

## Summary notes

# How can councils support social capital in communities through neighbourhood working?

A 3ni and New Local fringe event at the 2025 LGA Conference

Tuesday 1 July 8, 2025 | 4.30pm–6pm | Lunyalita, Royal Albert Dock, Liverpool

### Chair:

Jessica Studdert, Chief Executive, New Local

### Speakers:

- Alison McKenzie-Folan OBE, Chief Executive, Wigan Council
- Deborah Stephens, Chief Executive, Fun4Kidz & L30's Million Big Local, Liverpool
- Jon Rouse CBE, Chief Executive, Stoke-on-Trent City Council
- Dan Crowe, Director, 3ni: the national network for neighbourhood improvement

## Summary of discussion

Many local authorities are developing neighbourhood working as a route to help tackle the 'postcode lottery' in life chances that can often be found in adjacent neighbourhoods within a council area, just a few minutes walk from each other. In the context of stretched resources and growing demands on statutory services, how can hyper-local ways of working help build community capacity, confidence and connections that can lead to improved outcomes for local residents? As other public services, notably the NHS, shift towards neighbourhood models, is there now a growing opportunity for joined up, relational services that are more responsive to local contexts? And how do we ensure these approaches build rather than bypass – or worse, negate – existing social capital within communities?

This session explored how councils can support building social capital within neighbourhoods to tackle the 'postcode lottery' in life outcomes and move towards more relational service delivery. It covered how to make the case for social capital investment, what to do in practice, and how to understand and measure the impact.

### Social capital: areas for discussion

The session started with attendees being asked what they wanted to know or think more about when it came to social capital. Attendees presented a number of interesting questions, which included:

- What is social capital?
- How can we measure social capital, including at the neighbourhood level?
- Why are some Big Local partnerships continuing to build social capital in neighbourhoods

## **Change making at the neighbourhood level: it starts with culture**

Panellists and attendees began by discussing the conditions which enable power to be devolved to residents in the neighbourhoods most in need of regeneration. The conversation focused on the necessary culture change and distilled two key questions to guide policy and change-makers:

1. How can we tackle inequalities within and between neighbourhoods?
2. How can we think about neighbourhoods in a way that is helpful to residents?

Participants discussed how the key is often to 'get out of the way' and remove the barriers to resident leadership. Many great things come about in the community through self-belief and local community action, not through the council. The role of the council is often to work alongside communities and to challenge its own internal policies and procedures to be as relationship-based as possible: this focus on relationships is a critical component of any council strategy which aims to build social capital locally. Investing to build social capital is essential to create connected, healthy, resilient and proactive communities. Attendees heard three compelling insights illustrating the power and impact of social capital:

- Research suggesting that personal connections—such as friendships and informal networks—can be significantly more effective in helping people find employment than formal job centres.
- Living in a supportive community environment is widely associated with improved health outcomes, with some studies indicating notable increases in wellbeing and resilience.
- Being well-connected within communities is believed to contribute to a substantial reduction in the risk of premature death, especially when those connections foster trust, belonging, and access to support.

Those facts underline why building social capital, particularly in the neighbourhoods where it is lacking, is fundamental to improving local life chances.

Councils can build this into their practice through human-centred missions and principles, to avoid stifling innovation through rigid rules and instead foster a people-led approach supported by common goals across council departments focused on doing the right thing. The need for this cooperative culture applies not only to councils but also to other local anchor organisations, including the NHS, community groups, housing associations and other partners that have a stake in the community.

## **Social capital, why it matters: the secret, special sauce**

3ni, the national network for neighbourhood improvement, was born out of the Big Local initiative, the biggest community-led regeneration programme in England which saw 150 disadvantaged areas receive over £1million each to spend over 12-15 years on resident priorities.

Attendees heard that when the programme started, it quickly became clear that in some areas it was harder to get the initiative underway than in others – and that was because those communities had lower levels of foundational social infrastructure. Areas that were both severely socio-economically deprived and had low levels of social infrastructure experienced worse outcomes across a whole range of indicators compared to equally deprived but better-resourced and connected areas.

3ni refers to them as doubly disadvantaged neighbourhoods, which have previously been referred to as 'left behind'. During Covid, residents in doubly disadvantaged areas were 46% more likely to die of the virus. These areas had fewer local mutual aid groups set up in response to the pandemic, and received considerably less Covid-specific grant funding from charitable foundations compared not only to the national average but also to equally deprived areas that benefited from greater access to foundational social infrastructure and capital.

3ni published the Social Capital 2025 papers with Demos, informed by 3ni's work with Stoke-on-Trent City Council in making a strategic case for investing in doubly disadvantaged

communities, and 3ni's commission of academic research to better understand the evidence linking social capital to economic and social outcomes for children. The papers explore the link between social capital and its role in underpinning other positive outcomes in a neighbourhood, such as health and wellbeing, crime and anti-social behaviour, and economic growth. It became clear that social capital, as Dan, 3ni's Director, puts it, is 'the secret special sauce that underpins life in communities.'

In simple terms, social capital is the resources available to individuals and communities through their social networks, ties, levels of trust and local social support, often manifesting in terms of a community's collective power and resilience. In the groundbreaking report 'Everybody needs good neighbourhoods 2' launched at the event, 3ni and Local Trust compared 29 areas that had a resident-led neighbourhood-based initiative to 29 similar areas without one. Across all seven quality of life indicators, the comparison generated statistically significant results, showing in clear terms why building social capital through neighbourhood-based initiatives matters.

### **What social capital looks like in communities: the tea bag test**

Stoke-on-Trent is home to over a quarter of a million people and is a uniquely poly-centric city. Most of the city's distinct and increasingly diverse communities grew through the 'pot bank' or pottery factories, with the economy starting to revolve around the mines, and later the 1970s and 1980s, experiencing de-industrialisation. It's a place that has been trying to recreate an economy that works for its communities and people since then.

Discussion covered how social capital at the hyper-local level is providing a solution to many of the issues faced by the city. Attendees heard two examples of where this has played out. The first one was in the Portland Street area, north east of Hanley, an area close to the city centre that has experienced multiple failed attempts at regeneration in recent decades, but always through a top-down approach, such as the Housing Market Renewal Pathfinder programme. The community itself was very transient, had a mix of properties and was in many respects neglected. This was until the local authority had the innovative idea to sell some houses for £1 – with the condition that those who bought the properties commit to investing in them and the community.

Those who made their new home in the community included some extraordinary and inspirational artists who became community activists, building strong relationships in the neighbourhood while also constructively challenging the local authority and statutory services to provide better basic services. The need for a community meeting space saw them put a shipping container down on some wasteland to grow vegetables, have a space to do arts activities, run repairs and create a youth club. The group then took on a derelict pub to turn it into community hub and social and cultural venue, now set to open later this year. They are not stopping there and are currently looking at starting a community land trust in the neighbourhood to safeguard local civic assets.

The second example takes place in Burslem, an area that has a lot of historic buildings and which used to be a very affluent neighbourhood. However, many of the buildings are in a state of disrepair, with the area in need of investment and revamping. While the council was working out how best to approach the situation, three individuals got in touch about erecting a statue of Lemmy, the lead singer of the heavy metal band Motörhead, who was born in Burslem. After an extended period of negotiation and delivery, marked by detailed work on land use planning, the council and the group achieved their goal. Over 4000 people turned up at the recent unveiling of the statue, surpassing everyone's expectations. Now the area gets a steady stream of visitors who come to see the statue every day, with flow starting to boost the local economy. The project's instigators did not stop there: they continued by developing a vision to turn the old Grade-II listed Queen's Theatre into a rock venue and are planning on opening a music school.

Participants reflected on how these examples demonstrate the need to trust the local community, and enable and support them to develop their creativity, projects and initiatives. This starts with forming relationships and nurturing ideas, rather than looking at outputs – giving space for energy to flow and seeing where it leads.

## **How social capital was lost: and how the community built it back**

Participants heard a further example of social capital building and community leadership in action. Fun4Kidz provides childcare and training for parents who want to go into employment. From a small rented office in a community centre, the Fun4Kidz team developed the childcare offer and the programme of activities. They now have 11 hubs and 60 staff around Sefton and Liverpool providing childcare, building local relationships, and winning awards for their work. This has also led to the organisation taking on the management of the L30 Community Centre in Netherton. This is a place where a wide range of activities take place, but more importantly it is a space where the community can connect, relationships are built, and change starts to happen for individuals, families and the wider community.

The group was supported by Big Local funding. The opportunity brought community members together to map out where the investment should go in the local area, with support to build capacity and confidence, and that's when the levels of social capital genuinely did start to rebuild. The community has been going from strength to strength since the initial long-term investment under the Big Local programme. From community pantries to a ukulele band, new activities, initiatives and acts of mutual support have sprung up.

Attendees discussed how, at the start, doing community-led, locally rooted work can be hard going. Externally-funded and delivered projects can come into areas which effectively professionalise and displace or compete with the work communities are doing. But when the funding runs out, these organisations often withdraw from the community, leaving the area worse off, which undermines social capital and weakens community cohesion.

Looking at change starts with understanding what the community can do for itself - before inviting professionals in to work alongside it. This step is essential to enabling enduring and sustainable community-led change.

### **Getting buy-in**

When looking at neighbourhood change, it's all about relationships and that includes elected members. Participants discussed their experience of working with elected members, emphasising the importance of close collaboration and the need to harness what local councillors do as volunteers, community connectors, and local leaders that are often deeply embedded in the community and championing community-led change.

Developing strong and trusted relationships and enabling constructive challenge and debate is essential. This enables participatory forms of democracy to work in synergy with representative democracy to facilitate grassroots change.

### **Trust is key**

At a time of deep distrust in public institutions, it may seem hard to imagine a space where statutory services and the public work closely together. However, attendees heard practical examples of how trust can be nurtured.

Firstly, state institutions are still public servants and need to deliver great services. Not getting the basic rights will undermine the other work organisations are trying to achieve in local communities. Importantly, these services need to be human-centred and move away from a top-down approach. In some communities, the mistrust and real trauma from previous failed top-down approaches is still deeply felt and it must be recognised that it will take time to repair and rebuild this trust.

Another important point made by participants lay in understanding who your local community does trust - if anyone. Find those people that the community trusts and that who in turn are also willing to trust you. This is a good way to begin to slowly build social capital in the community. However, it is crucial to regard these people or organisations as equal partners, and to support them to develop strong relationships and build partnerships for this to work. Doing this work to shift our approach is essential to rebuild trust and create meaningful and lasting change in our communities, particularly in those neighbourhoods that need it most.