

Capacity to Change

The state of London's voluntary
sector infrastructure organisations
in the 2020's



Foreword

On behalf of Resource for London, I'm delighted to present what I hope is a timely and useful report. As the largest centre for the voluntary sector in the capital, we are a hub for projects addressing poverty in London. We provide physical space, training, as well as capacity building for community organisations across London through our Enhance programme. Every year we run events that engage hundreds of groups, helping them to address inequality in their communities. Alongside this practical support, a key part of our role is providing insight and advocating for the importance of infrastructure support in London - the purpose of this report.

When Resource for London opened in the early 1990's it was home to the London Voluntary Services Council – a pan-London infrastructure organisation. It closed in 2016 after 107 years. In its heyday LVSC was the umbrella body for the not-for-profit sector with hundreds of training events alongside research and advocacy. Its demise reflected a wider reduction in funding for capacity building after 2010 amidst austerity and changes in Government priorities.

Now in 2023 the pressure on charities providing frontline community services in London is immense. They have stepped up to meet increased demand resulting from the pandemic and the cost of living crisis. Yet funding for capacity building to support them is limited and patchy, depending on the ability and willingness of a small number of statutory bodies and trusts to fund it. This mismatch has real impacts which are explored in the following pages.



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Contents

Introduction.....	4
Key findings.....	4
The national picture.....	5
Findings.....	6-19
Conclusion.....	20
Annex - profiles of organisations interviewed.....	21

Introduction

This report explores the issues currently facing voluntary sector infrastructure organisations in London. These are charities and other not-for-profits which support frontline community organisations. The capacity building sector is diverse, with borough focused Councils for Voluntary Service (CVSs) alongside others supporting sub-sectors, such as those benefiting communities facing structural disadvantage, and a handful of Londonwide bodies.

Note we have used the terms infrastructure and capacity building interchangeably in this report.

We conducted interviews with eight infrastructure organisations and five London funders. They are listed at the end and we are hugely grateful to the key people who gave us their time and insights.

Key findings

- Capacity building organisations are an essential catalyst for change
- London-wide, the infrastructure sector is much reduced compared to 12 years ago
- There are challenges over aspects of infrastructure organisations' role
- The pandemic has had a big impact
- London's capacity building organisations are facing increasing demand
- The workforce is under strain
- Equity-led organisations face unique challenges
- Funding is precarious for some
- Some longstanding systemic funding problems remain
- Funders say infrastructure is important, but don't agree what it should look like
- "Funder Plus" is not the whole answer
- Funders are looking for innovation
- Funding changes are happening – on a small scale

The national picture

Nationally, capacity building organisations have been significantly affected by government policy over the last 20 years. The Labour governments of 1997-2010 invested heavily in the voluntary sector. They contracted frontline voluntary groups to take on public services and took a supply-led approach to infrastructure support through generous direct funding of second-tier organisations. After the financial crisis and with the advent of the coalition government, austerity meant that the funding flowing from the state to the voluntary sector fell. As a result, as a recent report from 360Giving shows, “compared to the picture in 2009-10, voluntary sector infrastructure in 2020-21 was much smaller, but supporting a larger voluntary sector”¹. Indeed, this report found that more than 1,000 infrastructure bodies had closed since 2010. The supply-led approach to infrastructure support was mostly replaced with a demand-led model, where government and major funders offered frontline charities money to spend on building capacity. Trusts and foundations, explored the “Funder Plus” model, where organisations are offered additional support through training and consultancy alongside their grant.

The Covid pandemic which began in 2020 had varied impacts on capacity building organisations. Along with frontline organisations they also saw an increase in demand¹. The crisis highlighted the need for more co-ordination and support for small and start-up charities, and the crucial role of infrastructure organisations in this. Local authorities worked more closely with them, and some benefitted from emergency funding, boosting their finances.

Although the pandemic appears to have largely passed, its after-effects remain. There are now new interconnected crises which particularly affect the most vulnerable: the cost of living crisis, the arrival of Ukrainian refugees and

climate change. The voluntary sector is facing increasing demand. Many of the emergency Covid grants are coming to an end. The sector is wondering whether the new-found appreciation of the value of infrastructure bodies will last.

“ London probably has the best civil society infrastructure in the country even though it is underfunded, with less available support beyond the capital. This means national infrastructure bodies which are based in London can be very dependent on London funders, even though their work is UK wide. ”



Sam
Grimmett-Batt,
City Bridge Trust

¹Kane, D and Cohen, T, 360Giving. (2023) Sector Infrastructure Funding Analysis <https://www.threesixtygiving.org/infrastructure-funding/>

Capacity building organisations are an essential catalyst for change

“A dynamic 2nd tier organisation would focus on the basics but also be promoting innovation in the sector. How do we take good practice in one place and transfer it? For example, how can groups learn how to crowdfund about crowdfunding?”



Manny Hothi,
Trust for London

The National Association for Voluntary and Community Action (NAVCA), the national body for infrastructure organisations, lists Four Functions of Local Infrastructure. Of these, leadership and advocacy, partnerships and collaborations and capacity building were all commonly mentioned by our interviewees. Strengthening frontline voluntary and community organisations working in their locality or sector is at the heart of how all the infrastructure organisations we spoke to describe their role. Many offer capacity building and training services, for example CommUNITY Barnet has a big organisational development function, which has lately focused on BAME organisations. Voluntary Action Harrow commented that demand for their courses such as fundraising and project management have

tripled in recent years. Training and support like this is in line with the traditional perception of the role of infrastructure organisations.

Many interviewees also spoke about their role in strengthening the voice of the organisations they support, as well as seeing themselves as a link between grassroots organisations and communities, and decision-makers such as local authorities. Hackney CVS said they “advocated for the sector in Hackney” and “created and ran structures that help people work together”. Equity-led infrastructure organisations emphasised their role in ensuring their communities had a seat at the table. Black Thrive said they want to: “make sure the right people are having the conversation and communities are centred in decision making”. Race on the Agenda talked about advocacy as “creating a better environment for the sector” including the funding environment, alongside improving the public’s perception of anti-racism work. Several organisations, such as Inclusion London, talked about their advisory role to the state sector.

There was also a common focus on forging networks among frontline organisations – this was highlighted by London Plus, who told us about offering a convening space, bringing organisations together and facilitating communication. Race on the Agenda talked of co-producing policy proposals through convening networks to establish who is working on the key issues, who should be brought into the conversation and what the needs are. Evelyn Oldfield Unit described making connections between larger and smaller organisations.

Some of the groups we interviewed had been heavily involved in co-ordinating responses to emergencies such as the pandemic, the Ukraine refugee and the cost of living crises, both among different frontline organisations and between the statutory and voluntary sectors. London Plus told us this now takes up over half of the organisation’s time – more than originally envisaged.



“ How do we support funders and the VCS to make funding more accessible? It needs infrastructure support for both. ”



Yolande Burgess,
London Councils
and London Funders

In some cases, infrastructure organisations play a key role in establishing new charities to fill gaps or serve specific communities. Evelyn Oldfield Unit told us about their pivotal role in the creation of IBAA, the Islington BAMER Advice Alliance. Support from EOU was crucial in bringing together six community organisations, getting the new charity registered, developing a business plan and securing core funding from Islington Council. Similarly, CommUNITY Barnet identified a lack of provision for Romanian and Eastern European communities in North West London. They helped set up a hub, which again became an independent charity.

London-wide VCS infrastructure capacity is much reduced compared to 12 years ago

“ Funders are more aware of the need for infrastructure funding than they were five years ago, but it’s still much harder than twelve years ago to actually secure it. ”



Erik Mesel,
John Lyon's Charity

Broadly, the national story of voluntary sector infrastructure outlined above has been replicated in London. The Way Ahead group, whose report was published in 2016, quoted from City Bridge Trust data to highlight a 14% reduction in funding for local CVS and Volunteer Centres and a 40% reduction to regional and specialist infrastructure between 2013 and 2016 alone. The pan-London infrastructure body, London Voluntary Service

Council (LVSC) had an income of £1.9m in 2008. It closed in 2017. Its nearest equivalent today is London Plus, whose latest reported income was £460k.

Trust for London commented that with the contraction of the public finances post 2010, within the voluntary sector, the second tier was hit hardest. John Lyon's Charity described how in 2013-14 they realised that there were severe structural problems affecting the youth sector; the government's switch from grants to tenders was excluding grassroots organisations. London Councils described their grants team pre-austerity as being “the size of an army”; it was then cut to three roles. They now only fund just two infrastructure organisations in line with their strategic priorities, with a total of £1.5m over four years; this is a very small slice of the £24 million of grant funding which London Councils has awarded over the same period.

John Lyon's Charity summarised, “Funders are more aware of the need for infrastructure funding than they were five years ago, but it’s still much harder than twelve years ago to actually secure it.”

There are challenges over aspects of infrastructure organisations' role

As funding for 'traditional' infrastructure functions has decreased, opportunities have arisen for some organisations to take on direct service delivery, particularly around health services.

This has provided an important new income stream for many CVSs and others based on their published accounts. At a national level, NAVCA's recent survey of its members found that health bodies were their second-biggest source of income, providing 21% of aggregate income. All of the capacity building organisations we interviewed saw a drop in their income around 2010. Those which now have income at or above pre-2010 levels are the place-based organisations, CommUNITY Barnet and Hackney CVS, which are now involved in direct service delivery. ▶

CommUNITY Barnet said they had taken this on “partly out of a need for survival”. Both CVSs were sensitive to the impact this could have on organisations they support, with Hackney CVS saying their direct delivery role in the youth sector “does cause some issues”. CommUNITY Barnet said their model was to design and run innovative services which others could replicate and they didn’t want to “go after anyone’s core business”. John Lyon’s Charity felt strongly that infrastructure organisations should not stray into direct delivery as they could “crowd out the local market”.

The other area which attracted mixed views was the idea of infrastructure organisations promoting and supporting volunteering. CommUNITY Barnet works with volunteers and also aims to ensure good practice in the sector around recruiting and managing volunteers. Race on the Agenda also work with volunteers as well as offering training on these topics, but described this work as a secondary priority. Black Thrive raised ethical concerns around unpaid Black labour in the context of the socio-economic inequality facing Black people and the lack of paid opportunities for them to develop their careers. This was a point echoed by Race on the Agenda when talking about funding and capacity challenges.

The pandemic had a big impact

“ During Covid the importance of infrastructure became more visible to funders and local authorities ”



Farah Elahi,
GLA

The pandemic led to a surge in new community organisations and the number of people wanting to volunteer to help their communities. In 2021 the National Lottery conducted research that showed that 30% of the population said that as a result of the pandemic they planned to be more involved in their local community. There was also a surge in people signing up to local volunteer centres with 250,000 people signing up in the first three weeks

of lockdown. In addition, mutual aid groups sprang up as Covid struck and by the end of 2020 there were 4,300 in the UK, with three million volunteers offering their support to people in their local community. The two biggest groups, one with 800 and one with 700 volunteers, were both in London and carried out tasks such as shopping, prescription pick-ups, befriending, providing food for NHS staff and carers and much more. Making sure that organisations had somewhere to turn to in order to get the basics in place (such as volunteer policies, safeguarding measures and training) naturally fell on the limited resources of CVSs and other capacity building bodies. ▶

“ It’s like keeping the pilot light on in the boiler when it’s not an emergency. If it’s not on you won’t get the heating when you need it. ”

Yolande Burgess –
London Councils and
London Funders

Everyone we consulted was unanimous in stressing the scale of change wrought by the pandemic. Some infrastructure bodies found longstanding income streams simply dried up. But there were also positives. Yolande Burgess told us “thinking about the voluntary and community sector has been blown out of the water over last two and half years”. She observed that local authorities started talking much more openly about their symbiotic relationship with the voluntary sector. People talked about the step change in those relationships. Suddenly the voluntary sector, including infrastructure organisations, was inundated with offers to participate and new funding from trusts and local authorities.

Funders released unrestricted and core emergency funding. Inclusion London told us that, as a result of the Grenfell Tower tragedy and the pandemic, a genuine commitment arose from funders to engage equity infrastructure organisations in a meaningful way as part of the London Community Response Fund. Like many in the wider VCS, frontline and infrastructure organisations turned to online and remote working, bringing some benefits. Voluntary Action Harrow highlighted the increase in training participants they now reach virtually. There are also challenges such as managing staff and volunteers remotely, particularly if their numbers had grown rapidly during the crisis.

Frontline charities and infrastructure organisations are facing increasing demand

“ We want to do more for the community but we don’t have money - but we can see the need. It’s all about capacity. ”



Jessica Lubin,
Hackney CVS

When asked about the main challenge facing the frontline organisations they support and represent, the cost of living crisis was unsurprisingly top of the list for most of the infrastructure organisations we spoke to. Black Thrive, London Plus, Voluntary Action Harrow and Hackney CVS reported that frontline organisations are facing increased demand as more and more Londoners struggle financially. Community groups, who are often on the frontline in terms of essential advice services, are facing rapidly increasing demand from people needing help with benefits and debt advice.

Hackney CVS highlighted the pressures organisations working in the health sector were under as logjams in the NHS result in people turning to them instead and presenting with

complex needs. Inclusion London talked about high levels of disabled people being excluded from statutory services, with eligibility restricted to those in the most critical need. They too are looking to voluntary sector organisations to fill the gap. Of course, this increase in demand for frontline organisations has a big knock-on effect for infrastructure organisations as charities and community groups under pressure turn to them for support.

ROTA said that the Black Lives Matter movement had led to more anti-racist organisations starting up or formalising their structures and coming to them for help, in addition to many other organisations looking for ways to engage with the movement.

A workforce under strain

“Growth in demand for frontline organisations’ services also affects the mental health of community workers – who are often the same people who are applying for the funding.”



Alex Buckmire,
Voluntary Action
Harrow

Whilst trusts have maintained or increased funding, local authority budgets are under unprecedented strain, leading to this source of voluntary sector funding drying up in many areas. This means that frontline organisations are struggling to meet repeated waves of demand. Even when funds are available, staff recruitment is challenging, resulting in high workloads for those who are in post. People in voluntary roles such as trustees are having to step in to keep delivery afloat. CommUNITY Barnet and Black Thrive both spoke about this happening in organisations they are in contact with. London Plus said their members are reporting that the cost-of-living crisis is forcing volunteers to give up their roles in favour of paid work, or because they cannot afford travel costs to reach their placements. Voluntary Action Harrow said that increasing space and venue costs are another challenge for small frontline organisations. Infrastructure organisations are not immune from rising costs, with some worried about paying staff and keeping up with bills.

The cost-of-living crisis is also affecting employee wellbeing in frontline organisations. Voluntary Action Harrow and Hackney CVS said that staff are speaking directly to more people with higher levels of need, which takes an emotional toll. Many are simultaneously dealing with their own financial worries, also affecting their mental health. Black Thrive described how working in racial justice can be triggering for those supporting

people whose experiences mirror their own; an issue recognised by funders such as the GLA. The GLA pointed out that small charities that have no ‘slack’ in their funding find it hard to prioritise issues around employee wellbeing; a strand of the London Community Response Fund offered funding for wellbeing but was under-subscribed.

For both frontline and infrastructure organisations, recruitment and retention are challenges exacerbated by under-funding. Voluntary Action Harrow said that it is difficult to appropriately reward and develop staff on ‘bare bones contracts’ which are all that many infrastructure bodies can afford. CommUNITY Barnet said “we have a really amazing, experienced team who can work at phenomenal pace. But if they were to up and leave, to get that calibre back is a risk we constantly think about.”

Equity-led organisations face unique challenges

“ Often, interventions that are resourced are based on evidence that doesn’t include black and brown people. ”



Natalie Creary,
Black Thrive

There is a well-recognised chicken-and-egg situation where more equity-led organisations are small and micro, meaning they find it harder to apply for funding, meaning they remain small and micro. Various interviewees mentioned this and Black Thrive talked about the difficulty of getting funded if you don’t have people from privileged backgrounds, who have the connections and understanding of the system which play such a big role. They said charity leaders from minoritised backgrounds have to work harder to earn credibility and are subject to much more scrutiny than their white counterparts.

Inclusion London referred to particular barriers faced by organisations led by disabled people. These include issues around employing people on short-term contracts given the difficulties they face coming off benefits and making a new claim when the contract ended. Access to Work

delays also cause problems arranging reasonable adjustments. They also described the shortage of skilled and experienced disabled professionals in the sector, adding to recruitment difficulties and making it hard to source high-quality advice and consultancy. Despite the increase in funding to organisations working in racial justice, some longer-standing organisations, such as the Evelyn Oldfield Unit said that longstanding infrastructure organisations in this space had missed out to newer entrants.

Funders recognise the barriers facing equity-led organisations and are targeting funding specifically at them to try to redress the balance. London Plus told us their members, whilst commending these efforts, observed that this trend could limit funding opportunities for them – even though their work as infrastructure bodies was to support frontline equity-led community organisations.



Funding is precarious for some

“ During the pandemic funders were really good about funding business as usual – in the aftermath, they’re going back to let’s just get sexy and shiny things for small amounts of money. ”



Julie Pal,
CommUNITY
Barnet

Infrastructure organisations told us that both they and the frontline organisations they support fear a cliff edge now that Covid funding has mostly ended. City Bridge Trust observed that lack of funding is really preventing the type of collaboration which would be most valuable, and that some infrastructure organisations, for example the Small Charities Coalition, have already closed due to financial problems.

Evelyn Oldfield Unit said they were having to use their reserves to keep services running after they secured only small amounts of emergency pandemic funding. They thought that refugee organisations, even the larger ones, were being overlooked in the focus on racial justice.

CommUNITY Barnet said that during the pandemic funders had been much more flexible and willing to give unrestricted grants. However, it now appears most are reverting to their previous project-focused approach. London Plus were also concerned about the “existential threat” to infrastructure organisations who are dependent on local authority funding, as swingeing cuts hit local government.

Long standing systemic funding problems remain

“ It’s always very difficult to get core funding and notoriously difficult for infrastructure.”



Hannah Norgate,
London Plus

Infrastructure organisations agree that it remains hard to secure unrestricted funds, or funding for what they see as their ‘core’ functions around supporting frontline organisations with capacity building, help with fundraising and governance etc. Hackney CVS said “There is a lack of awareness and understanding amongst funders of the value of infrastructure. More funding to support core costs of infrastructure bodies would hugely increase the impact for local communities of project-based funding.”. London Plus said “it’s always very difficult to get core funding and notoriously difficult for infrastructure”. Inclusion London described their organisational development and business support arm as “chronically under-funded” and described the context as funders being reluctant to fund the internal infrastructure of frontline organisations – let alone support second-tier entities.

Race on the Agenda said that they had reduced the size of their staff team to the level where it was a stretch to deliver core services – they could always get project funding, but that didn’t lead to staff security. Infrastructure organisations also lamented the short-term nature of much of their funding. Voluntary Action Harrow described being “always in a six-month cycle - what do we have, what’s coming in?”

CommUNITY Barnet felt that application and reporting processes were often disproportionate to the amount of money on offer and acted as barriers. They criticised the frequent lack of useful feedback on unsuccessful applications, observing that even for large organisations like themselves, they may apply for a small amount of

money to test a new idea and if not successful, get very generic feedback such as ‘we had lots of strong applications’. Yolande Burgess felt that part of the role of London Funders was to educate members about the lack of capacity of community organisations to complete complicated applications for small amounts of money – “if you’re offering £5k grants you can’t have the same level of due diligence as you would for £500k – the grants won’t be accessible”.

“ Funders like to support new organisations meaning those that have been around for longer struggle to get the funding they need regardless of their track record.”



Mulat Haregot,
Evelyn Oldfield Unit

Funders say infrastructure is important – but don't agree what it should look like

Yolande Burgess talked about non-traditional models of infrastructure support and believes many of the needs of small charities could be met if funders were strict about applying a full cost recovery model when commissioning services and projects: “Whenever a funder says we want X service, they should acknowledge that there are underlying costs which should be fairly funded. If everyone did that all at the same time it would level the playing field in terms of infrastructure because everyone would be fairly funded.” However, she acknowledged that even in this scenario, some elements of what we think of as ‘traditional’ infrastructure support would still be needed – for example, around how to run a sound organisation and diversify income.

The GLA said “a healthy civic ecosystem contains robust and effective infrastructure”. They recognised that it has historically been under-funded and under-resourced and that “infrastructure went out of fashion”. They also pointed out that some functions thought of as the preserve of ‘infrastructure organisations’ are now being delivered by other types of organisations e.g. Healing Justice London, which is about capacity-building and movement-building. The GLA have therefore used the term ‘infrastructuring’ to capture this activity whoever does it.

John Lyon’s Charity believes smaller organisations are better at delivering to communities than large nationals, which bid successfully for funding, then

often subcontract the work and take a cut. The charity sees it as part of funders’ role “to enable small and medium charities to do the work they’re good at – and part of what they need is good infrastructure.” They are so convinced of the necessity of capacity building that they are “a funder that gave birth to an infrastructure body”. Around 2013-2014, when government funding cuts to the children’s and young people’s sector really began to bite, they saw a drop-off in applications. Behind this lay structural problems. The move away from grants into competitive commissioning and tenders had been disastrous for small charities which couldn’t compete, and some had been wound up. Community buildings had been sold off for flats and the networks for collaboration resourced by local authority funding disappeared. John Lyon’s Charity saw that community organisations were the best placed to meet local needs but couldn’t effectively compete for public or trust funding. When the London Borough of Brent announced it would close its youth service, the charity offered to set up a partnership involving people across different sectors who worked with young people. This became a membership and infrastructure organisation, Young Brent Foundation- and the structure has now been replicated in other boroughs across and beyond the grant maker’s focus area of North West London. These organisations are called Young People Foundations and are now operating in 11 boroughs across England.

“Funder Plus” is not the whole answer

“Funder Plus” is a model where trusts supplement their grants with access for their grantees to support such as training – provided either by themselves or through bulk-buying from others. It has become prevalent both nationally (for example at Lloyds Bank Foundation) and in the capital, where funders such as City Bridge Trust have instituted large programmes. Trust for London told us they were keen to further explore this model.

We heard positive examples where this approach had been effective. The GLA pointed to funders facilitating network-building, particularly where grantees were working in the same space and there was genuine benefit from collaboration. However, some significant concerns were raised. Black Thrive said that well-meaning grantmakers keen to build relationships with grantees and learn from their collective experience, can end up demanding a disproportionate amount

of contact time detracting from grantees ability to deliver and to develop their organisations. Inclusion London, building on their comments about the lack of disabled people at senior levels in the sector, reflected feedback from Deaf and Disabled People's Organisations (DDPOs) that the paucity of disabled consultants has resulted in recipients needing to educate the consultant about how to make their training accessible for disabled people. This lack of expertise grounded in lived experience can mean consultancy and training is ineffective, affecting the delivery of both infrastructure organisations in the disability sector and DDPOs.

City Bridge Trust recognised this limitation of the "Funder Plus" model, that we are starting from a baseline of the lack of specialist support and therefore what they as a funder can provide is no substitute for the bespoke specialist provision offered by organisations like Inclusion London. "Funder Plus" works best with providing specialist consultancy such as the governance and fundraising support provided by City Bridge Trust's Bridge Programme. However, most smaller community groups need help with the basics including help with governance and where to go for funding which remains at the heart of the role of CVSSs.

The GLA also felt that a "Funder Plus" model was not a substitute for funding infrastructure.

Whilst believing that funders should be in deep relationships with their grantees, they were concerned about inefficiency and duplication, if grantees were receiving multiple "Funder Plus" offers. They were also aware of the potential reluctance of grantees to discuss obstacles openly with funders. City Bridge Trust agreed that even if all funders developed a "Funder Plus" offer it could never fulfil all infrastructure support needs. They also highlighted their awareness of the barriers which can sometimes prevent infrastructure bodies themselves accessing "Funder Plus" support; although they offer it to all grantees including those with core grants, it tends to be project grantees whom they more easily proactively identify and reach out to. They are committed to a "Funder Plus" offer but described it as "always a pilot, an ongoing, iterative process".

We are also aware of research under way by the Centre for Regional Economic and Social Research at Sheffield Hallam University which raises concerns about the power dynamics at play in a "Funder Plus" model, which by definition excludes organisations who are not recipients of grant funding.

Funders are looking for innovation

“ The whole landscape is completely different, so how do we support the leading lights and smaller ones? ”

Yolande Burgess from London Funders and London Councils, spoke about getting people "out of the traditional model box", citing mutual aid groups during the pandemic and their differing needs for support. Sam Grimmett-Batt from City Bridge Trust talked about the value of new



Manny Hothi,
Trust for London

models of infrastructure support, more focused on connections and networks, as being particularly important for groups led by racially minoritised communities, which tended to gravitate towards CIC and social enterprise structures rather than the registered charity model traditionally served

by infrastructure bodies. They also spoke about the role which infrastructure, particularly focused on connection, can play in systems mapping and systems change, identifying and dismantling the systems producing inequity. They challenged more funders to draft their criteria for systems change funds in a way which allows infrastructure bodies to meet them.

Both the GLA and Trust for London called on infrastructure bodies to innovate. The GLA acknowledged that prolonged underfunding had constrained the sector's ability to innovate – and in some cases even to deliver basic services well. They also appreciated the difficulties of “reinventing something that's foundational” such as building networks and capacity building. They accepted that funders have to challenge themselves in this regard but also urged infrastructure bodies to tell their story better. City Bridge Trust emphasised their commitment to ‘bread and butter’ infrastructure, and acknowledged that a barrier for infrastructure bodies seeking funding is the lack of a ‘plain English’ description for their work and its value. London Plus also identified the challenge for infrastructure bodies, including themselves, to communicate and demonstrate their impact without resorting to shorthand estimates which can be over-simplified. In the view of the GLA there is a need for “more space for infrastructure to reimagine itself in the 21st century”.

Manny Hothi, the CEO of Trust for London felt that the pandemic had brought fundamental changes, particularly around greatly increased content and activity online and working from home, which the whole voluntary sector needs to engage with. He felt that many infrastructure organisations offered “yesterday's solutions” and that the sector as a whole needs to be fresher and better aligned to the needs of the Trust's grantees. The Trust sees an important role for infrastructure organisations in supporting frontline organisations to adapt their methods of delivery to this new world.

One of the infrastructure organisations we spoke to, CommUNITY Barnet also identified the risk that if they don't innovate infrastructure organisations could be bypassed by funders and commissioners who will go directly to service providers.

In contrast, London Plus suggested that the sector can be “beset with an obsession about innovation”. They echoed the GLA's comments about the importance of building connections.

“ The regularity and reliability of our support for our networks is crucial in building our credibility and value to the sector. This consistency also enables us to be agile when there is a pressing need such as an emergency. ”



Martin Brookes
London Plus

Funding changes are happening in London – on a small scale

“ Progressive funders in the last couple of years have understood the importance of infrastructure and are beginning to understand the importance of user-led.”



Tracey Lazard,
Inclusion London

Nearly all the infrastructure organisations we spoke to said that the pandemic had improved relationships between themselves and local authorities, as councils turned to them to coordinate the emergency response. However, some felt that this momentum might not last – particularly in the light of further cuts to council budgets.

Predictions among our interviewees for how funding relationships between local authorities and infrastructure organisations could now develop varied. Some feared significant reductions in council funding, whilst others were optimistic that reduced resources would lead local authorities to turn more to infrastructure organisations.

London Plus felt that already, some hopes were not coming to fruition: “the idea that there would be a step change in the sense of recognising the value of infrastructure - in many of our networks’ experiences, that just hasn’t happened – reality has intruded”. CommUNITY Barnet felt that the sector needs to understand the scale of cuts local authorities are facing and work on proving their worth, rather than complaining about a lack of resources.

Those trusts and foundations which support the infrastructure sector in London (for example, City Bridge Trust and Trust for London) are vocal about the important role it plays in civil society. City Bridge Trust told us that infrastructure is critical, perhaps even more so in the capital,

where the voluntary sector is so well developed and includes types of organisations which don’t exist elsewhere, making it even more important to connect them.

Some of the funders we spoke to were very aware of the challenges facing the sector generally, and capacity building and equity-led organisations in particular. Many of the points made by the GLA about the issues for equity-led organisations mirrored what we heard from the organisations themselves. City Bridge Trust also highlighted LGBTQ+ organisations as struggling to access funding due to being at early stages of development, small and without a track record to point to. After the pandemic, IVAR launched its Open and Trusting Funders campaign, building on principles such as those in the “We stand with the sector” statement signed by over 350 funders during the pandemic. Open and Trusting Funders identified eight commitments, for example to give unrestricted funding wherever possible and maximum flexibility where it is not. London Funders, of which Trust for London is a member, and John Lyon’s Charity have signed up. Working with City Bridge Trust, the GLA have launched a Civil Society Roots fund for groups that are led by and for communities impacted by structural inequalities. This aims to “give organisations space to step back from delivery, think who they need to be, how to organise themselves, in order to play their role in the system”. However, this funding is still on a small scale with £600k awarded in 2022.

London Plus highlighted the London Community Emergencies Partnership, funded by City Bridge Trust, the GLA and London Councils, as an example of funders successfully bringing together local and national organisations. Warning that the partnership would continue to need “effort to sustain and resources to support”, they cited the principles of “complete transparency, openness, equality” as key to success. Whilst they praised the approach of these pan-London funders, they were less confident that similar initiatives were happening at borough level. Inclusion London also highlighted the progress made, which they attributed to the more active role London Funders had played during the pandemic and their commitment to engaging equity-led organisations in the London Community Response Fund. They also have high hopes of the new Propel fund from the GLA and London Funders in terms of the involvement of equity-led organisations. However, even with that fund they said it was so far unclear how infrastructure organisations would fit in. When asked to sum up the progress made, they said we had moved from a two out of ten to a four.

The 360Giving report observes that nationally, there is a fragile ecosystem of a very small number of trusts and foundations supporting infrastructure organisations. The same is very much true in London.

City Bridge Trust told us they have specific funds for infrastructure bodies, as well as ensuring that support for infrastructure is “a golden thread weaved through all our funding”. They also don’t apply their requirement for a fallow period to infrastructure grantees in recognition of the importance of consistent infrastructure support for the sector. They have recently launched the Anchor Programme, which offers long-term, core funding to second-tier organisations to catalyse systemic change. The programme has been co-designed with civil society organisations and provides grants of £50,000-£150,000 per year for between seven and ten years. This is the scale of action which has the potential to make a really positive difference for the sector in London, and will hopefully encourage other funders to be similarly bold.

²Kane, D and Cohen, T (as above)

Conclusion

This is a pivotal point for London's voluntary sector infrastructure and the organisations that fund it. The cost-of-living crisis is putting frontline charities under as much pressure as the pandemic and there is an equally compelling need to provide support and co-ordination through infrastructure bodies. It is great to see funders beginning to recognise and respond to this need, but now is the moment for them to step up and do more. The world is changing rapidly for frontline charities in London and capacity building organisations should both support them to adapt and be a strong voice shaping the future. In order to do

that, they need first to be able to meet the existing needs of those they serve, without overwhelming their capacity and overstretching their staff teams. This will give them the breathing space to think differently and the confidence to try out new ideas. The innovation that funders are rightly looking for can only happen with adequate long-term, stable and flexible funding. Now is the moment for funders to build on their learning from the pandemic and increase their support to infrastructure organisations.

Annex - profiles of organisations interviewed

We aimed to involve a range of the different types of infrastructure organisations which work in London:

- **Black Thrive Global** evolved from the work of the Black Thrive Lambeth partnership, which was established in 2016 to address the inequalities that negatively impact the mental health and wellbeing of Black people in Lambeth. Black Thrive Global is a Community Interest Company and its last reported annual turnover was around £210,000. We spoke to Natalie Creary, Programme Delivery Director.
- **CommUNITY Barnet** is “a multi-borough national charity based in London with a national reputation”, which currently delivers services at a regional level. It is also the umbrella body for the voluntary and community sector in Barnet. It was established in 1979 and its latest published income was around £1.32m. We spoke to Julie Pal, the CEO.
- **The Evelyn Oldfield Unit** was founded in 1994 and aims to provide, develop and coordinate support services for marginalized and disadvantaged individuals and their communities – primarily those from migrant, refugee and asylum seeking backgrounds. It is a registered charity with its most recent reported annual income of around £189,000, and we spoke to Mulat Haregot, the CEO and company secretary.
- **Hackney CVS** is a place-based charity, working primarily in Hackney, which describes its role “interchangeably as enabler, facilitator, champion and servant to local communities”. It was founded in 1997 and its latest reported income was around £3.7m. We spoke to Jessica Lubin, Director of Health Transformation, Partnerships and Networks.
- **Inclusion London** supports Deaf and Disabled people’s organisations in London and campaigns for equality for Deaf and Disabled people. It is a registered charity and its latest reported income was £1.36m. We spoke to Chief Executive Tracey Lazard.
- **London Plus** is a charity established in 2018 to champion and support London’s charities and community groups. Its most recent annual income was around £461,000 and we spoke to Hannah Norgate, Networks Manager
- **Race on the Agenda (ROTA)** is a registered charity set up in 1984, and aims to “support and amplify the work of anti-racist organisations across the country as they work to bring equality to their communities”. Its most recent annual income was around £333,000 and we spoke to Maurice Mcleod, the Chief Executive.
- **Voluntary Action Harrow** was started in 2011 as a co-operative and aims to help the local voluntary and community sector thrive. Its most recent annual income was around £223,000. We spoke to Alex Buckmire, the Research and Development Director.

We also talked to five funding organisations:

- **The Greater London Authority (GLA)** is the devolved regional governance body of Greater London. It runs several grantmaking programmes, both independently and with partners. We spoke to Farah Elahi, Head of Community Engagement, and Shipra Ogra, Principal Civil Society Officer
- **City Bridge Trust**, London's largest independent funder, is part of Bridge House Estates, a world-class bridge-owner. Since 1995, it has distributed more than £716m focussed on reducing inequality and fostering more resilient and thriving communities. We spoke to Sam Grimmett Batt, Funding Director
- **London Councils** is the collective of local government in London. It brings together the 32 borough councils in Greater London, who all act as grantmakers and commissioners to voluntary and community organisations. London Councils also has its own pan-London grants programme, to which all 32 boroughs and the City of London contribute. This programme will invest over £6 million per year over the next four years in the strategic priorities of homelessness and domestic and sexual abuse. All 32 London boroughs are also members of London Funders, the only cross-sector membership network for funders and investors in London's civil society. Along with councils, its over 150 members include other public sector funders, independent foundations, Lottery distributors and businesses. We spoke to Yolande Burgess, London Councils' Strategy Director: London Communities, who is also a Trustee of London Funders
- **John Lyon's Charity** gives grants to benefit children and young people up to the age of 25 who live in nine boroughs in North and West London. The Charity distributes around £12 million in grants each year. We spoke to Senior Grants & Public Policy Manager Erik Mesel.
- **Trust for London** is an independent charitable foundation. It makes grants totalling around £10 million a year, and at any one time we are supports up to 300 organisations, focusing on tackling poverty and inequality in London. We spoke to Manny Hothi, the Chief Executive.

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