

locality

# THEORY OF CHANGE:

Supporting communities to build  
successful neighbourhoods



# 1

## THE BIG PICTURE

Locality is the national network of ambitious and enterprising community-led organisations, working together to help neighbourhoods thrive.

### VISION

Our vision is a fair and diverse society where every neighbourhood thrives and where local people determine their future together.

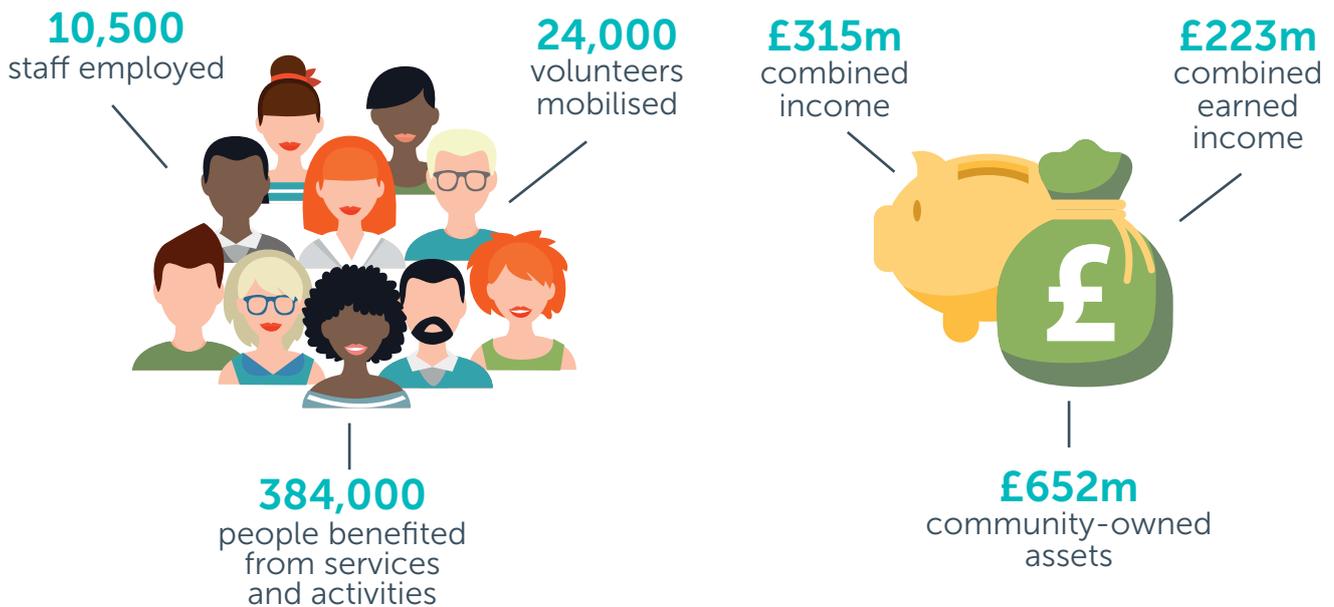
Our members operate in neighbourhoods right across England, undertaking a wide variety of different activities, reflecting the communities they serve. What unites our members is a sense of ambition for their local neighbourhood, an enterprising approach to finding local solutions to local problems, and a clear sense that this activity should be community-led and based on

### MISSION

Our mission is to develop a network of ambitious and enterprising community-led organisations with strong, collective voice and to inspire community action so that every neighbourhood thrives.

self-determination. They act as “anchors” within their community, providing stability, flexibility and a responsiveness to local need. Key to sustaining our members in the long-term are community ownership of assets, community enterprise and service delivery, and our network contains a huge reservoir of inspiring examples of how to achieve successful change.

## Locality's member organisations in 2014:



We believe that community anchor organisations are fundamental to the creation of successful and self-confident neighbourhoods, uniquely placed to provide solutions to many of the intractable economic, social and environmental problems we face as a society. They foster self-reliance rather than dependency, and provide communities with a degree of resilience to cope with changing circumstances. They are independent organisations, working interdependently with the public and private sector locally. We need to ensure that community anchor organisations are understood and supported, and that we create the conditions for these organisations to blossom in many more places.

Anchor organisations can play an important part in regenerating neighbourhoods and supporting economic development. They

often play a major role in local employment and retaining wealth within a neighbourhood, while also playing an active role in supporting people into training and skills development and into wider employment opportunities. They can act as facilitators within neighbourhoods between different sectors, supporting the growth of local businesses and leveraging in new funding and finance to support local economic growth.

Anchor organisations are often established in order to find solutions to a multitude of social problems in the local area. Because they are locally rooted, they can be responsive in tackling local needs and finding creative solutions to problems. Community owned and managed models of delivery can reinvigorate common assets and ensure that communities can directly control the important activity in their neighbourhoods.

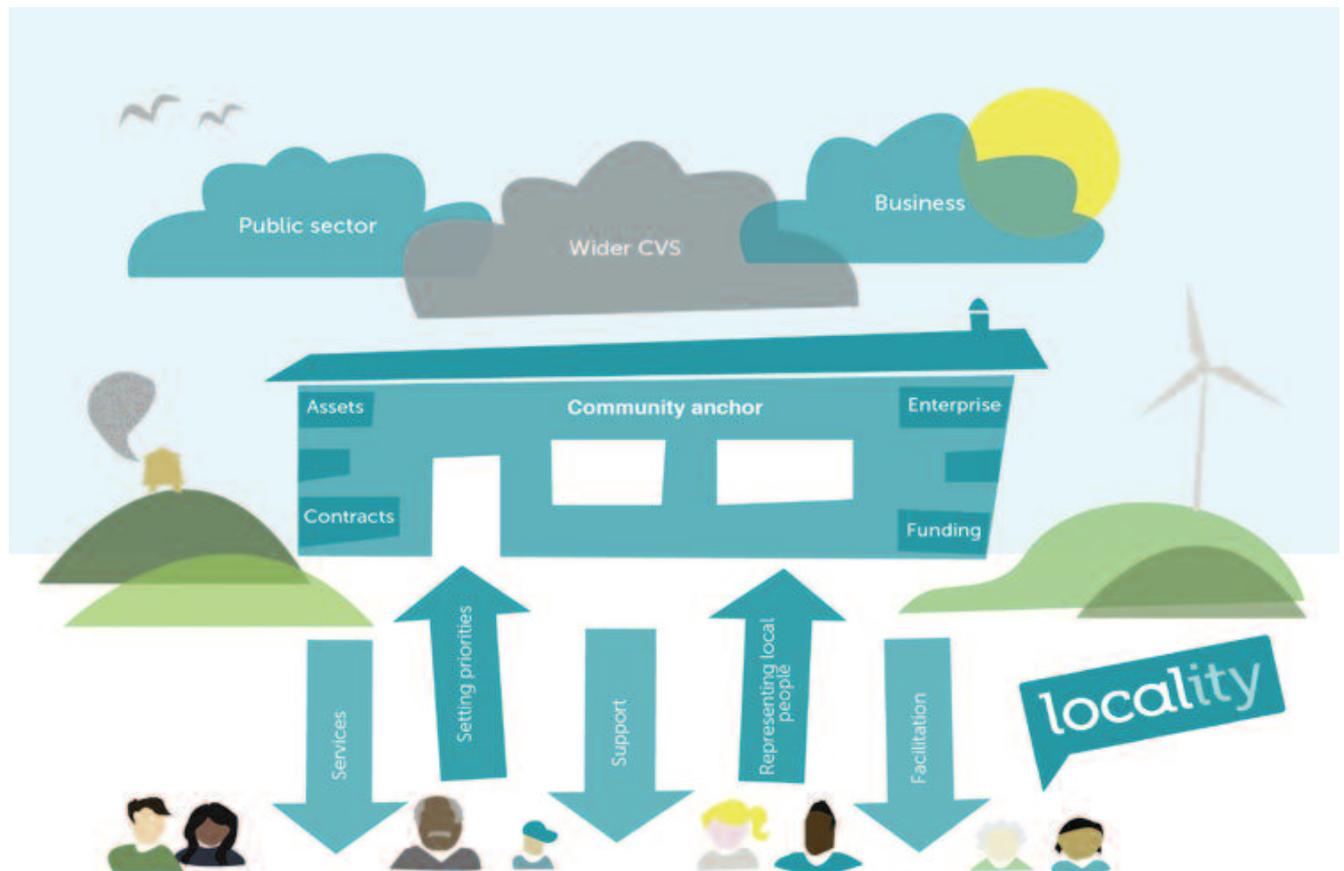
Social cohesion is being stretched by growing inequality, the degradation of our common assets and services such as green space, libraries and leisure facilities and a fragmentation and polarisation of political engagement. Anchor organisations play a facilitative role in their local neighbourhoods, often acting as a “hub” for community groups and organisations in the area. In many cases literally housing these groups, as well as providing much needed space for micro and small businesses within their community buildings.

The impact of continuing public sector spending cuts, the trend towards large scale outsourcing of public services, and a failure to focus on prevention and early intervention means that the public sector is wasting public money, failing to provide appropriate services and storing up problems for the future. Because community anchor organisations have an open door approach and tend to be multi purpose in their approach, they can play an important role in supporting local people in accessing local services. They are playing an increasingly more important role in delivering service contracts, which enables them to take a preventative and person centred approach – providing more cost effective solutions, improving people’s lives and saving money.

Many community anchor organisations exist to help regenerate neighbourhoods which are struggling with high deprivation levels, economic and social problems and a degradation of the neighbourhood’s assets. They often act as a defence to further problems hitting the neighbourhood and can identify and develop local assets - human and capital – to support regeneration.

The localism agenda is here to stay and enjoys broad cross party support. There has been welcome progress in this area. It is having an impact on how communities engage with local decision making and determine their own futures. With an increasing focus on devolution of powers in England, there are growing opportunities for community anchor organisations to take on more powers on behalf of their local communities – retaining their independence from the state, but fulfilling the role of custodian of the commons. Real benefits will be seen from further devolution to the neighbourhood level, with community anchor organisations playing a vital role in how this is embedded, managed and developed.

## What is a community anchor organisation?



Community anchor organisations can be very different and many would identify themselves as fulfilling part of this description, but not all. For example, some anchor organisations do not own or manage assets on behalf of the local community but focus on delivering services. Some do not bid for or run public service contracts and would not see themselves necessarily taking this step. There is a wide spectrum of different organisations who could fit within the description of community anchor organisations. Many of them see themselves on a “journey” where they develop organisationally and take on more responsibilities, build their enterprise activities and their asset base. But some are content to stay small and focused on specific activities. What they all share are the broad principles outlined in this theory of change:

- Provide services and activities that are by the community, for the community
- Seeking out, listening and responding to the needs and views of local people - championing them and advocating on their behalf
- Driving positive social change and making communities fairer and more inclusive
- Earning income from services and activities and keeping it in the local economy
- Maximising community assets, such as buildings and land, to bring long-term resilience and sustainability and to re-invest income into the local area
- Being independent and free to determine their own direction, priorities and objectives, but working closely with private, public and third sector organisations locally

# 2

## THE ROLE OF COMMUNITY ANCHOR ORGANISATIONS IN NEIGHBOURHOODS

Community anchor organisations are independent community-led organisations operating in a local area. They are firmly rooted in a sense of place, and committed to positive economic, social or environmental change. They are typically flexible and responsive organisations, providing multi-purpose and holistic solutions to local problems and challenges. They act as “anchors” because they are there for the long term, providing stability as the external environment changes, and finding new ways of working as circumstances change around them. Although independent, they work interdependently with others operating in the local area in the public, private and voluntary and community sectors.

Community anchor organisations come in different forms: some are organisations with roots in the Settlement movement in the late Victorian age and have been providing local services for well over a century; others come from a social action centre tradition, or from the development trusts movement in the late 20th century; while others are long-standing charitable organisations, successor bodies for historic

Government regeneration programmes, newer social enterprises or Community Interest Companies. In a sense however, the form of the organisation is less important than the practice and the methods they employ. They are often the driving force in a local neighbourhood for community renewal, the facilitator and supporter of community activity, and a way that local people can be involved in

determining their shared future. They play an important role in stimulating active citizenship and civic participation through volunteering and community organising, and act as a catalyst for community cohesion, bringing together diverse groups to work together for the local neighbourhood.

Anchor organisations also have a transformative impact on the quality of life of local people. They provide a voice to people struggling to be heard, advocating on their behalf when working with service providers, and playing a role in shaping and often delivering community services and representing the needs of local people. They have a vital role in fostering self-reliance and self-determination in a local community and support the local economy through offering employment opportunities, asset development and enterprise activities.

Many community anchor organisations operate in very challenging circumstances, and are at the front line in dealing with serious social and economic problems in areas with high measures of deprivation. They also face important equality, inclusion and diversity issues. There are greater numbers of people from a black and minority ethnic background in areas covered by anchor organisations, and higher proportions of people with long term health conditions and disabilities. Many anchor organisations have – with minimal state support – overseen significant demographic change due to migration flows in their neighbourhoods while ensuring strong integration and community cohesion.

## Developing and sustaining community anchor organisations

Community anchor organisations use a variety of different income streams to support their organisational development and to fund their activities. There is a strong focus on enterprising activity to bring in independent and sustainable sources of income, and most are not wholly reliant on traditional forms of charitable funding such as grants and donations.

Four building blocks are commonly used to fund and support anchor organisations. Sustainable community anchor organisations typically use a combination of all four:

### 1. Community ownership of assets

Many community organisations are able to survive independently because of income generated from building rentals, as well as operating as community hubs where other services and activities can be delivered. Community anchors have a strong tradition of developing community assets from buildings – such as traditional community centres and business and enterprise hubs – and revitalising heritage buildings such as town halls, libraries and swimming pools. There is increasing interest in taking on ownership of a variety of other assets that can provide income streams, as well as providing direct benefits to people in the local area. These assets can include:

- Community buildings
- Business buildings
- Land, open and green spaces
- Energy generation (e.g. wind turbines)
- Housing

## 2. Community enterprise

Community enterprise, often linked very closely with ownership of assets, can provide sustainable sources of income for anchor organisations and support other unfunded activity that meets the needs of the community, such as local training and employment initiatives. Other community enterprise examples include:

- Building/ venue management and lettings
- Business support services
- Consultancy services
- Catering
- Arts and leisure services
- Manufacturing (e.g. textiles, chocolate, jam)
- Retail

## 3. Contract income through service provision

Many community anchor organisations provide direct services for local people through contracts with local authorities and other statutory bodies, and this has been a growing trend in recent years. These contracts can represent significant security of income for organisations, and can lead in turn to the provision of localised and more personal services which include social as well as financial value. However, delivering contracted services can also raise issues over stop-start income which can be disruptive, lead to the community organisation being seen as an agent of the state, and the trend of scaling up procurement can lead to huge difficulties (see below). Examples of contract income can include:

- Local authority contracts e.g. children's services, youth services, social care
- Community development and involvement
- NHS contracts e.g. public health, health care, mental health services
- National contracts and/or sub-contracting activities e.g. Work Programme

## 4. Funding through donations, grants and other forms of charitable giving

Wider funding includes more traditional donation or gift-based giving, which is significant for some community anchor organisations – particularly those which are long-standing and linked to other institutions such as churches or universities. Grant income for specific programmes and projects as well as core funding also play a part, and can be particularly important in supporting action learning projects and developing new areas of work. Grants are also a major route into taking on and refurbishing ownership of buildings, particularly heritage buildings. Funding sources therefore include:

- Donations from individuals or organisations (e.g. local businesses)
- Trust and Foundation grants
- Local Authority grants e.g. voluntary sector core grants or specific project funding
- Central Government grants e.g. Empty Homes Community Grants

## The role of community anchor organisations

There are five key roles of community anchor organisations<sup>1</sup>:

### 1. Providing Services

Community anchor organisations provide local services and act as a gateway to helping people access the other services they need. Many organisations (including over half of Locality's members) deliver public sector contracts, reflecting the interdependence between anchor organisations and the public sector. However, there is an increasing trend to package up public sector programmes into huge contracts which can only be delivered by large national organisations – often outsourcing companies or large national charities – which leads to the offer of

<sup>1</sup> Based on the work of the Community Alliance, made up of Locality's predecessor organisations DTA and BASSAC together with Community Matters

one-size-fits-all, standardised services that don't meet the needs of local communities. The impact of this trend on community anchor organisations is significant: many Locality members report major reductions in income, while also having to maintain their commitment to local service users, whose needs are failing to be met by the national organisations.

## **2. Bringing in money**

Community anchor organisations help bring money and opportunities into a neighbourhood from the local authority, external funders and other agencies. By using the four pillars outlined above, organisations bring inward investment and are typically much better than public sector agencies at ensuring that this wealth is distributed back into the local economy through, for example, employing local people, or partnering with/supporting local businesses and social enterprises. Community anchor organisations also play an important role in channelling funds to other local organisations, acting as a community hub and enabling the creation of mutually beneficial, reciprocal working relationships.

## **3. Providing a voice for local people**

Community anchor organisations provide an important role in speaking out on behalf of local people, advocating for individuals in navigating services and helping them access the support they need – as well as influencing policy and practice at a local level and more widely. Anchor organisations provide advice and support services for local people and in some cases represent them legally. Many community anchor organisations will also have direct experience, evidence and case studies of the impact of policy decisions taken nationally or locally, and will use this to act as a catalyst for change through lobbying and campaigning – either individually or working collectively with organisations like Locality. Community anchor organisations also play a vital role in supporting local

people to get involved in groups and have a say about local issues and services, particularly where organisations are using community organising approaches.

## **4. Supporting other community organisations**

In many neighbourhoods there are several community groups or organisations representing communities of interest or particular geographical areas. Community anchor organisations provide support through community capacity building, and helping groups to develop their skills, organisation, representation and involvement. They act as facilitators or catalysts for wider community action, often through their physical assets, for example through hosting smaller organisations in their buildings, but also by convening different interests and providing an important infrastructure role for others.

## **5. Strengthening community involvement**

Community anchor organisations support active citizenship and contribute to civil renewal by providing a mechanism for local people to be involved in decisions affecting the neighbourhood. Many organisations invest heavily in community development work or use community organising approaches to build social capital and engage local people.

Increasingly, community anchor organisations are playing a role in delivering devolved models of service delivery, and making use of Localism Act rights such as Right to Bid and Right to Challenge and working towards neighbourhood plans. There is a clear route for community anchor organisations to play a role in the devolution agenda – not by becoming part of public sector governance, but by taking on a series of additional services and powers where there is demand for this locally. The role of anchor organisations in the devolution agenda needs to be a key plank of discussions on English devolution.

# 3

## THE ROLE OF LOCALITY IN SUPPORTING COMMUNITY ANCHOR ORGANISATIONS NATIONALLY

Community anchor organisations are not all the same: they will have different priorities, and different ways of working and an income base unique to their local area. However, they share a common approach and a set of shared principles: a determination to find solutions to the challenges faced by people in the community in which they are based, a flexible and can-do attitude, and a long standing commitment to their local area, whatever the short-term winds that blow.

Locality exists to support these organisations. We want to see more of them and in more places, and we want to help them to develop and grow. There are many neighbourhoods in England, particularly in the most challenged areas, with no anchor organisation or capacity to support local communities. And many existing anchor organisations have been unable to establish solid financial

foundations to support their work. We aim to create as positive a climate as possible to support the growth of this sector, using a membership model as the basis of our approach.

Our membership has huge strength, reach and influence. The role of Locality as a network is to ensure that this reach and influence has an impact nationally, using

the resources across the membership to influence positive change at the highest levels of government and support our members in influencing and campaigning on behalf of the work they do locally.

Locality has supported our members to develop their activities and to win contracts worth millions, helping them to grow and adapt to the difficult external environment. For every pound spent by members on business support from Locality, £9.33 was raised in investment and contracts. We have also supported over 100 members experiencing financial difficulties, providing advice and support. Our 'lifeboat' service provides intensive 'hands on' help and has kept many of our members afloat amidst the climate of austerity.

We have developed our network so that members can share knowledge and learning, including bringing hundreds of members together through a small grants programme. Our annual convention is the largest community sector event in the country, with over 600 people attending and provides an essential platform for knowledge sharing and learning across the sector.

We have contributed to shaping legislation such as the Localism and Social Value Acts, and have delivered the support contracts related to community rights and neighbourhood planning powers.

Many community anchor organisations have an important national profile in their own right. Toynbee Hall has had a profound impact on the development of the welfare state over 100 years, and is a nationally respected authority on financial inclusion. Cambridge House has a 100% track record of success through their legal support service, and is responsible for a landmark Supreme Court ruling that forces local

authorities to provide more support to vulnerable homeless people. Community Links is at the forefront of policy development work on early action and intervention, influencing the political and policy agenda.

We are seeing a renewed interest in community ownership of assets from the state, but much of the driver for this is cost cutting. We need to ensure that communities are able to take on control of assets rather than being encouraged to take on liabilities that local authorities can no longer afford to maintain. There has been a positive focus on social investment in recent years, but our challenge will be to ensure that the needs of small and medium size organisations are properly represented in terms of accessing appropriate finance and funding.

## Our priorities

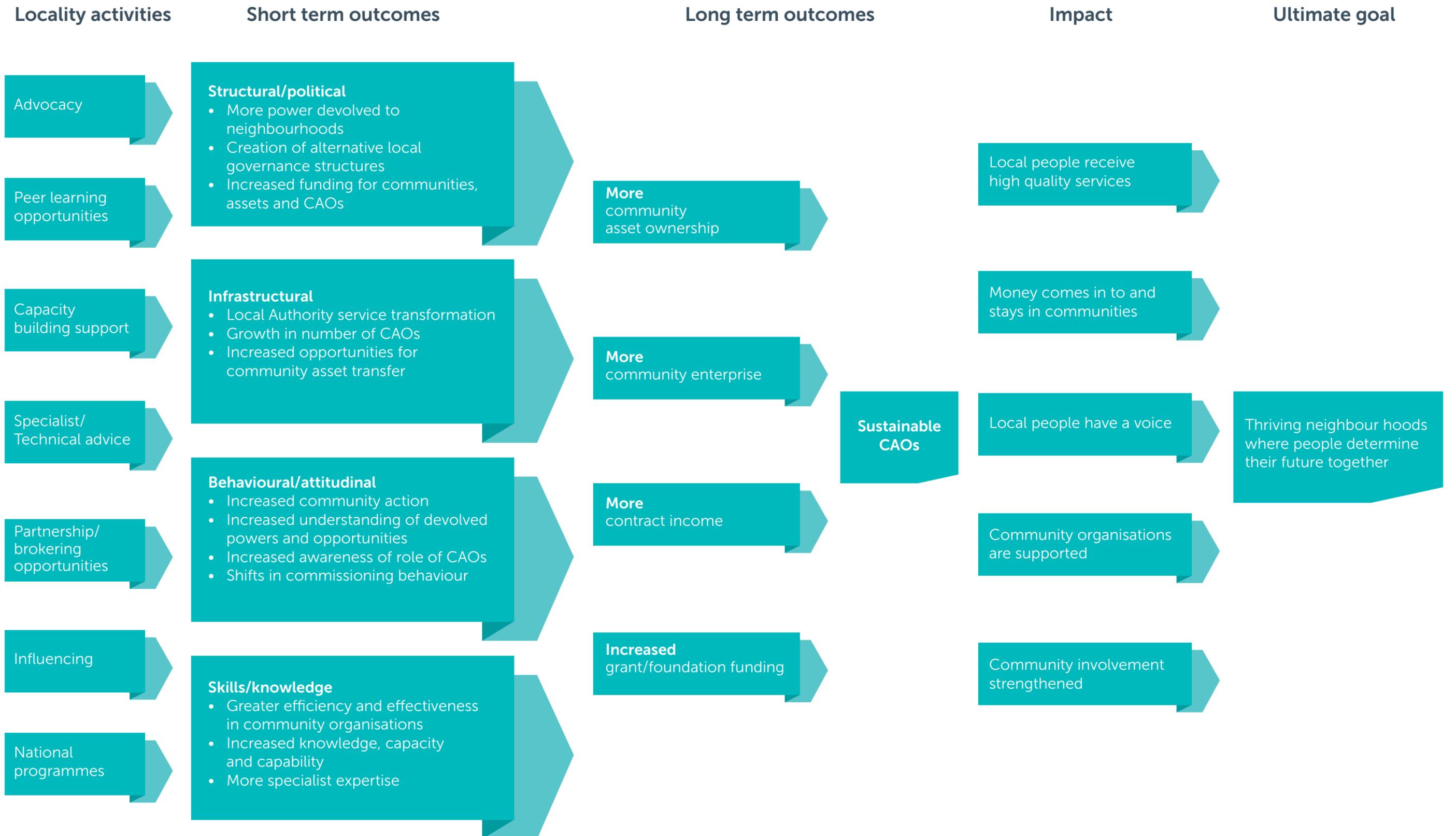
Locality's key priorities are therefore:

- Growing our membership by reaching out to community organisations that share our vision and our values. We want to see a community anchor organisation in every neighbourhood and a thriving network of organisations working together to inspire community-led action. We will proactively support the development of organisations – including those at an early stage of their journey.
- Significantly raising the profile of issues that affect our members, and the solutions that our members have developed, and raising awareness of the importance of community anchor organisations more generally. We will use the experience and the innovation of community organisations to influence positive change in the policy environment, and ensure that organisations can access sources of support, income and finance.

- Providing direct support to community anchor organisations to help them grow, develop and adapt to changing circumstances. We will explore more opportunities to develop consortia with and between our members, and work with funders, including Government, to develop programmes and initiatives to support community anchor organisations.

Through these activities we will deliver direct support to community anchor organisations, and bring about the political, structural and behavioural change necessary to overcome the barriers they face in driving the creation of thriving neighbourhoods and working with local people to determine their future together.

# THEORY OF CHANGE





## About Locality

Locality is the national network of community-led organisations, inspiring action and enterprise and enabling neighbourhoods to thrive.

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