties expressed by voters in recent years will only be resolved if the social fabric of these places is woven back together.

The fraying social fabric of the UK is important, and perhaps counterintuitive, during the pandemic. Many reports revealed an outpouring of community spirit during the first lockdown in March, and Onward’s own analysis at the time revealed a deep well of reciprocity, exemplified by mutual aid groups, neighbourly exchanges and support of informal networks for the vulnerable. But much less reported at the time was the fact that neighbourhoods with high levels of social trust prior to the pandemic were much more likely to have high levels of community support during the crisis.
As we wrote in March, there was and is a “risk that already strong neighbourhoods will be more resilient and may even strengthen social ties, whereas communities with a frayed social fabric may spiral further into isolation and mistrust”.\(^1\) In September, we also showed how the pandemic has opened up a generational divide, with young people increasingly disconnected from their community, whereas older generations have become more connected.\(^2\)

At its heart, our work has shown that the social fabric of communities warrants much greater political attention - and that there is a dividend waiting to be gained for the party that effectively seizes the agenda. It is clear that many people are yearning for a greater sense of pride and belonging, and that they want politicians - both local and national - to help them discover and sustain it. As we emerge from the pandemic and seek to level up the country, it matters now more than ever.
Outliers

Which areas do not fit the pattern?
As our report, *The State of our Social Fabric* set out, there is wide variation in the social fabric of communities. While it is generally true that the social fabric correlates to other measures, such as deprivation, there are a number of places that are not deprived but suffer from fraying social norms or relationships. Still others score well on some measures of our Social Fabric Index, with strong relationships and trusted civic institutions, but do less well on others, such as the quality of their physical infrastructure and the security of their economy.

This chapter explores these outliers, because they prove that community is much more than a function of simple economic or infrastructural factors and point to a more complex set of conditions that contribute to the strength, or otherwise, of our social fabric. In doing so, we hope to identify a number of ways in which we can strengthen the social fabric everywhere through both national policy and local initiatives. We come to these proposals in the next chapter.

**Identifying the outliers**

There are multiple ways to identify outliers between multiple indices. For this analysis, we compared the rankings of local places in England’s Index of Multiple Deprivation (IMD) and Scotland’s Index of Multiple Deprivation (SIMD) to our own Social Fabric Index rankings of local authorities for each country. Outliers were classified based on the rank difference being more than a third (equal to 105 ranks in England and 10 ranks in Scotland) between the two measures. The findings are striking:

- **We find 11 areas whose social fabric rank is considerably higher than the ranking for deprivation.** This suggests that these areas have relatively stronger community than their underlying economic fundamentals would imply. Eight of these areas are London boroughs, including Islington, Southwark, Haringey, Lambeth, Kensington and Chelsea, Camden, Ealing and Waltham Forest. The remaining three are Bristol, Wirral and Chester West and Chester.

- **These positive outliers areas tend to have stronger civic institutions and physical infrastructure than other areas.** Of the 11 areas, 10 rank higher for physical infrastructure and civic institutions than their overall social fabric score. For example, Wirral, which is the 42nd most deprived area in England, has the 132nd strongest social fabric in England. However it has the 43rd highest rank for
the quality of its physical infrastructure and 57th strongest civic institutions, which includes the quality of local institutions and government.

- **But they tend to rank relatively poorly on the quality of local relationships and the prevalence of positive social norms.** While these areas are typically endowed with stronger economic infrastructure, they underperform on other key aspects of social fabric. All eleven places are ranked lower for relationships and positive social norms than they are for social fabric overall, apart from Ealing. For example, the 251st most deprived area, Bristol, has the 93rd strongest social fabric in England, but is ranked 209th for positive social norms and 173rd for relationships.

Table 1: **Positive outliers: Local areas whose social fabric considerably overperforms deprivation**

*Source: IMD and Social Fabric Index rankings, England*

<table>
<thead>
<tr>
<th>Local area</th>
<th>IMD</th>
<th>Social Fabric</th>
<th>Relationships</th>
<th>Physical infrastructure</th>
<th>Civic institutions</th>
<th>Economic Value</th>
<th>Positive norms</th>
</tr>
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<tbody>
<tr>
<td>Islington</td>
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<td>62</td>
<td>157</td>
<td>12</td>
<td>49</td>
<td>37</td>
<td>170</td>
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<tr>
<td>Bristol, City of</td>
<td>251</td>
<td>93</td>
<td>173</td>
<td>3</td>
<td>58</td>
<td>119</td>
<td>209</td>
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<tr>
<td>Southwark</td>
<td>244</td>
<td>87</td>
<td>176</td>
<td>45</td>
<td>64</td>
<td>85</td>
<td>126</td>
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<tr>
<td>Wirral</td>
<td>274</td>
<td>132</td>
<td>211</td>
<td>43</td>
<td>57</td>
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<td>204</td>
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<tr>
<td>Haringey</td>
<td>267</td>
<td>128</td>
<td>204</td>
<td>60</td>
<td>11</td>
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<tr>
<td>Lambeth</td>
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<td>134</td>
<td>70</td>
<td>53</td>
<td>121</td>
<td>157</td>
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<tr>
<td>Kensington &amp; Chelsea</td>
<td>195</td>
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<td>95</td>
<td>115</td>
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<td>102</td>
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• **In contrast, we find 8 local authorities in England whose social fabric rank is considerably lower than their deprivation rank.** These areas are: South Kesteven, North Kesteven, South Holland in Lincolnshire, Melton in Leicestershire, Cannock Chase in Staffordshire, Castle Point and Rochford in Essex, and Richmondshire in Yorkshire. These areas are set out in the table below. For example, Rochford is ranked 34th most deprived in the Index of Multiple Deprivation in England, putting it in the second lowest decile of deprivation. However it is ranked in the middle of the distribution (179th) in our social fabric index.

• **These areas are characterised by the low levels of economic security or physical infrastructure.** These local areas are typified by relatively weak economic opportunity. All eight of the areas underperform their social fabric rank on physical infrastructure, and one area - Rochford - is in the bottom decile for physical infrastructure but in the middle of the pack for social fabric. Three areas, Richmondshire, Melton and South Kesteven, have lower economic value rankings than their social fabric. These rankings are driven by lower income levels and unstable housing tenure.

• **However they benefit from relatively strong relationships and social norms.** When we look at the social fabric of these areas in detail, we find that two aspects of community rank higher than their overall social fabric rank. In all eight of these local areas, the score for positive social norms outperform their overall social fabric score, and six of the areas outperform on relationships too. For example, Richmondshire is ranked 105th in our index for social norms and 115th for relationships, but overall is ranked 201st for social fabric. This is particularly driven by low levels of crime and positive health outcomes and higher levels of marriage and the number of children, as well as moderate levels of leisure time.
Table 2: Negative outliers: Local areas whose social fabric considerably underperforms deprivation

*Source: IMD and Social Fabric Index rankings (1 = highest), England*

<table>
<thead>
<tr>
<th>Local area</th>
<th>IMD</th>
<th>Social Fabric</th>
<th>Relationships</th>
<th>Physical infrastructure</th>
<th>Civic institutions</th>
<th>Economic Value</th>
<th>Positive norms</th>
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<td>Rochford</td>
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<td>263</td>
<td>302</td>
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<td>Melton</td>
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<td>181</td>
<td>105</td>
<td>257</td>
<td>191</td>
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<tr>
<td>North Kesteven</td>
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<td>124</td>
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<td>Cannock Chase</td>
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<tr>
<td>South Kesteven</td>
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- **A similar pattern is also seen in Scotland, when comparing SIMD rankings and our Social Fabric Index for all 32 local authorities.** We found that five places in Scotland have a strong social fabric in Scotland but are more deprived. For example, Inverclyde is the second most deprived local authority in Scotland but is ranked 13th for social fabric in Scotland. South Lanarkshire has the 10th highest deprivation score, but also has the 22nd strongest social fabric in Scotland, outperforming on income, stable housing tenure, green space and broadband access.

- **This is reliant in particular on the strength of civic institutions in Scottish localities.** All of the five outliers - Stirling, City of Edinburgh, South Lanarkshire, Inverclyde and Argyll and Bute - score above the Scottish average for trust and quality in their civic institutions. Indeed all five of these areas score in the top fifteen Scottish areas for civic institutional strength, with Stirling ranked 3rd on this measure.
Table 3: Negative outliers: Local areas whose social fabric considerably underperforms deprivation

Source: SIMD and Social Fabric Index rankings, Scotland

<table>
<thead>
<tr>
<th>Local area</th>
<th>SIMD</th>
<th>Social Fabric</th>
<th>Relationships</th>
<th>Physical Infrastructure</th>
<th>Civic Institutions</th>
<th>Economic Value</th>
<th>Positive norms</th>
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<td>Argyll and Bute</td>
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<td>13</td>
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</table>

- In Scotland, less deprived areas also suffer from a fraying social fabric. As demonstrated by Table 4, Midlothian is the 21st least deprived local authority in Scotland, but ranks 11th overall for the strength of its social fabric. Orkney Islands, the 31st least deprived local authority in Scotland, also scores poorly for social fabric (31st in Scotland), in particular physical infrastructure, civic institutions and positive social norms.

- We find that places which score poorly for social fabric overall often have relatively strong local relationships and positive social norms. Local places such as Orkney Islands, Angus and the Shetland Islands all score above UK average for either relationships or positive social norms. For example, Shetland Islands is ranked 2nd for relationships and Angus is ranked 12th for positive social norms. This reinforces the idea that community is influenced by more than just economic and physical factors of a place, but that social elements matter too.
Table 4: Positive outliers: Local areas whose social fabric considerably overperforms deprivation

*Source: SIMD and Social Fabric Index rankings, Scotland*

<table>
<thead>
<tr>
<th>Local area</th>
<th>SIMD</th>
<th>Social Fabric</th>
<th>Relationships</th>
<th>Physical infrastructure</th>
<th>Civic institutions</th>
<th>Economic Value</th>
<th>Positive norms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midlothian</td>
<td>21</td>
<td>11</td>
<td>21</td>
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<td>Shetland Islands</td>
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<td>2</td>
<td>30</td>
<td>19</td>
<td>4</td>
<td>17</td>
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<td>16</td>
<td>26</td>
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<tr>
<td>Orkney Islands</td>
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<td>8</td>
<td>31</td>
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<td>Moray</td>
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<td>19</td>
<td>29</td>
<td>25</td>
<td>22</td>
<td>14</td>
</tr>
</tbody>
</table>

Outliers on social capital indicators

- Looking at the outliers on specific threads of our social fabric index reveal an even more complex picture. Looking specifically at the more social capital threads of our index - the strength of local relationships, the quality of civic institutions and the prevalence positive social norms - we find a number of local areas that rank considerably higher on some or all of these threads than they rank overall, suggesting they have been able to sustain higher levels of association, group membership and strong social norms, in spite of lower levels of economic and physical infrastructure.

- There are 18 local areas which rank higher for the relationships, civic institutions and positive social norms than for overall social fabric. These are: Eden, Breckland, Richmondshire, Canterbury, Hastings, South Holland, Tendring, West Devon, Maldon, East Lindsey, Torridge, Worcester, Forest of Dean, North Norfolk, Norwich, Colchester, Gosport and South Kesteven.

- A number of these areas stand out for future analysis. For example, Eden in Cumbria is ranked 22nd in England for relationships, 47th for civic institutions and 133rd for positive social norms. This is despite Eden being 152nd in our index overall and 130th on the IMD. Similarly, West Devon is ranked 66th for...
relationships and 74th for civic institutions, both considerably higher than its overall social fabric ranking of 145th. These areas show that community is not merely a function of economic or deprivation factors, but instead reflects a wider confluence of other trends.

Table 5: Social capital outliers, by ranking
Source: Onward, Social Fabric Index rank across different threads

<table>
<thead>
<tr>
<th>Local area</th>
<th>IMD</th>
<th>Social Fabric</th>
<th>Relationships</th>
<th>Civic Institutions</th>
<th>Positive social norms</th>
<th>Economic value</th>
<th>Physical infrastructure</th>
</tr>
</thead>
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<tr>
<td>Eden</td>
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<td>152</td>
<td>22</td>
<td>47</td>
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<td>Breckland</td>
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<td>Richmondshire</td>
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<td>115</td>
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<td>Canterbury</td>
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<td>97</td>
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<td>Hastings</td>
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<td>304</td>
<td>221</td>
<td>221</td>
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<tr>
<td>South Holland</td>
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<td>279</td>
<td>197</td>
<td>275</td>
<td>190</td>
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<tr>
<td>Tendring</td>
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<td>201</td>
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<tr>
<td>West Devon</td>
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<td>Maldon</td>
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<td>182</td>
<td>113</td>
<td>169</td>
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<tr>
<td>East Lindsey</td>
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<td>195</td>
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<td>298</td>
<td>255</td>
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<tr>
<td>Torridge</td>
<td>217</td>
<td>184</td>
<td>117</td>
<td>68</td>
<td>127</td>
<td>286</td>
<td>286</td>
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<tr>
<td>Worcester</td>
<td>181</td>
<td>244</td>
<td>177</td>
<td>214</td>
<td>229</td>
<td>244</td>
<td>288</td>
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<tr>
<td>Forest of Dean</td>
<td>153</td>
<td>158</td>
<td>107</td>
<td>100</td>
<td>108</td>
<td>150</td>
<td>307</td>
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<tr>
<td>North Norfolk</td>
<td>189</td>
<td>187</td>
<td>137</td>
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<tr>
<td>Norwich</td>
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<td>291</td>
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<td>163</td>
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<td>165</td>
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<td>220</td>
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<tr>
<td>Gosport</td>
<td>183</td>
<td>274</td>
<td>234</td>
<td>168</td>
<td>268</td>
<td>279</td>
<td>273</td>
</tr>
<tr>
<td>South Kesteven</td>
<td>86</td>
<td>195</td>
<td>166</td>
<td>187</td>
<td>150</td>
<td>238</td>
<td>230</td>
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</table>
• A higher relationship ranking is strongly associated with high levels of volunteering and socialising and leisure time. These two appear to be the main drivers for the social capital outliers. Of all the 18 social capital outliers, 11 score above the English average (5.89) for socialising and leisure time. For example, Canterbury ranks 97th for the quality of relationships in England, driven by a very high score of 7.50 for socialising and leisure time. More than half of social capital outliers also score highly for levels of volunteering. Forest of Dean (5.44), Torridge (5.68), West Devon (6.57), Eden (5.75), North Norfolk (4.99), Worcester (5.17), Canterbury (4.70), South Kesteven (4.74) and Maldon (4.92), all score above the English average (4.76) for volunteering activities in their local places. Three local authorities from the social capital outliers score above the English average across four out of the five different indicators in the relationship thread. They are West Devon, Eden and Canterbury, which rank 66th, 22nd, and 97th for the quality of relationships and 145th, 152nd and 180th for the social fabric of their place in England, respectively.

• Trust in institutions appears to be the main driver for the high rankings for civic institution scores for these areas. Nine out of the 18 local areas score above the English average of 5.04 for trust in institutions. These include, Gosport (5.12), East Lindsey (5.27), Canterbury (5.41), Maldon (5.40), Tendring (5.39), Hastings (5.10), Breckland (5.07), Colchester (5.42) and East Lindsey (5.27). High scores for civic institutions are supplemented by high scores for either institutional and local service quality or political engagement. Places such as Forest of Dean (6.13), Torridge (5.74), Gosport (5.70) and South Kesteven (5.50) are among the seven places which score above the English average (5.40) for institutional quality. A similar picture is also seen for Political engagement. The Forest of Dean (5.04), Torridge (5.78), West Devon (6.49), Eden (5.54), North Norfolk (6.33) and Richmondshire (4.93) all have very high levels of political turnout in both national and local elections and rank equally high for civic institutions.

• Areas with a high positive social norms score tend to have a relatively low crime rate, better health and strong family values such as high levels of marriage and number of children, with the optional addition of a higher proportion of people with NVQ4 or higher. The drivers of positive social norms are not as definitive. For example, Canterbury scores above England’s average for family values, health and the proportion of people with NVQ4 or higher. This is in contrast to Torridge, whose high positive social norm score is driven by very low levels of crimes, but
also high levels of family values and health outcomes. Both rank very highly for positive social norms, 163rd and 127th respectively, but this demonstrates that there is no fixed route to having strong positive social norms, but these elements play a crucial role.

**Lessons from the outliers on our social fabric**

These social fabric outliers expose the key insight of our work on social fabric to date: that it is both social *and* economic factors that decide a place’s fate and that looking at one in isolation tells us little. Strong community institutions and networks are not confined to rich areas or those which have had the best economic infrastructure. Areas like Eden, Gosport and Torridge are not particularly well endowed with strong economic assets but have strong communities nonetheless. Similarly, places like Wirral are deprived but underpinned by a strong social fabric.

This is important because it helps us understand how to repair the social fabric, and how not to. These outliers suggest that investing in economic assets or tackling traditional metrics of deprivation will not, on their own, bring back community to places where the social fabric is fraying. Ministers will need to consider both social and economic factors, and the interplay between them, in order to achieve lasting change.

The next chapter considers how this has not been the approach taken in the past. In the final chapter, we use this insight to develop a new taxonomy for community empowerment and social fabric revival, to both endow places with the powers to take back control of their destiny, and the capital and security to make use of those powers.
Lessons from history

Community regeneration in the post-war period
It is important to recognise that this agenda is not new. Governments of all parties have tried to strengthen the institutions and networks within communities, and at different times community distress and breakdown have been the subject of intense political attention. However few have ever been sustained and there is a strong case to be made that few have had the desired effects.

This chapter explores the diverse list of local regeneration initiatives introduced since the 1960s. They include initiatives based on intensive top-down support for left behind places, permissive programmes that aimed to give places more freedom to regenerate themselves, and policies that involved both bottom up and top down policies.

What unites them, however, is that they are almost all focused heavily on economic levers for change. As our previous analysis has shown, economic factors are not the only driver of community atrophy or recovery. It is in the complex interaction between economic and social factors - both economic infrastructure, capital and social institutions and relationships - that the social fabric can be strengthened. The following chapter will set out a programme of policies that aim to address both sides of the coin.

An overview of previous initiatives

The strengthening of community has preoccupied politicians at different times and in different ways since the 1960s. We identify five distinct periods in which regeneration policy defined broadly was the focus for sustained policymakers.

Urban Aid in the 1960s

The 1960s saw a new focus on urban problems. Many politicians at the time saw the origins of urban disorder in the anti-social behaviour of individuals and family weaknesses. In 1969, Harold Wilson announced the first of many semi-experimental social programmes under the Urban Aid Programme. The programme was an attempt to address social needs through financial support to local areas.

It involved providing 75% government-backed grants to local authorities and voluntary organisations for social projects in disadvantaged urban areas. Roughly 3,300 projects worth £32 million were approved by 216 local authorities in England and Wales. Projects included family planning units, nursery schools, legal advice centres and community centres and holiday schemes.
Box: The five phases of social fabric policy since the 1960s

1. After the election of Harold Wilson’s Government in 1964, the Labour Government introduced the first direct urban policy agenda, the Urban Aid Programme, to address urban poverty, deprivation and social needs in urban settings.

2. The decade from the early 1970s to the early 1980s saw a mix of policy approaches to urban regeneration from Labour’s Inner Urban Area Act to the Conservative’s property-led regeneration with the private sector under Prime Minister Thatcher.

3. In the early 1990s, John Major’s Conservative Government continued the previous economically driven efforts of community regeneration by trying to simplify funding and partnership building, for example, through the Single Regeneration Fund.

4. Following Tony Blair’s election in 1997, the Labour Party made regeneration a core theme of their domestic agenda, investing in Education Action Zones, Anti-Social Behaviour Orders (ASBO) to the New Deal for Communities Programme. These interventions prioritised social as well as economic factors for the first time.

5. From 2010, the Coalition Government embraced localism and introduced a suite of devolved powers and resources through the Localism Act, which gave communities permissive rights to own assets, run services or challenge local decisions.

Urban development in the 1970s and early 1980s

From the early 1970s, the focus on grant support shifted to a focus on development. This was a tumultuous decade politically and economically, but one constant was the idea that area-based initiatives - from Heath’s Inner Area Studies, Wilson and Callaghan’s Industrial Improvement Area and Inner Urban Area Act and Thatcher’s Urban Development Corporations - were a critical tool to help redress urban poverty and community revival.

On the recommendation of the 1977 White Paper *Policy for the Inner Cities*, Callaghan’s Government introduced the Inner Urban Area Act in 1978. This provided financial assistance to local areas with serious urban problems. The idea behind this was that that
inner city decline could not simply be addressed by localised job-creation alone\(^5\) and both environmental and social factors were a part of the problem. 42 areas in England were identified and supported based on the severity of the problems in those communities.

Following Margaret Thatcher’s victory in 1979, funding for the Urban Aid Programme continued and increased from £93 million in 1978-9 to £338m in 1984.\(^6\) This decade was defined by the introduction of Urban Development Corporations and Enterprise Zones. The former focused on repurposing derelict urban land for an economic benefit and the latter established low tax and limited planning control areas to drive investment. These initiatives changed the urban landscape but there are questions about their effectiveness as community interventions. For example, Enterprise Zones were criticised as an expensive economic intervention for regenerating run-down areas with social problems, with each additional permanent job costing £30,000 according to some studies.\(^7\) Between 96,000 and 125,000 people gained employment in the zones, and of this 58,000 were estimated to be net additional jobs.\(^8\)

**The introduction of the Single Regeneration Budget in the 1990s**

In 1994, John Major introduced the Single Regeneration Budget. This was intended to address social issues such as crime and educational disadvantage by building local partnerships and supporting local regeneration projects. The SRB collapsed 12 separate funding streams into one flexible fund, with a total cost of £5.7 billion.\(^9\)

The initiative focused on deprived areas with a third of SRB expenditure being spent on 15% of the population in the top 20 deprived local authorities districts.\(^10\) The freedom that the grant provided in terms of defining geography, duration, size, objectives and theme meant that the benefits of such an economic intervention could be spread widely. However, the SRB scheme only saw two rounds of mainstream funding before being replaced in 2001 by Regional Development Agencies which took on responsibility distributing money.

**The New Deal for Communities from 1997**

Under the New Labour Government, community regeneration became a core theme of policy. Over the decade, urban policies, economic development trends and housing market forces all pulled in the same direction.\(^11\) Tony Blair’s Government invested heavily
in Education Action Zones, Anti-Social Behaviour Order, and from 1998, the New Deal for Communities Programme.

The New Deal for Communities Programme was a ten year programme designed to transform 39 deprived neighbourhoods by providing economic assistance to transform either place-related outcomes (crime, community, housing and physical environment) and people-related outcomes (education, health and worklessness). Initiatives included Neighbourhood Warden schemes, construction projects or initiatives to provide IT facilities to young people disengaged in school. It cost a total of £1.7 billion and funded over 6,900 projects in 39 local areas.

**Localism after 2010**

From 2010, Government policy moved away from top down state intervention and more towards permissive schemes designed to unleash untapped civic potential. This was the case with both devolution deals and the introduction of the Localism Act, which provided local people and communities greater control over the ownership of assets and the running of services.

The Localism Act 2011 primarily focused on decentralisation away from Westminster as a tool to boost communities’ and local authorities’ capacity. It gave councils greater discretion over business rates, local people greater powers to challenge excessive council tax rises, how local services are being run, and community groups rights to run or own certain assets.

This followed further freedoms to six regions - the West Midlands, West of England, Tees Valley, Liverpool City Region, Greater Manchester and Cambridgeshire and Peterborough - through devolution deals that eventually saw accountability through directly elected mayors.

**Lessons from the history of community regeneration**

These initiatives demonstrate the enduring importance of social fabric to British politics over the last fifty years and the way in which policy has shifted over time, but the tools of regeneration have remained largely fiscal in nature. From the 1960s until the early part of the last decade, the focus of these initiatives was overwhelmingly on inner cities in tightly concentrated areas of disadvantage and poverty. In the last two decades, this has shifted
to other broader areas, particularly post-industrial and market towns that have suffered as a result of globalisation and which are increasingly politically important.

Some initiatives, such as Urban Aid and New Deal for Communities, deployed top-down social interventions in the form of grant support and investment in social services. Others, such as Enterprise Zones and Urban Development Corporations, used relaxed rules and economic change to drive regeneration. In both cases, however, the focus was on essentially economic mechanisms - investment and hard infrastructure - to support stronger communities.

In the last decade, that has changed. The Localism Act introduced a wide framework of permissive rights and bottom-up civic responsibilities. While well-intentioned, these rights have been used infrequently and the explosion of civic association envisaged at its outset has not come to pass, especially in the places where social fabric is most lacking.

This history, combined with our understanding of social fabric today, suggests two lessons which we believe should be at the heart of social fabric policy today. The first is that top down economic interventions will on their own only take communities so far. There is no doubt that the urban regeneration schemes of the late twentieth century had some positive effects, but much of the time the impact was short-lived and limited. This may be because top-down and investment-led programmes do not build the capacity for social fabric to sustain beyond the period of intervention. They require civic power too.

The second lesson is that the exercising of civic rights requires resources that are not always present within the hardest pressed communities. The Localism Act created many opportunities for people to take control of their local place, but few communities have registered assets of community value, challenged the running of local services, or introduced community-led housing schemes. As we have shown, this is not because people do not want these aspects of community fixed, or that people are not willing to invest time and money into their social fabric. It may be, in fact, because many places simply do not have the capital - financial, temporal or social - to make use of such tools.

As a result, we believe that the answer lies in a combination of social and economic interventions, acting in concert, to improve social fabric that is fraying and places that feel left behind. The next chapter sets out a set of policy proposals to effect such change, combining approaches that shore up capital with those that give people, both individuals and communities as a whole, power to shape their place.
The Policies of Belonging
Since Onward published *The Politics of Belonging* a year ago, we have tested and proven four core hypotheses about the state of community in Britain today. These are as follows:

1. The unprecedented political volatility that the UK has experienced is due, in large part, to people seeking security and belonging in a world that is increasingly atomised and insecure. Only by repairing communities can we repair democracy.

2. There has been a broad based and long-term decline in the state of community in the UK in recent decades, characterised by falling civic association, group membership, social action and rootedness. This mirrors trends across the West and is fundamental to our long term prosperity.

3. The social fabric is increasingly threadbare in some parts of the UK. These communities lack the networks and institutions by which to thrive, with post-industrial and coastal towns particularly affected.

4. The long term prosperity of society is highly dependent on two factors: the strength of the social fabric found in place and the economic base. Levelling up must be a social as well as economic endeavor.

Our work could not have come at a more important time. The nine months we have just experienced, and the months to come, represent an unprecedented shock on local associational and civic life in the UK. Demand for social support has exploded just at the time when social contact is prohibited and fundraising has been badly affected. The response of local organisations - public, private and civic, formal and informal - has been humbling. They demonstrate, more than anything, the deep well of support available in communities, but which is insufficiently invested in and rarely enlisted to solve society’s problems during normal times.

It is therefore the right moment for policymakers to move from the politics to the policies of belonging. We must to develop a set of interventions that can sustain, inspire and scale community strength across the UK, especially to those places where it is most lacking.

This chapter sets out a set of policies that aim to do just that. Some are radical and politically difficult. Others are more straightforward. But taken together, they would represent a powerful transfer of power and initiative to local places to allow them to build back better after the crisis.
A framework for building community

If the case for strengthening community is clear, the playbook for doing so is more contested. Some argue that the answer lies solely in giving communities and neighbourhoods control and money. Others propose a stronger role and more resources for local and central government. Others still argue that structural trends towards individualism and mobility cannot (and must not) be reversed and that only through changes to individual freedoms will change occur.

The truth is that there is an element of truth to all these schools of thought. In *The State of the Social Fabric*, we found places whose social fabric was particularly strong because of civic association and institutions that exercise community power. We also found the social fabric buttressed by strong norms and relationships indicative of positive individual choices. In others, we found that belonging was stronger because institutions had the resources, and individuals had the security, to invest in their communities.

We therefore need a framework for intervention that encompasses both individual and collective power and the security of people and the institutional strength of communities as a whole. To develop this, Onward brought together a range of policy thinkers from left and right, local and national policy, to explore different problems raised by our social fabric work. We are extremely grateful for their time and ideas, although the policies in this chapter do not necessarily reflect their views. The policy workshops considered a number of different questions, including:

- What would be the best practical ways to revitalise high streets, squares and town centres?
- How can we give people back time to spend in their local area?
- What can and should politicians do to support local relationships and networks?
- How can we put communities in control in a way that works?
- How can we encourage people to put down roots and stay, rather than leave to succeed?
- How can policy form and better distribute stronger social norms?
- What can we do to transform places of multiple, reinforcing problems?
- What is the balance between economic and social interventions?
In doing so, we developed a way of thinking about the policies of belonging that is visualised in the matrix below, bringing together what we might consider the individual and collective engines of change (power) with the fuel for those engines (capital) for both individual and collective actors within a community. This has helped to shape our policy proposals, set out below.

Figure 1: Social Fabric Matrix
Giving individuals the power to repair their social fabric

People value community and miss it when it disappears. This is one reason why we lament the deterioration of the high street and are wistful about village cricket games, the scouts and guides, and neighbourhood watch. We are social animals and want to be part of social institutions, whether families, communities, or nations.

But too often people are prevented from doing so by lack of power, absence of time, the hoarding of power by centralised bodies, or obstructive rules. This is a waste. We should be making it as easy as possible for people to contribute to their community because doing so is the essence of a social good. Stronger communities are more economically productive, healthier and happier and more politically harmonious. The following are a set of ideas to empower individuals to contribute more, no matter their background or circumstances:

1. Allow working age adults to draw down a year of their pension early for a “civic sabbatical”

People are living longer and their time spent in retirement is increasing. The average life expectancy of male and female living in the UK is now 79.3 and 82.9 years old respectively. The average time spent in retirement has risen from 13.5 years in 1948, when the modern State Pension was introduced, to around 21 years today. Nearly a third (32%) of the average adult life is spent in retirement.

At the same time, savings rates have increased sharply since the introduction of automatic enrolment since 2012. 43% of all employees now pay into a defined contribution pension, compared to only 17% in 2012, with young people most engaged. 63% of 22 to 29 year old private workers paid into a defined contribution pension in 2017, up from 16% five years earlier. As a result of innovative policy, we are beginning to create the culture by which people are saving for longer and more seriously for later life, though there is a way to go yet.

The paradox of people having more and more time to spend at the end of their lives is that many people feel incredibly time poor when they are working, and unable to invest in their family or build up skills and experiences that may benefit them and their community. As we set out in The State of our Social Fabric, the proportion of people very satisfied
with the amount of time they could spend on leisure activities fell from 42% in 1996 to 35% in 2005, and has never recovered.

One way the Government could address the time deficit that prevents many people from contributing to their community would be to allow people to take a year from their pension early. This is an idea first proposed by the Financial Times’ Sarah O’Connor and developed elsewhere.

We propose that such “civic sabbatical” could be used to volunteer, start a community venture, retrain or start a local company. Sabbaticals are still seen as an economic pursuit, often funded by employers: in one survey, 13% of people taking a sabbatical want to gain experience in a new field of work, 14% to reassess their career path and 18% to complete a course. The State could support people to undertake a civic equivalent.

The civic sabbatical would give individuals an entitlement to take up to a year off work to serve their community. Employers would be obliged to agree and hold the position open, as with parental leave, but without any financial obligation to continue paying wages or pension contributions. This could be trialled or initially limited to large firms. Individuals who have pension savings would draw down a year of their pension a year earlier, in return for moving back their retirement date by a year. This could be an annualised equivalent of the state pension, just over £9,000 a year, or a specified fraction of their estimated future pension savings at retirement, paid out ahead of time. They would retire a year later to make up for the working - and contributing - time lost and to maintain fairness.

This proposal will not be without its critics. First, defined contribution pensions rely on compounding, meaning a break in contributions would be considerably more costly than the amount drawn down and thus reducing people’s pension savings at a time we are trying to increase them- hence the need to delay retirement. Some people may die before retirement age, a marginal cost which would need to be covered by increased average policy costs. However these concerns are surmountable.

Policymakers could limit the scheme to people over the age of 30 who had opted into auto-enrolment, or those where a significant contribution had already been accumulated. A later retirement age would also likely replace contributions at a higher wage. But, as we will outline further along in this paper, greater recognition of family commitments within
the tax system would also assist with bridging this gap and provide people with the freedom and opportunity to contribute.

2. **Introduce a ‘Year to Serve’ youth employment scheme to provide 18-24 year olds with civic job opportunities**

Between March and September this year, the number of 18-24 year olds claiming unemployment benefits increased by 294,400 claimants, an increase of 125%. Figures from the Resolution Foundation suggest that one-third of 18-24-year-old employees (excluding students) have lost jobs or been furloughed and the LSE Centre for Economic Performance suggests that young people are twice as likely to have lost a job than older workers. The OBR recently predicted that employment overall will peak at 2.6 million next year. While this was better than previous forecasts, the risks of a generation being scarred by long-term unemployment, with permanently lower earnings, progression and rates of employment, remains considerable.

The Government has already done a lot to support young people. The Kickstart scheme, launched this month, offers employers a generous stipend covering wages and administrative costs if they take on an unemployed 16-24 year old for a six month placement. This is welcome and should make a real difference. But as departments are finding out the hard way, it is difficult to encourage employers to take on young people, however well-subsidised, when they are laying off workers or future economic conditions are still uncertain. Unlike the Future Jobs Fund, which opened for applications as the economy was reopening after the financial crisis in 2009, the current labour market is still in the grip of disruption and will be for some time.

Community and civic organisations have experienced surging demand since March and a precipitous drop in donations. This presents an opportunity for the Government to support young people and to buttress the civic sector by helping young people to serve their communities. A “Year to Serve” scheme, through which young people are paid the national minimum wage to undertake socially useful jobs, would generate social capital as well as reducing economic displacement among young people.

There are a number of similar schemes which prove the service year model, including Service Civique in France and Freiwilliges Soziales Jahr (FSJ) in Germany. The largest such scheme is AmeriCorps in the United States, which now puts 75,000 American young
people into service in 21,000 locations around the United States each year, paying them a wage and providing training and employability support alongside.

In the UK, such a scheme could usefully support the delivery of wider government objectives. The Government’s manifesto in 2019 pledged to plant 30 million trees per year, or 30,000 hectares annually, between 2020 and 2025. Ministers have committed to halving the early years literacy gap and pledged to boost English language teaching to empower existing migrants and bridge society. A “Year to Serve” scheme could help to achieve these targets in quicker time, or help address deeper issues such as the high rates of churn and vacancy in social care.

It would also tap into deep political support for service. There has long been broad and cross-party support for introducing some form of National Service, across all age groups and demographic markers. Polling for Onward has found that 66% of people support some form of national service, with just 34% of people are opposed in principle to National Service and YouGov has found that 47% of people support national service for young men. Older generations are most strongly in favour.

There are different ways this could be achieved. For example, it could be introduced alongside Kickstart. Alternatively, it could be developed within the Kickstart model. The charity Catch22 is already developing a scheme called Kickstart Community, which offers young people not just a job but also skills, volunteering and progression support. The Government could encourage and enhance these approaches, or seed fund its own gateways in specific sectors, such as social care, where there is clear demand for skilled workers in the long run.

3. Imbue young people with the skills and motivation to serve others through comprehensive character education in schools

In recent years there has been a re-discovery of the benefits of educating for character. The benefits of character education, helpfully summarised in a recent paper for NFER, include a greater ability and willingness of young people to contribute to their local communities.

In the UK, this work has been led by the Jubilee Centre for Character and Virtue at the University of Birmingham, alongside a range of educators - especially free schools and
academies - and civic service organisations like the Scouts, Step Up To Serve, National Citizen Service and others.

It has been recognised by Government, most notably by the then Education Secretary, Rt. Hon. Baroness Nicky Morgan, made educating for character an explicit goal of the Department for Education during her time in office, creating a new Character Awards programme and a fund to support new character education initiatives, such as Floreat Education’s Character Programme for infant pupils. Character is also now recognised in the Ofsted Inspection Framework, meaning schools are obliged to develop their pupils’ character strengths explicitly through the curriculum.

These steps are welcome and represent great progress, but we can and should go further. The most comprehensive way to do so would be to make the delivery of character and service-based learning an obligatory part of the PSHE curriculum, alongside the other compulsory elements, which are Health Education and Relationships Education in primary schools and Relationships and Sex Education (RSE) in secondary schools.

Both the Jubilee Centre and the PSHE Association have developed lesson plans and toolkits for teachers and schools to reframe their PSHE teaching around character. Ministers should work with these and other organisations to update the statutory guidance to place a greater emphasis on educating for character.

4. Create a long-term standing reserve of volunteers to support communities by making the NHS volunteers scheme permanent and make the DBS flexibility introduced during the pandemic permanent

Many people have the desire to help and contribute to their local community. The COVID-19 crisis has been a great example of the overwhelming public support and willingness to step-up and provide small acts of kindness or more formal actors of assistance. But many are put off by the processes involved and the lack of established infrastructure to volunteer, which means that tasks that should be informal and friction-free can become bureaucratic and time-consuming.

The introduction of the NHS Volunteer Responders at the beginning of the COVID-19 crisis was testament to the desire and ability of people to mobilise and support their wider community. Recruitment to the scheme temporarily paused two weeks after the UK officially went into lockdown to process the initial 750,000 applications, and hundreds of
thousands of people helped their community. But even then, the system did not work as well as was hoped and a large minority of volunteers were never called upon.

The Government should build a long term institution to harness that amazing community spirit. Alan Mak MP has recently introduced an NHS Reserves Bill to create a new system of volunteer reservists for the NHS. This is the right approach but the ambition should be even broader. The Government should create a volunteer army that becomes a permanent fixture of civic society beyond the crisis. The NHS volunteers scheme should be opened up to local community groups, organisations and other public services, and people should be encouraged to become community reservists locally.

This would be helped enormously by a pragmatic approach to disclosure and barring. At the start of the pandemic, the Government took steps to allow initial checks to be carried out via video link and digitally submitted documents. These steps did not lead to a major change in the number of checks being processed or dispatched - over 1.5 million DBS applications were processed between March and June, similar to 2019, and the average turnaround time did not change markedly. Nor - crucially - has there been public outcry or well-publicised mistakes.
Figure 2: The impact of changes to DBS checks during the pandemic.

Source: GOV.UK
These changes demonstrate that the administrative burden of volunteering can be reduced without increasing risk. Under the new rules, applicants must still present original versions of documents when they first attend their employment or volunteering role, but organisations take on this responsibility themselves. The Government should make these temporary changes permanent. Safeguarding, especially of vulnerable adults and children, must always be paramount. But as the experience since March shows, safeguarding does not have to be done in a way that discourages volunteering.

**Giving individuals the capital to repair their social fabric**

Not everyone has the capital to contribute to their community. Many people simply do not have the financial resources. Onward’s Social Fabric Index was strongly correlated to household deprivation and security of tenure and employment. People with fewer assets and less income simply have a weaker foundation on which to build social relationships and contribute to social institutions. If people are forced to move often, live in high cost rented housing or work in a precarious job, the opportunity cost of civic association is much higher.

This issue has accelerated as a result of changes to the labour market in recent years, many of them positive. For example, the growth of women in the workforce has not only given women many more economic opportunities and started to close the female earnings and representation gap, it has also reduced the number of people with resources to dedicate to communities during the working week. We have no wish to turn the clock back, and as our *Politics of Belonging* report found people are neither nostalgic for some imagined golden past nor satisfied that equality has gone far enough. A modern approach to recapitalising individuals so they can contribute to the social fabric is needed.

1. **Replace the marriage tax allowance with a family allowance to give families the security to contribute to their community or family commitments**

Many politicians and organisations advocate a greater role for marriage within the tax system, on account of the value of stable relationships to a wide array of social outcomes. We agree. Since 2013, HMRC has offered married couples the ability to transfer £1,250 of their £12,500 personal allowance to their husband, wife or civil partner through the Marriage Tax Allowance. In practice this means that married individuals can reduce their tax by up to £250 a year, as long as one partner earns less than £12,500 and the other
earns less than £50,000 or £43,430 in Scotland. In 2018/19, just 1.8 million couples claimed the allowance, less than half of the 4.2 million couples that could benefit.

But we need to encourage not just marriage, but the institution of the family. There is a strong case for broadening the marriage tax allowance to a broader “family allowance” for three key reasons. First, at present, many married couples with children face a considerable family penalty: single people without family responsibilities in the UK pay 8 per cent less in tax than the OECD average, while single-earner married couples with two children pay 30 per cent more. Second, it will give families the freedom through capital to shape their family structure as well as their time as they wish. And third, it will finally recognise family commitments, such as caring for young children and elderly parents, that is commonplace in many households across the country, not just those of married couples, but goes unnoticed by the tax system.

Under the family allowance, couples would be able to transfer their entire tax allowance of £12,500 to a working spouse. This would recognise families rather than just the individuals through the tax system and allow either partner to commit to child or family care without foregoing their tax allowance - or balance part-time work and familial or community commitments without a penalty. Crucially for the purposes of this study, such a change would allow people, even those on low incomes, to contribute to the social fabric of their community without having to sacrifice capital or time.

Alongside this, the Government should extend reliefs to couples with children under the age of 16. Families with children are roughly twice as likely to have low incomes as they juggle bringing up children, work and other commitments. There are different models for how this could be achieved. The Centre for Social Justice has proposed an equivalent allowance to the marriage tax allowance but for children, by which couples with children under three could transfer up £2,000, saving them £200 per year at an annualised cost of £480 million additional spending.

The other option would be to reform the current complex and prescription financial support offered to parents. Parents receive child benefit, Sure Start Maternity Grant and tax credits, the first of which is universal, the second a one-off grant on your first child and the latter a means-tested top up. Over 7.2 million families are in receipt of Child Benefit, with more than 12.6 million children in Child Benefit households. Moving to a strengths-based approach might mean turning these benefits into a single pot of discretionary funding, paid as a tax free lump sum for parents to best decide how to spend. If
equivalent to child benefit, such a “Newborn Fund” would be around £3,800 for the eldest child and £2075 for subsequent children - a not inconsiderable amount that in addition to essentials could be used to fund NCT classes, additional childcare, or to paint a spare bedroom for a grandparent to come live with the family.

Onward has previously recommended a complimentary reform: to increase the National Insurance Primary Threshold for people with children to align it with the rising Personal Allowance for income tax, at around £13,000. This would mean that children were recognised in the tax system for the first time since the 1970s. It would be expensive - over £4 billion a year once fully rolled out - but it would raise post tax income by up to £1,100 for a two-earner couple. It would also improve work incentives and increase employment.

The creation of a family allowance alongside the recognition of children in the tax system would give working parents the financial support to make decisions about their family, but also time for parents to get more involved in civic society as an alternative to traditional work.

2. Introduce a ‘Red Book Bonus’ for families that meet their regular health and development reviews during the first two years of their babies’ life

Since 1991, the Personal Child Health Record (PCHR) or ‘red book’ has been a key feature of a newborn’s early years. The red book currently monitors the following areas of a child’s growth; general development, including movement, speech, social skills and behaviour, hearing and vision. It also records vaccinations, developmental firsts, and growth.  

This is a powerful tool for building positive social norms and it delivers huge benefits for both individual families and community health. However there is variation in its use. One study found that mothers that lived in disadvantaged areas were 9% less likely to produce their child’s red book, compared to the 88% of mothers in advantaged areas, and 87% of mothers with an academic qualification were able to produce their child’s PCHR, compared to 75% of mothers with none. We should be considering ways to address these disparities to deliver nationwide coverage for the red book.

We recommend that the Government introduce a “Red Book Bonus” - a small but meaningful bonus for families who attend the four reviews and meet the health and
development milestones set out in its pages. The bonus could be approved by the health care visitor following the two year review of the child. For example, completion of a child’s primary course of vaccinations has been decreasing and in 2018/19 stands at the lowest rate seen since 2008/09. The bonus would not only encourage this statistic to rise towards the WHO recommended national target of 95%, but improve the wider development of children in their early years.

3. Use the Renters Reform Bill to tackle precarious housing which deprives people, in particular young people of the security needed to contribute

A house is more than just a place to live, it provides the security necessary to live. Onward’s previous work found a strong correlation between the size of the local private rented stock and fraying social fabric and people who live in rented homes are considerably less likely to say they belong in their area than those who own or live in social housing.

Part of the answer lies in increasing ownership and delivering more socially rented housing. Another important step would be to tackle the precariousness of much of the private rented sector, which has grown dramatically since the 1990s and is now the most likely form of tenure for young people in particular. The following housing proposals are a starting point, but by no means the whole story, for providing more secure and safe homes, especially young people.

The Renters Reform Bill, announced in the Queen’s Speech and due to be introduced next year, promises to scrap Section 21 no fault evictions by removing the assured shorthold tenancy, strengthening Section 8 evictions powers, and introducing lifetime deposits which are transferable from one property to another when a tenant moves. These are welcome steps and the Government should take them forward. A report by Shelter in 2016 found that 85% of private renters said that long term tenancies were ‘very or fairly important.’

There is inherent value to the social fabric in encouraging more secure tenancies, as people feel a greater sense of belonging and have more incentive to contribute to their community. One policy to achieve this, as Onward has previously recommended, is to introduce a renters’ right to buy, by which landlord and tenants could share a capital gains tax exemption when a property is sold to a long term sitting tenant. This would have an
average gain of between £15,000 and £39,000, and would give renters an opportunity to own a home by furnishing them with a deposit.34

Another option would be to improve the quality regulation of the private rented sector (PRS). While a small part of the PRS, there are too many private rented homes which fail a basic standard of living, because they are too small, poorly maintained or criminally managed. These properties are often concentrated in specific areas. There are many advocates for a national register of properties, which would theoretically support greater enforcement. But the risk with such a register is that it would not on its own solve the key problem, which is the poor state of many homes.

We believe there is merit in considering another proposal from Professor Julie Rugg: a property MOT, which would see rental properties inspected by an accredited assessor every time it is re-let, and approved for habitation, much in the same way as vehicle MOTs are used to prove the road safety of vehicles already. This would not require a national bureaucracy or huge costs for landlords, and could be focussed on areas with the worst problem: the State would only have to accredit assessors and impose a legal duty on landlords to submit their property for an MOT before letting it, with letting agents and websites obliged to verify the MOT prior to listing a property. It would include a condition of property report, Gas Safety Record, Electrical Installation Condition report, Legionella Assessment, Smoke & Carbon Monoxide Reports.35

4. Introduce ‘Community First’, a new civic leadership programme to increase the quality of civic leadership in community organisations, local government and charities

The lesson from many of the places we have studied in our social fabric work, and which has been clear throughout the pandemic, is that local leadership is critical to turning around the social fabric of a place. It is simultaneously the reason that many areas succeed and that many places fail. A concerted effort to boost the calibre of civic leaders, especially in the places where they are most needed, is likely to have a considerable and sustained impact.

In recent decades, a variety of schemes have emerged to develop the leaders of tomorrow in public service, including Teach First in education, Frontline in social care, Unlocked in prisons and Police Now in policing. All have proven that talented individuals are both willing and capable of applying themselves to public service, and they are some of the most respected and popular graduate schemes in the country. Given the catalytic
power of good leadership, they also represent good value for money for taxpayers who support the training costs. While some equivalent schemes exist for charity or social enterprise leaders, including Charity Works and the Windsor Leadership Trust, these are typically small in scale and less systematic.

Ministers should establish a new scheme for civic leaders, through which talented local community organisers and graduates can enter an accelerated progression route in local government, charities or community groups, with training subsidised by the taxpayer for the first few years. Like Teach First, participants would benefit from bespoke leadership training, mentoring and a national network of fellow civic leaders from which to learn. In addition, ministers could fund a transitional route for existing leaders in business to move laterally into senior leadership positions in local government, community groups and charities, as exists for police superintendents.

5. The Apprenticeship Levy should be reformed to focus a much larger share on retraining lower-skilled workers in precarious local economies

Many left-behind places are characterised by a weak local economy, low skilled jobs and insecure employment opportunities. It comes at no surprise that labour insecurity strongly relates to a fraying social fabric of a local place. Attempts by politicians and policymakers to help revive the struggling labour markets in local places, whilst simultaneously trying to improve the fortunes of individuals have not always had the material change that they have sought. A part of improving the wider social fabric of a place is investing in the human capital through skilled labour.

Since 2017, employers with a wage bill of over £3 million have paid an annual 0.5% Apprenticeship Levy. This was introduced to help create a number of new opportunities to boost productivity through developing a skilled labour force. As first recommended in Onward’s Human Capital report, the Apprenticeship Levy should be reformed to focus a much larger share on retraining lower-skilled workers in precarious local economies, with the Government topping up company levy accounts to achieve this.

This could be achieved by splitting the levy into two. A substantial share should be repurposed away from only apprenticeships into a wider “Retraining Fund” from which employers can draw down funds to help retrain low skilled workers at risk of automation or industrial decline. This separate fund could be considerably more flexible than the existing Levy, with employers able to pass funding down their supply chains, pool funds
with other local employers or nationally as an industry, and to fund employee wages during training. This would also allow the Government to “top up” employer-led training spending for specific local areas, industries and for specific employers. For example, this could be done in response to labour market shocks or large employer administrations.

Many local economies have already suffered from the challenges and in some cases damage that globalisation and de-industrialisation have brought about, and this would be a good step in the right direction to bringing good, high value jobs to poorer areas.

**Giving communities the power to repair their social fabric**

The pandemic has shown the power of local communities. But the UK remains a highly centralised state where power continues to remain in Whitehall or in town halls. We should consider how to give communities greater control over their own destinies, to repair their own social fabric and build long-term capacity. This is what Alexis de Tocqueville called “self-reliance, properly understood”.

This section sets out a number of proposals to dramatically improve community level power. They do not all include transferring large amounts of grant funding to communities: this is about much more than money. The only sustainable answer is to build social institutions at local level that can take on more responsibility as well as funding, and which can become centres for activity and philanthropy themselves, without need to revert back to central or local government for continued support.

1. **Legislate to create Community Improvement Districts (CIDs) to give power to local community groups to shape the lived environment of their areas**

The Localism Act 2011 gave a range of permissive rights to communities to take control of their assets, services, and lived environment. While valuable, those powers have not been taken up to any great degree. Giving communities rights to have control over their spaces is one thing, but providing real collective power to manage their lived environment is another.

As championed by Power to Change and others, the Government should consider creating Community Improvement Districts, with the main purpose of putting communities on an equal footing to their business and local authority counterparts in the community. Inspired by Business Improvement Districts, CIDs would give local stakeholders and
community champions greater participation and stewardship in determining how their local area is viewed economically, socially and environmentally.

The idea behind this proposal is to give residents a sense of ownership and responsibility for their high street, local suppliers and the opportunity for community owned start-ups. In practice, as with BIDs, communities could propose the creation of a local body to invest in and manage the local community, on a neighbourhood, parish or town, or local authority level. Residents would be consulted and, if successful, a portion of council tax revenue would be apportioned or a levy added to council tax bills to fund the CID. These funds would be solely for the improvement of the community within the CID area, and may be used to tackle anti social behaviour, improvements to the high street, environmental improvements, antisocial behaviour and developing vacant business units, among other things.

While the intention is to create a community owned institution, separate from business and local government influence, CIDS may wish to work closely with existing BIDs to expand their reach and deepen their influence.

2. Give every area the right to form a town or parish council to improve hyperlocal governance

Since 2013, a number of measures have been introduced to increase the use of parish and town councils in England, including reducing the number of petitions signatures required from 10% to 7.5% and giving community groups the freedom to create parish councils as long as a neighbourhood plan is in place. However, only 25% of the population of England is covered by parish or town councils, compared to 70% of Wales and 100% of Scotland.

Only one area of London has a parish council - Queen’s Park in Westminster- and last year Tower Hamlets rejected a new parish council for Banglatown and Spitalfields despite strong support from the community which it would have represented. This lack of hyperlocal governance matters, providing a layer of oversight to convene activity, corral funding and resolve issues at a community level, without having to be referred to distant councillors at borough or district level.

The Devolution White Paper, expected next year, should include provision for the widespread introduction of town and parish councils in places where they do not
currently exist, with a discretionary bursary to assist with start-up. This could be a permissive power, for example by removing the ability for local authorities to veto town councils or by strengthening the funding incentives available to parish and town councils. Alternatively, it could be more directive, as in Scotland, where community councils were introduced by legislation in 1975.

At the same time, the Government could expand the role of parish and town councils. For example, the Community Empowerment (Scotland) Act 2015,40 gave people a right to have an allotment and rents must be fair; a similar responsibility could be passed to town and parishes in England. Alternatively, town and parish councils could be given the right to assume ownership of, and responsibility for, green spaces, community sports facilities, community centres and local high street maintenance in their area.

3. **Introduce a business rate exemption for community institutions to keep them at the heart of communities**

Traditional cultural landmarks such as libraries, pubs and post offices are valued assets to communities and critical to the social fabric of place. But these cultural landmarks have been vanishing with time. As demonstrated in Onward’s previous work, before the pandemic the number of public houses and bars had fallen by more than a quarter (26%) since 2001, to a total of 38,815. 28% of libraries have been lost from communities and 47% of post offices have disappeared during the last two decades.

The pandemic has served to shine a light on the centrality of many of these institutions just at a time when many local organisations are most pressed financially. Convenience stores, pharmacies and day care centers have proven themselves as valuable hubs during these difficult months. We should halt their decline and support such institutions to re-establish themselves at the heart of the social fabric and the high street.

To that end, the Government should use their review of business rates to extend a no tax exemption to certain types of businesses and institutions with community value. This “community institution” status would apply to certain types of premises where a majority of activity was for the benefit of everyone in the local area: for example, libraries, pubs, pharmacies, post offices, convenience stores. It could be limited to Assets of Community Value and/or single premise businesses, to prevent national companies from benefiting from the relief, and would be applied for individually by businesses, as with charity exemptions.
4. Help local people take over empty buildings and shops on the high street for community use

When asked about community, local people automatically speak of ‘hubs’ that help create and sustain social connections, neighbourliness and group association. However, many town centres and high streets have seen their town centres undermined by the changing nature of retail, rising rental costs and declining footfall, leaving many retail spaces abandoned. According to Local Data Company, shop closures are at the highest level in five years. 11,120 chain operator outlets have closed since January, while only 5,119 shops have opened, creating a net decline of 6,001. This is double the decline tracked last year (3,509).41

One option is to encourage the repurposing of empty spaces in town centres and high streets for community use. Some legislation already exists to help deliver this in the form of regulations under the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020, which specifies that empty spaces can be repurposed into any class E space, such as creches, offices, restaurants, commercial spaces, health services, without planning permission. Making better use of this change of use regulation would allow many high streets to be revitalised.

Going further, ministers could allow community groups to take temporary control of long-term vacant spaces under a community asset license. Under the Localism Act introduced in 2011, community and voluntary organisations have the opportunity to nominate community land or buildings as Assets of Community Value (ACV) on a local authority register. ACV is defined as building or land used to further social wellbeing or social interests of the local community, including cultural, recreational and sporting interests.42 Once on the list, regulation gives community groups the time to accumulate funds should the asset go onto the open market under the Community Right to Bid.

While current legislation allows local people to purchase the asset, ministers could allow community groups to assume temporary use of the asset for a period if it has been vacant for a long time, say 12 months. Local charities or community businesses could be granted a temporary, reduced rent lease of 12 months, during which they could create a pop-up shop or service. This would incentivise landlords to avoid leaving premises empty for extended periods, while giving community groups access to flexible space.
At the very least, community groups should be given the opportunity to claim empty spaces owned by local authorities. Legislation should follow that of the Community Empowerment (Scotland) Act 2015 in Scotland which allows land or buildings that are local authority owned to be transferred over to community groups. Groups can ask to either buy, lease or other legal rights over the local asset. A small grant may be introduced to encourage community buy-in. The transferring of local assets to local people under a Community Right to Control would ensure that vital social hubs remain active and in the community in spite of wider economic conditions.

**Giving communities the capital to repair their social fabric**

Just like individuals, some communities do not have the capital to sustain their social fabric. We tend to think of regeneration through the economic lens and policymakers have tended to revert to investment in physical infrastructure to turn around fragmented communities. While physical infrastructure like train stations and roads undoubtedly have value, what is clear from Onward’s wider work is that other forms of collective capital - for example, civic institutions, social infrastructure and philanthropic capital - are just as important for the social fabric of a place.

1. **The New Infrastructure Levy should be used to create local funds to support hyperlocal social infrastructure as well as economic infrastructure**

Since 2010, The Community Infrastructure Levy (CIL) has been used to generate funds from new development to fund local infrastructure, alongside Section 106. This approach has been a way of engaging local communities, developers and local authorities in local regeneration, with much of money being spent on improving hard infrastructure, such as roads, schools, park improvements and flood defences.

Under CIL, a portion of funding is reserved for neighbourhoods, with funding transferred to parish and town councils in areas with them, or held by councils with an obligation for them to engage with communities in how it is spent. CIL has been moderately effective in raising revenue for communities that use them, but it is not mandatory and around half of local authorities do not charge a CIL, meaning the value uplift from development is not automatically shared with communities and is not accountable to them.

The Government has recently proposed the replacement of CIL with a nationally set, value-based
flat rate charge, the Infrastructure Levy. This will abolish the variation between areas and create a single, fixed system of funding infrastructure, with greater flexibility for local authorities for how it is spent. However, while the proposed system proposes to maintain the protected share of funding for neighbourhoods, there is little detail on how that will be delivered.

In 2018/19, CIL raised £348 million in the 151 authorities that charged it. We propose that ministers safeguard 10% of the new Infrastructure Levy (c. £700 million on last year’s combined S106 and CIL revenue) for neighbourhood and community initiatives. Where they exist, town and parish councils should receive this funding. In the areas where town and parish councils do not exist, mechanisms should be introduced such as using community foundations to ensure the money is used locally and for projects with demonstrable public support. For example, where existing structures do not exist, the Government could use the 10% of the infrastructure levy to seed Community Endowment Funds at the local level, governed by the community as charities, community benefit societies or existing community anchor organisations. There would be clear restrictive covenants on how the funding is spent. Alternatively, the money could be awarded to large foundations to spend in specific areas, as delivery partners for the community.

2. Give universities in areas with few graduates a local premium for every student who studies locally to the area that they grew up in or currently live

More people are going to university than ever before, but this has come at the expense of many communities. Many small towns and villages have experienced a brain drain and skills void as young people leave for opportunities in major towns and cities. To counter this, the Government should introduce a local premium to reward universities in areas with fewer graduates for attracting and retaining students from the local area. This is a further way to help places retain graduates on top of existing local schemes.

There are different ways of doing this. Universities could receive a bonus through the teaching grant for students recruited from local communities. For example, the University of Manchester and Manchester Metropolitan University would receive a student bonus for attracting local students from neighbouring local authorities, such as Ribble Valley, Preston, West Lancashire and the Greater Manchester circle.

This local premium would not only provide an additional revenue for universities, but also encourage them to work with schools and colleges locally far more than they currently do.
According to HESA, more and more students are choosing to live at home and study locally. Last year 20% of full time and sandwich students that went to university lived with their parents/guardians during term-time. This has been increasing steadily since 2014. We should reward universities for retaining human capital within their local area.

3. **Give local people the ability to put down roots through a right to build through community land trusts.**

Whilst housing demand has rocketed, supply has not kept up. Between the years of 2016-2018, over 14 million households owned their own homes, but there are currently 1.16 million households on local authority waiting lists for social housing. This is an increase of 4% on last year.

There is no silver bullet to the housing crisis and we are still some way off achieving the 300,000 new homes a year target. However one area which deserves greater attention is the inability of many people, especially those in need of social housing, to stay, live or even build homes in their area. The Government could do two things to help improve people’s ability to put down roots.

First, the Government should empower local housing development through a right to form a community land trust (CLT). CLTs offer long-term stewardship of affordable housing in the area by taking control of public land and tethering costs of housing to local income. The sole mission of CLTs is to ensure that they benefit the community. To date, they are a small part of the housing market: there are 263 legally incorporated Community Land Trusts in England and Wales, with a combined membership of 17,000 people and output of 935 CLT homes. As well as ensuring capital is available, the Government should look at expanding this and making CLTs a partner of local government to provide more social housing and truly affordable housing for local people.

Where the social housing waiting list exceeds a certain level or local social housing is scarce, local groups would have the right to establish a community land trust to help deliver it. This would place an obligation on local authorities to identify, purchase and zone suitable land to meet the identified housing need for local people who had been on the waiting list for ten years or more and had formed or commissioned a CLT to build them a home. Suitable sites would include previously undeveloped land, brownfield sites or public sector owned land.
Our plans would extend the current Community Right to Bid on land in England to something akin to - but more powerful than - Scotland’s Community Right to Buy, through which communities can buy abandoned, neglected or detrimental land. In addition, the Government should give CLTs the same tax advantages as ISAs, allowing people to invest tax free in CLTs up to an annual limit. In France, CLTs benefit from various social investment tax reliefs.

Second, ministers should expand the Right to Build established in the Localism Act. Despite being introduced to great fanfare, the Right to Build has been ineffectual. In the two and a half years following its introduction, only eight applications for Community Right to Build orders had been made, and as many as nine times as many groups used normal planning permission instead, reflecting the complexity, bureaucracy and risk of the route. The Government should therefore expand Right to Build entitlements to long standing private-rented residents.

Finally, under the Housing and Planning Act 2016, everyone who wants to build their own home can register for a plot, and an obligation is placed on local authorities to provide as many serviced plots for the people on their self build registers. The Government should consider introducing a financial discount for longstanding private rented tenants, for example those who have rented in a local area for 10 years or more, if they choose to self-build - as they do under Right to Buy for social tenants. This would be both an individual discount and a collective discount, giving local renters the chance to come together to build together on a larger plot.

4. Introduce Charitable Enterprise Zones to focus philanthropic investment in places with fraying social fabric.

In the 1980s, a Conservative Government pioneered the use of enterprise zones to use localised deregulation and tax reliefs to catalyse investment and economic activity in places with low wages and stagnant local economies. In total, between the 1980 Budget and 1996, the Government created 38 Enterprise Zones, of which the Docklands in East London is the most famous example. In 2010, the Coalition Government created a further 24 Enterprise Zones and the Treasury’s current policy of free ports can be seen as a variation on the same theme - albeit related towards customs duties as well as tax and regulation.
Irrespective of the debate about how effective Enterprise Zones have been as economic policy, there is a case for considering similar principles when thinking about social regeneration. As Onward’s work on the state of community has demonstrated, a fraying social fabric has become ingrained in many local areas, up and down the UK. These places need concerted, and localised, support.

Onward will return to the subject of local regeneration programmes in a further paper, but one option to consider now is the idea of Charitable Action Zones. Under this proposal, ministers would encourage charitable donations, in-kind support and voluntary activity within specific areas through tax reliefs and public grant support.

This could be achieved by further reducing the rate of inheritance tax paid by people giving 10% of their estate to charity, as long as the charity had its object or the bulk of its activity in an enterprise zone area. A tax relief for corporate donations made to charity within the charitable action zone could also be given. Alternatively, the Government could match Gift Aid donations to charities registered in specific areas directly from the taxpayer, to give philanthropists an incentive to support causes in the specific parts of the country that need the most support or have the public will.

As set out in our Social Fabric Index, the local authorities with the most fraying social fabric have considerably lower charity density and Gift Aid support than those with relatively strong social fabric. For example, Elmbridge, which scores top for charity in our index, has a score of 8.21, while Blackpool, which is the most deprived area of the country and one of our most fraying communities, has a charity score of just 0.24, forty times lower. This is driven by the fact that the proportion declaring a donation in Elmbridge is 20%, while the proportion in Blackpool is only 3%.
Table 6: Charity, based on charity density and Gift Aid, by top and bottom 20 local authorities

*Source: Onward (2020), The State of our Social Fabric*

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 20 areas by charity</th>
<th>Score</th>
<th>Rank</th>
<th>Bottom 20 areas by charity</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Elmbridge</td>
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<td>380</td>
<td>Blackpool</td>
<td>0.24</td>
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<tr>
<td>2</td>
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<td>378</td>
<td>Barking and Dagenham</td>
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<tr>
<td>5</td>
<td>Richmond upon Thames</td>
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<td>376</td>
<td>Stoke-on-Trent</td>
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<td>6</td>
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<tr>
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<tr>
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<tr>
<td>13</td>
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<tr>
<td>14</td>
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<tr>
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<tr>
<td>16</td>
<td>Islington</td>
<td>6.82</td>
<td>365</td>
<td>Burnley</td>
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<tr>
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<tr>
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<td>Castle Point</td>
<td>1.45</td>
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</tbody>
</table>
Figure 3: Proportion of people claiming a Gift Aid donation in comparison to Social Fabric Score

Source: GOV.UK (2017-2018) and Onward (2020), The State of our Social Fabric
Conclusion
The decline of the social fabric in local communities is of a big political concern. We know what parts of the country needs the most attention, and what aspects of community have experienced the greatest change, but the overarching question remains of how?

As set out by our 17 policy proposal, the sensible path forward must involve a balanced mechanism of collective change, devolved power to individuals and places, with the support of capital. All four components are important threads for a strong social fabric in local places. Once this is acknowledged, only then can we truly redress the social and economic imbalance and attempt to get it right. The conversation of what society we want to live in and how we can strengthen the institutions and ties that bind us together will continue, but this is the starting point towards the long-term repair.

Ordinary people will continue to count on their communities and social networks, so it is essential that we nurture and strengthen the very fabric and institutions that hold communities together. The opportunity for politicians and policymakers to rethink and reshape the community playbook is now.
Our Steering Group
We are delighted to have the support of an expert cross-party steering group to help guide the research programme.

Lord James O’Shaughnessy
Chairman and Member of the House of Lords

Jon Cruddas
Labour MP for Dagenham and Rainham

Eilidh Whiteford
Former SNP MP for Banff and Buchan, 2010-17

Danny Kruger
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*The Policies of Belonging*
Endnotes
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