



The State of London's Voluntary Sector Infrastructure

May 2026

Introduction

London is celebrated for its prosperity and opportunity, however the reality for many Londoners is more complex, often shaped by significant social and economic inequalities.

In this context, the voluntary, community, and faith sector (VCFS) plays a vital role in the fabric of London life. It provides networks of support and empowerment for local communities, alongside opportunities to socialise, develop new skills, and build meaningful connections around shared interests, common purpose, and a desire to act collectively.¹

With over 43,000 registered charities and social enterprises, and countless grassroots groups, London's VCFS is dynamic and diverse.² Many of these organisations are small, with 42% having annual incomes of less than £100,000.²

Local Infrastructure Organisations (LIOs) play a critical role in this ecosystem by supporting VCFS organisations to get started, build skills and capacity, and remain resilient. In doing so, they help foster a more sustainable and collaborative sector.¹



Image Credit: [Mayors Community Weekend 2025](#)

What are Local Infrastructure Organisations?

Similar to physical infrastructure, **Local Infrastructure Organisations (LIOs)**, also known as **Local Civil Society Infrastructure (LCSI)** or **Local Voluntary Sector Infrastructure**, provide the systems that allow everything else to function.

Just as roads or bridges connect people and places, LIOs link VCFS organisations with other organisations, such as charities and community groups, as well as statutory partners, and private sector organisations, creating the conditions for collaboration, skills development, and stronger partnerships. Like physical infrastructure, they require ongoing maintenance and investment.

There is no one model of infrastructure organisation, however the National Association for Voluntary and Community Action (NAVCA) have identified four distinct functions of local infrastructure.³

1. Leadership and Advocacy
2. Partnerships and Collaboration
3. Capacity Building
4. Volunteering

Recent research by the Department for Culture, Media & Sport (DCMS) adds a fifth category of facilitating funding for VCFS organisations, such as “providing information about opportunities, influencing the design and targeting of grants or other forms of funding and co-ordinating local bids”.⁴



1) Leadership and Advocacy

Mobilising and encouraging community action, strengthening the voice of the VCFS, and increasing its influence with key decision-makers and funders.



2) Partnerships and Collaboration

Creating opportunities and driving effective joint working by building networks of local organisations and strategic partners.



3) Capacity Building

Providing practical support and development for local people and organisations, to nurture skills and build community resilience.



4) Volunteering

Building an environment in which volunteers and their communities thrive, by encouraging and nurturing volunteering opportunities.

What difference do Local Infrastructure Organisations make?

Through the functions described, Local Infrastructure Organisations (LIOs) enable a thriving civil society. A growing body of evidence shows that well-resourced local infrastructure makes a tangible difference to the strength and effectiveness of civil society as a whole.

The Local Civil Society Infrastructure (LCSI) R&D Programme commissioned by the Department for Culture, Media & Sport (DCMS) found that activities undertaken by LIOs lead to direct benefits for VCFS organisations.⁴ This is achieved by improving access to funding for frontline organisations, strengthening connections, and building confidence in engaging with and influencing decision-makers.⁴ Without this support, civil society groups are less able to coordinate activity, influence decisions, or access the resources needed to serve their local communities effectively.

In London, LIOs achieve a scale of impact far greater than their footprint. They represent just 0.14% of all registered charities and social enterprises in the capital - a figure that would be even smaller if unregistered community and grassroots groups were included.² LIOs bring a deep place-based understanding of their local areas, alongside trusted connections with diverse local communities. This is particularly important in a large and complex city like London which is marked by significant and persistent inequalities.

The latest Index of Multiple Deprivation (IMD) highlights the scale and distribution of inequality across London, with many boroughs containing neighbourhoods among those which are most deprived nationally.⁵ In this context, LIOs play a key role in supporting charities and community groups to use evidence effectively, strengthen collective voice, and help ensure that action to address inequality is coordinated, targeted, and rooted in local knowledge.⁶

The complexities and significance of local infrastructure in London were also recognised in “The Way Ahead”. Although now a decade old, this joint initiative between London-based civil society, public sector bodies, and funders set out an ambition of creating a thriving and resilient civil society which led to improved outcomes for Londoners, with local infrastructure playing a key role in achieving that vision.⁷

Challenges facing London's Local Infrastructure Organisations

London's Local Infrastructure Organisations (LIOs) currently operate in a challenging environment. One key pressure is rising demand for their support. While the voluntary, community, and faith sector (VCFS) and the need for the work of infrastructure has grown, the size of the infrastructure sector itself has remained largely unchanged.^{8,9} At the same time, several regional funding changes risk compounding these pressures.

Local government has historically been a strong supporter of LIOs. However, unprecedented pressures on local government budgets, driven by over a decade of underfunding, rising demand for services and escalating costs, have created significant strain. Across the capital, there is an estimated 17% gap between funding needs and actual local government funding, and nearly a quarter of local authorities across London required Exceptional Financial Support in 2025-26 to achieve a balanced budget, totalling over £400 million.¹⁰

In addition, LIOs face significant financial risk, as very few Trusts and Foundations provide funding specifically for infrastructure. Research by 360Giving highlighted that infrastructure organisations have very few funders they are even eligible to approach.⁸ This limits their ability to diversify income, leaving them highly vulnerable to changes in funder priorities.



Image Credit: [Mayors Community Weekend 2025](#)

Challenges facing London's Local Infrastructure Organisations

In London, there have been recent changes to the strategies of a number of key charitable funders who have historically been strong supporters of local infrastructure including City Bridge Foundation, Trust for London, and National Lottery Community Fund. Across these funders, strategies have become more focused on specific themes or issues, and whilst the importance of these focus areas is undisputable, the impact of these changes taken collectively may have a significant negative impact on the funding ecosystem for LIOs in London.

- **City Bridge Foundation**, the largest independent funder in London, developed a new funding strategy in 2025, “Standing with Londoners”, which focuses on the environment, access to justice, economic justice, and racial justice. While infrastructure is acknowledged within this strategy, details about eligibility are not yet known.
- In 2024, **Trust for London** amended their funding strategy to focus on economic and social justice, including decent work, tackling the housing crisis, improving social security, ending the poverty premium, ending migrant destitution, racial justice, and disability justice.
- The **National Lottery Community Fund** strategy, “It Starts with Community”, focuses on community-led funding missions, including supporting communities to come together, be environmentally sustainable, help children and young people thrive, and to enable people to live healthier lives.

Wider sector research reinforces this picture, highlighting the insufficiency of finances and other resources in the context of rising demand, high expectations, and growing pressure.¹¹ These challenges are further compounded by the dominance of short-term, project-based funding, which does not support full cost recovery.¹¹

In contrast, stable long-term funding provides LIOs with the security needed to maintain independence and strengthen collaboration across the sector.¹¹ It also removes the risk of potential competition with local organisations for the same limited funding, enabling LIOs to offer more consistent and effective support.¹¹

Cold spots: What happens when Local Infrastructure is missing?

Given the challenges facing London's Local Infrastructure Organisations (LIOs), there is a real risk that “cold spots” will emerge across the capital. This term describes places where local voluntary sector infrastructure is:



Separately or together, these conditions create environments in which both LIOs and the wider voluntary, community, and faith sector (VCFS) struggle to thrive.

Cold spots: What happens when Local Infrastructure is missing?

In Waltham Forest, after a prolonged period without consistent independent infrastructure support, the local authority decided to recommission a new LIO with multi-year investment, recognising that independent infrastructure underpins sector governance, and strengthens VCFS organisations' ability to secure funding and build reserves.

A related pattern can be seen in Barking and Dagenham where the sector has been reshaped in response to the long-term effects of chronic underinvestment.

Barking and Dagenham is a borough with a young and dynamic population, with some of the highest levels of deprivation in the country.⁵ Demand for services is high, yet the local VCFS has a higher proportion of micro and small-scale organisations than other London boroughs, with over three-quarters falling into these categories.¹² Without support from LIOs to grow and develop, these organisations may find it difficult to attract funding, creating a vicious cycle that perpetuates underinvestment in the local sector.

While both Waltham Forest and Barking and Dagenham have re-established infrastructure support, organisations in areas that have been through this cycle issue a clear warning. Where infrastructure is de-funded or de-commissioned, institutional memory is lost, and it takes time and resources to rebuild the relationships, connections, trust, and place-based knowledge and experience that strengthen the local VCFS.

"Wider cuts and commissioning pressures have led to reduced services and increased demand, pushing more responsibility onto the voluntary sector without the infrastructure or funding to match. This creates a cold-spot effect: weaker organisational resilience, more closures and churn, less continuity for residents, and fewer trusted community organisations able to partner confidently with statutory services."

Local Infrastructure Organisation in Inner London

"Where infrastructure has been lost, you don't just have to rebuild services – you have to rebuild trust, relationships, and local knowledge, which takes significant time and sustained investment."

Local Infrastructure Organisation in Outer London

Cold spots: What happens when Local Infrastructure is missing?

Repeated cycles of funding uncertainty are themselves a significant destabilising force. Organisations that are repeatedly at risk of being defunded report short-term planning horizons, increased leadership and staff turnover, and increasing difficulty in maintaining their independence.

“Our borough has effectively experienced a long period with little or no consistent, well-resourced local infrastructure support – around a decade. The impact of that gap is now very visible. Many small and emerging VCFS groups are living with the consequences of chronic underfunding: unstable income, limited reserves, and very little capacity to invest in core functions like governance, financial controls, HR, safeguarding, compliance, monitoring and evaluation, or strategic planning.”

Local Infrastructure Organisation in Inner London

The London Borough of Havering was identified as a funding cold spot by London Funders in their 2025 Member Audit.¹³ Following the closure of the Borough’s Council for Voluntary Service (CVS) in 2015, volunteer infrastructure support within the borough was reduced, resulting in many VCFS organisations taking on greater responsibility for recruiting volunteers independently. As Shelley Hart, CEO of Havering Volunteer Centre, describes, this absence disproportionately affects smaller, grassroots organisations, leading to closures, mounting fatigue across the sector, and a widespread sense of being overlooked despite rising need and complexity.

“Over the past year, we have seen a number of voluntary organisations close due to lack of funding. Smaller, grassroots charities, those closest to the community, are struggling the most, while larger organisations appear to be funded more consistently. There is a growing sense across the sector of fatigue and frustration. Many organisations feel overlooked and undervalued, despite the vital work they deliver.”

Shelley Hart, CEO, Havering Volunteer Centre

Cold spots: What happens when Local Infrastructure is missing?

Even well established local infrastructure can be quickly undermined by funding instability.

One example is Wandsworth, where the model for local infrastructure support is currently undergoing re-design. This follows an earlier procurement process in which the contract was issued for tender but subsequently withdrawn after several bids had been submitted. The incumbent local infrastructure organisation was then notified that its funding would end; however, this was followed by a series of short-term extensions, with funding renewed at three-month intervals over the course of a year.

It is very difficult for infrastructure organisations to do the sort of long-term and strategic thinking their role demands, when operating under sustained uncertainty of this kind. The impacts extend beyond the organisation and its workforce, affecting the organisations and communities it serves. Uncertainty ripples across the wider local sector, hitting smaller and fledgling organisations hardest - those most reliant on infrastructure support.

"Infrastructure is vital, not just nice to have, and needs proper funding. If you don't give proper attention to infrastructure, then delivery is always compromised and always suboptimal. Just because it's not always visible or doesn't offer political capital, that doesn't make it any less essential."

Jason Edgington, CEO, Wandsworth Care Alliance

Why Local Infrastructure Organisations are critical for London's success

London's most pressing and complex challenges demand strategic and sustainable long-term action across the public, private, and voluntary, community, and faith sectors (VCFS), along with the engagement of individuals and local communities. Local Infrastructure Organisations (LIOs) are ideally positioned to enable this, drawing on trusted relationships and deep local knowledge to support effective delivery on the ground.

Supporting NHS changes and tackling health inequalities

London's deep-seated economic and health inequalities are driving ill-health and increased pressure on public sector services. The London "Case for Change" sets out the scale of this challenge and how service provision and planning need to change in order to deliver this.

Central to this is the role of the VCFS and the need for the engagement of partners across all sectors around health and wellbeing, public health, social care, and related areas such as housing, employment support, and criminal justice.

The plethora of small, hyper-local VCFS organisations active across London will often be very well placed to work with communities currently facing health inequalities. Connecting with them individually is not realistic for either sector, but LIOs can hold strategic and sustainable relationships and act as a trusted intermediary, enabling statutory services to engage efficiently and at scale with communities experiencing the greatest inequalities.



Image Credit: Mayors Community Weekend 2025

Why Local Infrastructure Organisations are critical for London's success

Creating the foundations for a united and cohesive London

The recently published “Protecting What Matters” strategy sets out National Government’s approach to tackling social fragmentation and community divisions across the UK.

Whilst London shows stronger confidence in cohesion than other regions,¹⁴ we cannot afford to be complacent. Many of the global factors identified in the strategy as affecting cohesion, including declining trust in institutions, a rising tide of extremism, and malign foreign influence exploiting people’s fears, will also be at play in London.

The role of civic society in bringing people together and the spaces and places such as libraries, youth clubs, and community centres are essential for creating a sense of belonging and building relationships between different groups.

Beyond their role of supporting local charities and community groups to deliver and sustain these, LIOs can also play an important role in enabling the sector to respond early to changes in local communities.

For example, the Independent Commission on Inclusion and Belonging in Multi-Ethnic Newham highlights the need for “intentional leadership to foster a sense of inclusion in volatile times”.¹⁵

Both the Newham Commission and the Government Strategy highlight the importance of welcoming newly arrived communities in a way which can strengthen social norms and encourage pride in place and respect for neighbours and neighbourhoods. Local LIOs already play a critical role in this work, supporting new arrivals and building connections between new and established communities.^{16,17}

Why Local Infrastructure Organisations are critical for London's success

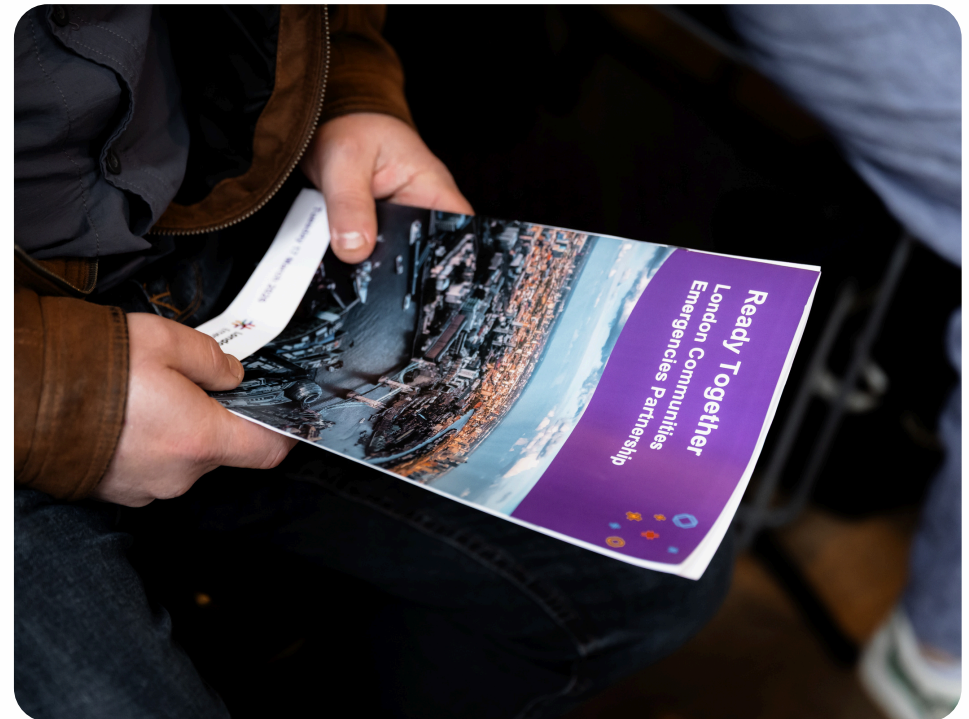
Building community resilience

Over recent years, we have seen profound global changes from the COVID-19 pandemic, increased risk posed by climate change, along with conflict in the Middle East and in the continent of Europe. The Government's Resilience Action Plan recognises the challenge of building a more resilient Britain, able to respond to this changed context, and strengthening preparation and response to crises.

The 2025 London Resilience Strategy recognises the particular implications for London, as the capital city, an economic hotspot and a densely populated and diverse city. Both highlight the important role of the VCFS in the planning, preparation, and response to emergency situations.

Recent emergency situations, from COVID-19 to far-right riots, have also demonstrated that community resilience relies on strong cross-sector relationships with local leaders and networks, trusted information channels, and an understanding of past events. Together, these elements help communities prepare for, respond to, and recover from crises more effectively.

Over the past three years, London's LIOs have been engaged in resilience work through the London Communities Emergencies Partnership, with positive effect - demonstrating how well resourced local infrastructure can strengthen connectivity and coordination, trust, and community-led responses in times of crisis.



What needs to change?

To achieve the ambitions of a healthier, stronger, fairer, and more resilient London, a strategic shift is needed in how London's Local Infrastructure Organisations (LIOs) are recognised, funded, and supported.

Stabilise funding for long-term impact

Persistent instability in current funding models undermines long-term planning, erodes organisational memory, and limits the sector's ability to respond effectively to rising and increasingly complex demands.

Partners across central and local government, the NHS, and charitable funders must work together to create a more coherent, coordinated, and predictable funding environment for LIOs. This should include access to long-term, core support that reflects their essential role in addressing the complex issues London's communities face.

Strengthen collective voice and system influence

Local Infrastructure Organisations across London enable collective voice. Their deep place-based knowledge and trusted relationships with communities uniquely position them to connect statutory partners with the breadth of the local VCFS.

Public bodies should work with LIOs to ensure that London's diverse VCFS (including small, grassroots, and hyper-local organisations) can meaningfully influence decisions that shape their communities, particularly those facing the greatest inequalities.

To maximise this impact, Local Infrastructure Organisations must also be embedded as essential partners within borough and regional-level strategies, ensuring their insight and coordination role informs decision-making at every level.

What needs to change?

Prevent infrastructure gaps through early intervention

There is also a pressing need to act early to prevent the emergence of infrastructure “cold spots”. Partners across central and local government, health systems, and key funding organisations should proactively identify areas at risk of infrastructure failure and intervene before instability becomes entrenched.

Preventative action is more effective, and less costly, than rebuilding infrastructure once it has collapsed. Learning from boroughs that have experienced the loss and subsequent re-establishment of infrastructure should be systematically captured and used to inform future commissioning, funding design, and partnership approaches.



Taken together, these shifts would unlock greater capacity from London's Local Infrastructure Organisations – strengthening partnerships, rebuilding long-term capability, and supporting more coordinated action to address deep-rooted inequalities and emerging challenges.

Without strong local infrastructure, London's ambitions will continue to rest on increasingly weakened foundations, leaving local communities and the voluntary, community and faith sector less able to meet the challenges ahead.

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