

The State of London's Voluntary Sector Infrastructure

With over 43,000 registered charities and social enterprises, and countless grassroots groups, London’s voluntary, community and faith sector (VCFS) is dynamic and diverse. Local Infrastructure Organisations (LIOs), also known as Local Civil Society Infrastructure (LCSI) or Local Voluntary Sector Infrastructure, play a critical role in this ecosystem, helping organisations get started, build capacity, and stay resilient. Just as roads or bridges connect people and places, LIOs link VCFS organisations with each other, as well as with statutory and private sector partners, creating the conditions for collaboration, skills development, and stronger partnerships. Like physical infrastructure, they require ongoing maintenance and investment.

Evidence shows that LIOs deliver tangible benefits to the VCFS - improving access to funding, strengthening connections, and building confidence to engage with and influence decision-makers. Their deep place-based knowledge and trusted community relationships make them uniquely effective. Despite this, London’s LIOs operate in a challenging environment, with rising demand, constrained public sector budgets, and shifting funder priorities. These pressures are compounded by short-term, project-based funding that limits long-term planning and full cost recovery.

Given the challenges facing London’s Local Infrastructure Organisations (LIOs), there is a real risk that “cold spots” will emerge across the capital. creating environments in which both LIOs and the wider VCFS struggle to thrive. “Cold spots” are areas where infrastructure is:



Absent: Where there is no local infrastructure or equivalent support in place.



Chronically Underfunded: Where funding for local infrastructure has been persistently low and insufficient to meet local needs.



Repeatedly at Risk: Where local infrastructure organisations face ongoing threats of closure, funding cuts, or the loss of core funding.

Across London, areas that have experienced gaps or instability in infrastructure support highlight both its importance and the risks of decline.

For example, in Waltham Forest, the local authority recommissioned a new LIO with multi-year investment after a prolonged absence, recognising its role in strengthening governance and financial resilience.

Sustained underinvestment in Barking and Dagenham previously left a largely micro-scale VCFS struggling to meet high demand and attract funding.

Where infrastructure has been lost, trust and connections take years to rebuild, while ongoing uncertainty, as seen in Wandsworth, makes strategic planning difficult and destabilises the wider sector.

Delivering a healthier, fairer, and more resilient London requires a strategic shift among central and local government, the NHS, and charitable funders in how London’s Local Infrastructure Organisations are recognised, supported, and sustained.

- **Stabilise funding for long-term impact:** 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 Local Infrastructure Organisations, including core support that reflects their essential role in addressing the complex issues London’s communities face.
- **Strengthen collective voice and system influence:** Work with Local Infrastructure Organisations to ensure the full diversity of the VCFS (especially smaller, grassroots, and hyper-local groups) can shape decisions, and embed infrastructure partners within local and regional strategies to enable this.
- **Prevent infrastructure gaps through early intervention:** Identify and support areas at risk of infrastructure loss before services collapse, using learning to inform future commissioning, funding design, and partnership approaches.

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.