

**COMMUNITY- LED CHANGE IN LONDON**

**THE LONDON COMMUNITIES COMMISSION**

**FINAL REPORT**

**August 2018**

## Contents

Introduction	3
What are the Commission's key findings?	5
Purposes of the London Communities Commission	5
The Case for Community-led Action	5
<i>2.1 Preventing problems through community-led early intervention</i>	6
<i>2.2 Working in Different Ways</i>	6
<i>2.3 Meeting needs through local community organisations</i>	6
<i>2.4: Developing Community Assets</i>	7
Our Proposed Solutions	8
<i>3.1: An area approach and local anchor organisations</i>	8
<i>3.2: Action in partnership with the business sector</i>	9
<i>3.3: Collaborative Commissioning</i>	11
<i>3.4: Funding</i>	14
Conclusion and Next Steps	17
Summary of Main Recommendations	18
APPENDIX 1 Commissioners and Acknowledgements	21

## **Introduction**

One of the starkest findings of the Commission is that, whilst new initiatives are being taken and investment is growing in many places, other neighbourhoods are being dramatically left behind. They are the areas where deprivation and dis-satisfaction meet and where a sense of abandonment is becoming entrenched. Not surprisingly, alienation is spreading and, amongst many people, there is little confidence that the future will hold anything better.

The voluntary and community sector is inevitably drawn into this harsher landscape. Cuts to public funding support to the sector are unprecedented and philanthropic donors have generally yet to respond in a strategic and sufficient way. Thus the traditional strengths of the sector, to respond flexibly to changing situations, to bring local knowledge and expertise to bear and to muster support at the local level, are slipping away. This in turn is exacerbating conditions in the most stressed areas.

This is the environment within which the Commission is determined to make a strategic impact. It believes that a major new intervention, sitting alongside other programmes, should be formed around three defining characteristics. First, intervention should be focussed on the most stressed neighbourhoods and targeted at priority unmet need as experienced by local people. Second, it must be delivered by the community, in the community, addressing the sense of powerlessness over local affairs that has come to characterise so many deprived areas. Third, it needs to bring in additional resources in a painless way. In doing this it must re-define the relationship between the public, private and voluntary/community sectors. The Commission believes it is possible simultaneously to attract new money from the private sector, release under-used resources inherent in the community and to further improve the effectiveness of public sector resources.

This report is about how this may meaningfully be done.

In the two and a half years since the Commission was set up, we have published a series of draft recommendations on the web and received helpful feedback, for which I am very grateful. The feedback has been enthusiastic and wholly positive, re-enforcing our strong belief that the time is ripe for change - and that such change would be welcomed across the sectors.

Based on this feedback, the easy option for us would have been to publish a final report and wind up the Commission, leaving others to carry out our challenging recommendations.

That is what most Commissions do. But this would be to leave the real job undone. Whatever other actions may be desirable, and our Report identifies many, the major requirement is for significant new resources to be made available to support communities most in need and to enable the voluntary/community sector to re-engage more forcefully at the local level.

Today's reality is that these resources will not come from the public sector. The Commission is therefore continuing its work, our immediate task being to identify where fresh resources may come from and to establish an Endowment Trust to secure them.

In order to help make the case for such a Trust, we are now publishing this draft final report on the web as background material to our ongoing work. It sets out our principal recommendations and points the way to the work that we will be doing to secure new resources. We will publish that work on the web as we progress.

I hope you find the current draft useful and challenging. I would be delighted to hear any comments and suggestions that you may have.

Sir Stephen O'Brien

Chair

London Communities Commission

London, August 2018.

## **What are the Commission's key findings?**

The Commission set out to examine how communities in need could best be strengthened and supported by voluntary and community action in these austere times. In the process we wanted to see how the voluntary sector itself could be re-empowered and bring its particular skills and experience at the community level to bear.

In essence, we found that

- a) attention needs to be focused on those areas most in need - which we call Community Action Neighbourhoods (CANs) - and which, working with GLA, we have identified;
- b) the communities within those areas should themselves define the priority unmet needs that they experience and want to see addressed most urgently;
- c) the communities should also play the fullest possible role in drawing up, and implementing, projects to alleviate those needs - working with a voluntary sector Anchor Organisation which would be the accountable body;
- d) resources will be key in turning aspirations into actions and we are proposing to secure an additional £3million a year to put into each Community Action Neighbourhood over the next 7 years.

These key findings have driven our recommendations as set out on pages 19 and 20.

### **1. Purposes of the London Communities Commission**

This independent Commission was set up in September 2015, with eleven Commissioners from the private, public and voluntary sectors (see Appendix 1), convened by the Paddington Development Trust and supported by London Funders and by the Corporation of London's charity, City Bridge Trust. Its task was to look into how citizens and communities in London's most deprived areas might be strengthened and supported in these times of austerity. We have published six draft and interim reports on different aspects of our work which can be found on our website <https://londoncommunities.co.uk/downloads/>

### **2. The Case for Community-led Action**

Even before the Commission heard evidence from across London, we were aware of how new ways of working, which are community-led, can unlock local resources, develop local assets, and grow community capacity. The Commissioners were also excited by the new evidence that was gathered (and published in our first report) which clearly shows how power

can be devolved to the community in areas where there is some sense of belonging. The case studies show new ways of working that address unmet needs, develop citizens' control over their lives, and establish working relationships between the community, private and public sectors. These initiatives strengthen the community capacity and ultimately reduce demand for acute public services.

Our report on evidence classifies these new ways of working into four sections.

### ***2.1: Preventing problems through community-led early intervention.***

Three case studies (Community Buddies in Newham, Community Health Champions in Paddington and the Help on your Doorstep in Islington), were presented to the Commission. Each involves the training of local community volunteers to reach out and contact those who traditionally have not found statutory services accessible. The isolated residents are then helped to deal with a preventable problem that they face, saving costs to public services further down the line. The initiatives help to build community networks and stronger community relationships. They are also life-changing for the volunteers involved, many of whom have gone onto further education or jobs that they did not believe they could do before their involvement in the project.

### ***2.2: Working in Different Ways***

Statutory providers can learn from community-led early intervention and move towards working in ways that empower local people. The examples (social prescribing in Bromley-by-Bow, the Well London Framework and Early Help in the tri-Borough area in West London) show how traditional statutory services can be transformed to provide services that are built around the needs of local people. These new services start from a community development approach to identifying citizen's needs and unlock the innovation, commitment and passion of local residents. They pinpoint gaps and promote community innovation: whether this is through social enterprise or through new community organisations. They depend on statutory providers fundamentally changing their approach to service provision: moving from competitive commissioning to promoting community engagement and collaboration.

### ***2.3: Meeting needs through local community organisations***

Innovation can also come from small local organisations who have limited or no involvement with the statutory providers but are embedded in their community. The Commission heard from many small successful community organisations (such as the Westbourne Park Family Centre, the BME Health Forum, Waltherton and Elgin Community Homes (WECH) and Haringey Migrant Centre) started by local citizens in one place or by one community of interest getting together to meet a gap in services. All these organisations started with a very small budget and provided services in a different way and were strongly supported by their local community because they were meeting a need neglected by statutory organisations.

As Leslie Baron from the London Community Neighbourhood Co-operative (LCNC) said: “Groups working in the front line survive on very little money but a lot of knowledge, expertise, good will and hard work, with many successes.” They are able to personalise their services to directly match the needs of users and are less fragmented and able to intervene earlier than larger organisations. Being self-funded also means they are not tied to the vagaries of any centralised body but can set their own agenda and deliver it how they see fit.

#### ***2.4: Developing Community Assets***

Finally, several case studies (Lordship Recreation Ground, Stonebridge Lock and The Ubele Initiative around a street market - all in Tottenham - and Paddington Development Trust’s renovation of St Mary Magdelene Church making it relevant again in a deprived, ethnically diverse urban community), all show what can be achieved by community-led action. In none of the examples do the groups involved own the assets but in each instance they succeeded in changing how an asset is used and ensuring that its use responds to the needs of local residents. Facilitating residents’ participation in co-designing local regeneration also encourages further involvement in the long-term future and maintenance of the asset, again unlocking community resources and delivering significant improvements in the use of assets.

With this wealth of evidence on the success and cost effectiveness of community-led action, it is surprising that it is not more strongly supported as a growing sector in the provision of services. But the reality is that the dramatic cuts in public services, with 40% cuts in local government funding 2010-2015 and a further 25% cuts by 2020, make statutory providers retreat to only funding services where there is a legal requirement for them to do so. The Commission heard how austerity, combined with the London housing crisis and welfare cuts, has led to increased stress for London residents. Population churn and a decline in citizen participation in some areas (civic participation dropped from 41% 2012/13 to 30% in 2013/14<sup>1</sup>) are also weakening community ties, making it harder to build sustainable communities. The decline in early action and preventative initiatives is leading to more mental health issues and costly responses to crises. Without local residents being involved in designing the services, which are meant to meet their needs, unsatisfactory solutions will be developed. In this time of continuing austerity, it is essential to draw on potential resources that local communities offer in terms of knowledge, relationships, skills, and their passion and enthusiasm about making a difference to the area in which they live. Local people and communities are the key assets to healthier social and economic outcomes across London.

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<sup>1</sup> *Whose Society? The Final Big Society Audit* (January 2015), Civil Exchange

### 3. Our Proposed Solutions

#### 3.1: An area approach and local anchor organisations

Individual citizens have limited power to change the world. In order to achieve real empowerment, they need to be able to build local support structures through which they can work together and release the value of individual and collective creativity.

The Commission decided to focus on three pilot areas, Paddington, Tottenham and Newham. All three are home to vibrant but vulnerable communities. All three neighbourhoods, like scores of others across the city, have been quietly doing something extraordinary for their local communities through long established community groups and networks that have made a tangible difference to their areas through the many phases of London's economic cycles. The pilot areas are not representative of all deprived areas in London. *Each area is unique*. But the evidence showed that an **area-based approach** had demonstrably worked well and, while actual solutions in each area are different, there are some common pointers to what created success. We have therefore asked the Mayor, together with the London Councils, to use the GLA datastore and local knowledge to identify a number of priority areas (which we have called Community Action Neighbourhoods) on the basis of need. Contrary to "conventional wisdom", these are not all located in Inner London: Barking and Dagenham, for example, had the highest indicators on the London Poverty Profile 2017.<sup>2</sup>

The Commission has looked particularly at the role of **anchor organisations** in poor communities. These are community-led independent organisations that lead and help build those local support structures, develop the infrastructure that enables citizens to progress to social and economic independence and also campaign for change. Such organisations develop a democratic action partnership among local community groups, (where all voices, particularly those of the powerless, can be heard) that can identify shared values, aims and objectives and the priority unmet needs they wish to tackle. Anchor organisations can provide leadership and promote a positive narrative to support funding, demonstrating the importance of place, passion, evidence and local knowledge. They need to operate with full transparency, accountability and trust in their community and should be able to encourage collaboration and foster smaller organisations.

In each of the Community Action Neighbourhoods, based on previous experience of effective action, we have suggested that a Joint Action Team (JAT) is set up with a lead community anchor organisation (or a partnership of anchor organisations), other partners from the

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<sup>2</sup> <http://www.londonpovertyprofile.org.uk/key-facts/overview-of-london-boroughs/>

statutory services, private sector, voluntary and community sector, education, funders and trusts. This partnership team, based on local knowledge, would agree the actions and outcomes to be achieved over a 5-7 year programme in a way that ensured the involvement of smaller voluntary organisations. As each area is different, we are not specifying the form of the JAT any more than we are specifying the form of the local anchor organisation. However we see the JAT as a light touch, flexible partnership board. The JAT should be strategic, community-led and should involve people focused on action who work well together rather than necessarily being representatives of other organisations. The whole Team should commit to the overall programme (and subsequently monitor and adjust it as necessary and agree its annual outcome report). Operational matters could be dealt with through local task groups reporting back to the full Team annually. Thus, whilst the neighbourhoods themselves would be set strategically, the specific programmes, actions and outcomes would largely be determined locally, would differ according to the needs and history of each area and would lever in independent money together with the knowledge, time and skills of local communities.

In this model, local people would lead the way by identifying priority unmet needs and the outcomes they want to pursue to progress to greater social and economic independence and sustainability. This model requires significant support to build the capacity of anchor organisations, to provide premises and assets for community organisations and to develop the capacity in the community. This support is also recognised in the review of the future of civil society support in London commissioned by London Funders<sup>3</sup>. Our approach also, however, requires significant changes in the way local communities are funded, statutory services delivered and in the terms by which resources get to the acute areas of growing poverty in London. It is to these changes that we now turn.

### **3.2: Action in partnership with the business sector**

The Commission collected evidence illustrating the existing major contribution of the private sector and clarifying how the sector could add value to the Commission's proposals.

The existing contribution was classified into five sections:

#### ***A. Supporting local people to become job ready and employed***

Creating meaningful employment and routes into employment is one of the most significant ways that business contributes to the livelihoods of individuals and communities. Our evidence showed that many companies have been offering quality work experience and apprenticeships; they have adopted new approaches to recruitment; and broken down barriers to entering the work-place for people from disadvantaged groups. In turn, these actions can benefit business by tackling skills shortages, building new talent pipelines, boosting re-

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<sup>3</sup> See footnote one on Page 3

tention rates and achieving higher productivity. They benefit individuals and communities by reducing unemployment and providing a potential route out of poverty. Our report highlights a range of initiatives from Education Business Partnerships to the work of Malcolm Hall, a business connector from Lloyds Bank seconded to Business in the Community (BITC), and the work on the Victoria Gate Scheme in South Leeds with the developer (Hammersons) and Leeds Council to bring various employment schemes together to ensure that new jobs go local residents.

### ***B. Giving staff the opportunity to share their skills through capacity building***

Many companies, both large and small, encourage their employees to act as mentors to individual young people, helping to raise their aspirations. They are also encouraged to serve on the Boards of voluntary and community organisations, bringing their financial and management skills, or to act as school governors. Recent approaches include BeyondMe, which puts together a team of 8 professionals, under thirty five, who join together and donate their money, skills and time to a niche charity project, with matched funding and mentoring support of a senior leader and their employer.

### ***C. Increasing opportunities for local SMEs and Social Enterprises***

The Commission held some of its meetings at the Brigade, an old fire station in Tooley Street in which PWC has created a social enterprise hub. We therefore saw directly how PWC has supported new social enterprises, some of which in turn helped those who are homeless. Larger employers can support SMEs by providing markets for social and micro enterprise. We heard about KPMG's supplier engagement process, Castell Howell Foods regional supply chain in Wales and Skansha's supply chain sustainability school that helps suppliers improve their business practice.

### ***D. Giving significant cash profits to support communities***

In 2014 the top 500 companies in the UK spent £3.25 billion on Corporate Social Responsibility (CSR) activity<sup>4</sup>. The top UK company for cash donations in 2015 was Lloyds Banking Group which gave £53.7m, the second was Tesco at £25.4m<sup>5</sup>. Another way that cash funding is given to support local communities is through not-for-profit and community benefit companies which are founded not only to create jobs and deliver services but also through a link community foundation to generate income which can be used to support local residents. Many of Locality's members are formed in this way and use community assets and social enterprises to generate income for their programmes. The Commission looked at two other examples: Gloucester Gateway Trust, the charity partner in the M5 Gloucester Services; and HCT Group, a social enterprise in the transport industry.

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<sup>4</sup> Global Noticeboard prospectus

<sup>5</sup> Directory of Social Change: The Guide to UK Company Giving 2015-16

### ***E. Community Investment***

Strong communities are good for business. By investing in their local communities, helping them to tackle the issues that affect the lives of their workforce and customers, businesses are investing in themselves. The Commission looked at several examples of community investment from British Land's Regent's Place development in Camden to BITC's Business Connector Programme, particularly the contribution made in two of our pilot areas, Westminster and Tottenham.

The Commission's research has shown how the private sector is already making a real difference to London's poorest communities. The Commission would like to see business consider whether there is further change in their day-to-day activities to better support deprived communities and local enterprise development. It would also like to see take-up widened to involve far more local SMEs in stressed areas. The business community will need to build on what they already deliver if this change is to be achieved.

Specifically the Commission is calling on the Business Sector:

- a) To develop greater area-based involvement so that they can join with local citizens in addressing their priority needs. We ask that business continue to second talent to the BITC Business Connector programme to support their local community. This will enable a local needs-based and collaborative approach, bringing together all three sectors.
- b) BeyondMe could establish a team in one or more of the Community Action Neighbourhoods when they are established.
- c) To actively explore ways of increasing the funding available to support programmes in Community Action Neighbourhoods.
- d) To work with brokerage organisations, such as BITC, the Media Trust, Volunteering Matters and Team London, to think differently about how they donate their employees' time – to encourage skills-based volunteering, long-term secondments, as well as repeated donations of small amounts of time rather than one-off afternoons.
- e) To undertake a culture change to recognise the business benefits of increasing corporate giving at a proportionate rate to profits.

### **3.3: Collaborative Commissioning**

If services are to be built from the bottom up and reflect the outcomes that local citizens know will make a difference and which they are prepared to actively support, commission-

ing needs to be carried out in a fundamentally different way. We have called this collaborative commissioning.

Competitive tendering for services is the norm and required for many statutory organisations. For many services however, quality and reach can be improved where there is support in the early stages of the commissioning cycle for the involvement of the wider community and community organisations in assessing the needs, defining the outcomes, and providing evidence about successful approaches as part of the design of the service specification.

In addition, supporting the development of collaborative networks to bid together for contracts can make all the difference to making sure the delivery of a contract will reach all parts of society, and will reach those who are least likely to access mainstream services. The role of community anchor organisations in pulling together networks and partnerships to jointly deliver services is fundamental to developing a local market which is responsive to smaller and larger community organisations, and responsive to the differing needs of different community groups.

This approach is particularly relevant for **services where behaviour change** is required (e.g. dealing with obesity); **services involving early intervention** (such as children and youth services or family interventions where engaging those who do not usually contact service providers at an early stage is key) or **services where wider community support** can make all the difference (addressing issues like mental health or isolation in old age). Our report makes the case for such services to be contracted through collaborative networks supported by the public sector and delivered through a trusted local anchor organisation.

It is not always necessary to have competitive tendering and when there is tendering, the nature of the competitive process needs also to be carefully considered to enable more local organisations to be involved. Values of quality, community outreach and community access can be weighed as highly as cost during the evaluation of the bids. Indeed, flexibility is encouraged by the Public Services (Social Value) Act 2012. Furthermore our evidence showed that current competitive procurement and commissioning is leading to:

- a loss of expertise when effective organisations lose a contract
- financial pressures and levels of risk which smaller organisations cannot support
- a domination by larger contractors, both public and private, who are less close to the service user and their community, or may over-serve the 'easy to reach' groups in order to deliver on targets
- atomisation of services with loss of focus on the citizen and service user
- tick box mentality

- the disappearance of smaller community based organisations such as those described earlier in this report, which are developing innovative new ways of working
- reduced social capital and community capacity

In our evidence paper we have called for new approaches to commissioning to generate buy-in from active citizens in their community. Arguably our most important recommendation to all partners is to see and to cast the role of communities and their representative organisations as the core of the solution, not the problem. Communities need to be a real part of defining issues, specifying solutions, delivering them wherever possible and thereby contributing their unique experience and expertise. The word ‘co-production’ has, however, often been misused, suggesting, for example, that personalised budgets represent co-production. But this is an individualised approach where those needing care still rely on experts and often have to spend their budgets on existing services which they have no power to re-shape. Real co-production, which we are promoting here, involves a focus on relationships with people as well as budgets; on looking at how the resources of both citizens and the state can be *combined* to develop more effective support; and on how peer support or wider citizen groupings can be brought into the process to develop new ways of working.

Collaborative commissioning is not an easy option - it absorbs resources and good will. The current context is also making such commissioning harder. Local authorities and health services are commissioning on different and increasingly larger areas, which challenge delivery at a local community organisation level. Many of the preventive services which have been so successful such as early years, youth services and public health have had their funding cut dramatically and those seeking to run services need to understand the constraints. But there are solutions which would still allow some collaborative commissioning at CCG and Borough level.

In Westminster for example, the City Council is working with the John Lyons Charity (JLC) and representatives of the youth sector to establish an innovative charitable vehicle (The Young Westminster Foundation) to maximise financial support from business and other sources for preventive and non-statutory services for 0-25 year olds. Anchor organisations can work collaboratively themselves to tender for larger contracts and contracts can be organised into community-managed independent units (e.g. the model of Burgzorg, a care nursing organisation in the Netherlands, which runs a national programme of nursing care with local teams of 20 nurses who self-manage with no central manager). And our evidence contains several examples from a variety of commissioning bodies (Camden Clinical Commissioning group work with Voluntary Action Camden, the London Borough of Islington’s approach and the Royal Borough of Greenwich’s procedures for third sector commissioning) which demonstrate that an alternative approach is possible.

Our specialist report on Commissioning (March 2016) recommends:

- a) That the Mayor, working with London Councils, facilitates access for the statutory and community sector via a new portal to the multiple existing evidence sources and to new research that would provide both data about each neighbourhood and a central evidence base on the impact of different community-led initiatives in London.
- b) For services that involve engaging with local residents as described above, it would be helpful if London Councils together with the Mayor drew up a code to help promote a socially responsible procurement and commissioning process that statutory partners could draw on/sign up to as part of a quality assurance process. Such a code would start from seeing the local community as an asset and would make greater use of the Public Services (Social Value) Act 2012 and value-based commissioning. It would include commitment to pay the London Living wage and ensure full transparency. This would provide some kind of quality mark and support for public sector bodies who can demonstrate that they follow the principles and practice of good commissioning.
- c) All statutory partners involved in procurement should commit to collaborative commissioning as outlined in this report and ensure that this approach is embedded in each service department throughout the commissioning organisation.
- d) Commissioning bodies should build the capacity of local anchor organisations, local communities and local social enterprises to identify *priority* unmet needs and clarify *priority* outcomes that they wish to achieve before the commissioning process starts and then to assist in designing specifications including outcomes and measures.
- e) Commissioning bodies should be prepared to support challenge from both geographic communities and communities of interest looking to develop new ways of working.
- f) Commissioning bodies should ensure that monitoring and evaluation is rigorous but does not impose unnecessary burdens. Where appropriate they should involve local universities in assisting with evaluation.
- g) Commissioning bodies should follow the National Audit Office's principles of good commissioning, including consortia building, longer term contracts and feedback from users.

In today's economic climate, it is essential to draw on all the potential resources that local communities offer in terms of knowledge, relationships, skills, and their passion and enthusiasm about making a difference to the area in which they live. Local people are the key assets to healthier social and economic outcomes across London. Unless commissioning is reformed these assets cannot be released. Our evidence has shown change is possible.

### 3.4: Funding

Public expenditure cuts and declining funds in the voluntary and community sector impact on the ability of citizens to engage in new solutions, hence the decline in citizen activity and volunteering reported by the Civil Exchange in their Big Society Audit<sup>6</sup>. The Commission was also told about a study of funding resources in small to medium-sized voluntary organisations in two deprived areas<sup>7</sup>. This found that, in deprived areas, the VCS is particularly dependent on the public sector which is now being cut so it is losing funds. But capacity and energy is being focused on service delivery (often to specifications laid down by prime contractors) and these small and medium organisations do not have the capacity or skills to apply for foundation funds. So, paradoxically, applications for foundation funding are declining in the very areas where it is most needed.

If the new approach advocated by the Commission is to succeed, it requires improved understanding between the philanthropic foundations and Trusts, the business sector, the Big Lottery and the VCS sharing a renewed vision with the Mayor of a London built on aspiration and equality. We need philanthropic brokers (community organisations with sufficient capacity to build relationships with funders and the private sector, negotiate funding and contracts and to cope with cash flow) and stewardship capacity (the Accountable Body capacity to use the funds that are held on behalf of the community in a careful, transparent and responsible way that maximises their effectiveness and social impact and supports community capacity building). We will also need the different public and private agencies involved in the Joint Action Teams (JATs) to commit so far as possible to addressing the priority needs through their own programmes, budgets and activities - thus starting to focus coordinated local effort for maximum impact.

The Commission heard several options around how this could be organised. The options below are not exclusive and different areas might look to include elements of each option.

#### **a) Islington Giving model**

This model brings funders together on an area basis to meet joint objectives through a foundation, CVS or anchor organisation. In Islington, Cripplegate Foundation takes the role of encouraging giving and coordinating and meeting the administrative costs of the partnership, while smaller grassroots community groups are funded to deliver frontline services.

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<sup>6</sup> [http://www.civilexchange.org.uk/wp-content/uploads/2015/01/Whose-Society\\_The-Final-Big-Society-Audit\\_final.pdf](http://www.civilexchange.org.uk/wp-content/uploads/2015/01/Whose-Society_The-Final-Big-Society-Audit_final.pdf)

<sup>7</sup> : *An insight into the future of charity funding in the North East* <http://www.garfieldweston.org/common/updateable/documents/2576d2e1-eb88-4a3d-b48c-525cd6fd82a3.pdf> and *An insight into the future of charity funding in Wales* <http://www.garfieldweston.org/common/updateable/documents/2ecbbd0a-c6f9-4469-ba45-b1bccbe45170.pdf>

Islington Giving is a good model which is being replicated in several London Boroughs but there will be some constraints in its reproduction in relation to capacity and local resources.

***b) Development Trust***

Development trusts such as Coin Street or Westway Development Trust, which were donated substantial land assets, can be sustainable. The assets need to be able to generate income. Both PDT and Community Links have been more resilient because they own some limited assets. Locality, the national network of development trusts and enterprising community-led organisations, gave evidence to the Communities Commission. Their evidence spoke eloquently of the important role of asset-based community anchor organisations<sup>8</sup>.

***c) Company/community partnership***

As one witness put it: ‘the VCS tends to be a ‘mosaic of different organisations operating in relative isolation and with no overall co-ordination or collaboration’<sup>9</sup>. Funders and the business sector complained that there was a tendency for small community organisations to go to corporates with ‘a begging bowl for cash’ to support their current programme. They were clear that if a partnership of voluntary and community organisations came to the firms with a coordinated proposal about how they could jointly contribute to improved community outcomes, this could result in more ambitious proposals that the business community could more readily support.

The Commission also heard about potential new sources of funding:

- a) Social investment can provide opportunities to finance outcomes that can be clearly quantified on pilot programmes, albeit on near-conventional banking terms
- b) There is now an Early Action Funders Alliance which has resulted in The Early Action Neighbourhood Fund (EANF): a pilot joint-funding initiative between Comic Relief, Esmée Fairbairn Foundation, the Big Lottery Fund, The Legal Education Foundation, and Barrow Cadbury Trust. This type of funding opens up opportunities to further the approaches advocated in this report.
- c) The Olympic legacy precept could be altered to encourage an endowment fund created by the private sector; there could be a new tourist tax; the Mayor’s Fund

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The Community Right to Bid under the Localism Act 2011 gives community groups the right to prepare and bid to buy community buildings and facilities that are important to them. It came into effect on 21 September 2012. Community groups still need to persuade the Council that the asset should be on the register of ‘assets of community value’ and to raise the market value of the asset.

<sup>8</sup> Professor Nick Bailey, University of Westminster

<sup>9</sup> Professor Nick Bailey, University of Westminster

for London could be revised to widen its current brief to enable it to support the citizen-led approach advocated in this report.

- d) £170m is locked up in dormant oyster card accounts.
- e) Big Lottery fund still provides long term support for programmes like Well London or the Early Action Neighbourhood Fund and is a key partner in any future funding strategy, particularly through its Big Local programme.
- f) The plastic bag charge has generated new funds from larger retailers. There is no legal requirement to pass the money on to charities, but most large retailers have chosen to do so and wish to spend the money on community benefit and environmental projects.
- g) Payroll giving needs to be re-energised.
- h) Many of the innovative community-led programmes outlined in this report received public health funds. These have now been significantly cut but their positive impact should enable some funding to be negotiated through councils and local Clinical Commissioning Groups.
- i) Housing Associations have some resources for this type of work which supports their objectives of developing sustainable residential communities
- j) Universities can offer research and evaluation resources.
- k) More recently there is growing pressure for the release of unclaimed assets to put into an endowment fund.

Despite all these initiatives, the Commission believes that a new, sustainable and relatively painless approach - but on a significant scale - is needed if any real impacts are to be made. In essence, the Commission is exploring how best to work with the FTSE 100 and 250 companies to establish an endowment fund capable of generating significant sums to invest annually in the ten most deprived areas of London - our Community Action Neighbourhoods. This strategic funding could also help unlock or leverage other forms of financial support (from trusts and foundations, local statutory partners, the Big Lottery, central government, businesses etc).

#### **4. Conclusion and Next Steps**

The Commission believes that the actions recommended in this report could bring fundamental and long-lasting improvements to London's most stressed communities, thereby helping to tackle unacceptable polarisation and its unsustainable effects, from the bottom

up. We have liaised with a number of other Commissions<sup>10</sup> who have raised issues that overlap with ours and we have developed a joint offer to work with the Mayor of London. This offer commits us to working with him to help tackle the problems of those in greatest need in London and to bringing the considerable, and often under-utilised, resources of our sector to this immense task with a focus and a passion not seen before.

We also look forward to developing our recommendations with the London Boroughs, London Councils and other statutory partners, the business sector, funders and other partners and agreeing action plans where appropriate.

Our main recommendations are summarised below. The Commission recognises that most of them (in particular the CANs and all that goes with them) will require substantial funds to be committed before any real progress can be made. We also realise that there is a danger of raising expectations unrealistically and we are therefore not publishing a detailed implementation programme at this stage. Instead we are focussing initially on trying to secure the funds.

We aim to review progress through reports on our website at four monthly intervals (October, February and June) and to be in a position to launch the programme of up to three CANs in summer 2019. At that time we will also publish a draft timetable for the whole programme.

## **5. SUMMARY OF MAIN RECOMMENDATIONS**

At the start of this Report we summarised our key findings. We found that:

- a) attention needs to be focussed on those areas most in need;
- b) the communities within those areas should themselves define the priority unmet needs that they experience and want to see addressed most urgently;

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<sup>10</sup> **1. THE WAY AHEAD: CIVIL SOCIETY AT THE HEART OF LONDON**

<http://londonfunders.org.uk/what-we-do/london-funders-projects/review-londons-civil-society-support/way-ahead-civil-society>

**2. THE LONDON FAIRNESS COMMISSION**

<http://londonfairnesscommission.co.uk/the-london-fairness-commissions-final-report>

**3. LOCAL EARLY ACTION: HOW TO MAKE IT HAPPEN** <http://www.neweconomics.org/publications/entry/local-early-action-how-to-make-it-happen>

**4. CHANGING LONDON – A ROUGH GUIDE FOR THE NEXT MAYOR** edited by David Robinson and Will Horwitz

<http://www.change-london.org.uk/changing-london-book/>**5. COMMUNITY CAPITAL: THE VALUE OF CONNECTED COMMUNITIES**

<https://www.thersa.org/discover/publications-and-articles/reports/community-capital-the-value-of-connected-communities/>

**6. FINAL REPORT OF THE LONDON HOUSING COMMISSION: BUILDING A NEW DEAL FOR LONDON**

<http://www.ippr.org/publications/building-a-new-deal-for-london>

**7. HOME TRUTHS FOR BARNET** -Barnet Labour Group Housing Commission

<https://londoncommunities.files.wordpress.com/2016/02/barnet-labour-housing-commission-report.pdf>

- c) the communities should also play the fullest possible role in drawing up, and implementing, projects to alleviate those needs;
- d) resources will be key in turning aspirations into actions.

**These key findings have driven our main recommendations, which are:**

1. The Mayor should continue to develop his vision<sup>11</sup> for London showing how he will lead work with partners, in particular disadvantaged communities, to tackle poverty, deprivation, poor health and the increasing economic and social polarisation that threatens London's sustainability.
2. The Mayor should identify a number of priority areas for action on the basis of need (which we have called Community Action Neighbourhoods - CANs) and include them in the London Plan. The areas have now been identified.
3. In each of these areas, local voluntary and community organisations should, over time, develop a democratic action partnership among local community groups, led by a trusted local anchor organisation (or consortium of organisations), that can identify shared values, aims and objectives and the priority unmet needs they wish to tackle. The aim would be to develop consensus decision-making processes where all voices (particularly those of the powerless) can be heard.
4. In each of these areas there should be a **community-led** local Joint Action Team (JAT) with partners from the statutory services, the private sector, the voluntary and community sector, education, funders and trusts. This team, based on the work of the local anchor organisation, would agree the local priority unmet needs together with the outcomes to be achieved over a 7 year programme. There could be different local delivery arrangements but they would each be led by a local, community based, anchor organisation or consortium of organisations - who would also be the Accountable Body.
5. We are calling on the boroughs and statutory agencies to see communities as a key resource, as opposed to a problem, and to provide support, recognising the central role of anchor organisations and helping to ensure the voluntary sector has access to premises and funding.

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<sup>11</sup> My vision for London is simple - I want all Londoners to have the same opportunities that our city gave me: a home they can afford, a highly-skilled job with decent pay, an affordable and modern transport system and a safe, clean and healthy environment.

6. We are exploring a major new initiative with the corporate sector to bring in around £3million a year to each of the CANs over a period of up to 7 years. Experience shows that sums of this kind, linked to local commitment, can be used very effectively by community-led action and lead to sustainable change. The total sum should be held in an endowed trust by a Board with cross-sector representation, for use in the agreed programmes. This strategic funding could help unlock or leverage other forms of financial support (match funding from trusts and foundations, local statutory partners, businesses, the Big Lottery and central government etc.)

7. Within the CANs, the boroughs and statutory agencies should commit to “bending” their own programmes and investment to meet the local unmet needs, as presented by the Joint Action Teams, so far as possible.

8. We are calling on businesses, large and small, to develop greater area based involvement so they can join with local citizens in addressing priority needs. This will also involve better use of employees’ volunteering and engagement with BITC Business Connector programme.

9. We are recommending that statutory partners commit to collaborative commissioning and building the capacity of local communities and local social enterprise. Consideration needs to be given to those services which need not be competitively commissioned but can instead be negotiated with local trusted community organisations. The skills and knowledge of the local community should be harnessed to focus on **their** needs, with involvement in co-designing and delivering programmes to address these needs.

10. We believe that the Voluntary and Community Sector (VCS) should encourage partnerships of NGOs to pool resources and approach commissioners and companies with a coordinated proposal on how things could be done better and differently by active collaboration.

11. We are recommending the VCS to consider how better to evaluate and evidence success both for funders and commissioners, possibly in association with local higher education institutions, and to build confidence in the community itself and share with other Community Action Neighbourhoods.

## **APPENDIX 1**

### **Commissioners**

Sir Stephen O'Brien	Chair
Sir Sam Everington	Public Sector
Christine Mead	Public Sector
Lucy de Groot	Public Sector
David Adair	Business Sector
Paul Buchanan	Business Sector
Guy Insull	Business Sector
Eithne Rynne	Voluntary Sector (until July 2016)
Lisa Redding	Voluntary Sector (from July 2016)
Sarah Ebanja	Community Sector
Geraldine Blake	Community Sector
Neil Johnston	Community Sector
Arvinda Gohil	Community Sector (from September 2016)
David Warner	London Funders (until summer 2017)

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Ines Newman, Principal Report Writer until October 2016;  
Fabian Sharp, Commission Coordination until June 2016.

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