

Community powered neighbourhoods

| How community anchor organisations
can transform our places

November 2025



locality

the power of community

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Summary

If the Labour government has a defining story about its approach to power, then it's to give it away. So far this has mostly been a "trickle down" model of devolution, with Whitehall passing on greater responsibility to mayors and local authorities. Slowly but surely, however, we can see a more radical, "bottom up" devolution coming into view, with greater power and resources moving directly into neighbourhoods.

This report argues that **if we are indeed entering a new age of neighbourhoods, it offers a huge opportunity**. We shine a light on community "anchor" organisations - the most well-established community organisations, who employ staff, manage assets, provide services and support local enterprise. For over 100 years, this model has been driving renewal in disadvantaged neighbourhoods. We therefore:

- ☀️ showcase how community anchor organisations offer tried and tested solutions to the biggest challenges policymakers are grappling with right now - from stimulating inclusive economic growth and reducing demand on overstretched public services, to rebuilding trust and community cohesion in a time of increasing division.
- ☀️ set out what the government's emerging neighbourhoods policy might look like with community anchors at its heart: the Pride in Place Programme, the Neighbourhood Health Service and Get Britain Working

However, **a new age of neighbourhoods also comes with a clear risk** - that it's designed in Whitehall rather than communities, with the neighbourhood seen as the lowest administrative unit of the state. Our new research provides:

- ☀️ cautionary tales of where disparate public sector neighbourhood footprints create a confusing picture locally, and where new neighbourhood initiatives have overlaid and crowded out existing community-led activity
- ☀️ positive examples of where community anchor organisations have created more effective approaches on their own terms

To **put community anchor organisations at the heart of a new age of neighbourhoods**, devolution can't just be about the public sector "letting go". More important is that we support communities to "power up", so they can change their own neighbourhoods themselves.

To do this we're calling for a **bold new approach to community ownership**. We need ambitious, long-term, coordinated investment in community assets. This can strengthen the foundations of community power and **enable community anchors to be true partners with state, rather than simply providers of services**.

To deepen this agenda, we also want to see:

- ☀ **neighbourhood governance** that embeds community anchors at its core, with real decision-making and budgetary powers
- ☀ **public service reform** that takes person-centred services out of the strictures of competitive tendering and allows the public sector and local communities to develop long-term partnerships together.



Introduction

The return of neighbourhoods?

Across Labour's first year in office, the chorus of commentary has grown increasingly loud: the government lacks a defining vision, a clear story about its animating purpose.

But this is not entirely fair. There is a visible and consistent big idea that's shaping the government's approach to power – and that's to give it away. As their pre-election manifesto put it: to achieve its goals, the government wants to “transfer power out of Westminster, and into our communities.”¹

Mostly this agenda has been pursued via the sub-regions – more mayors, with a greater range of powers held at what are now known as “strategic authorities”.

But while this is clearly devolution, it's a version of it that still sits comfortably within Whitehall's existing modus operandi. It's a process ministers and senior officials can manage via drawn out negotiations about which powers the centre is prepared to let go, and the extent to which siloed departmental fiefdoms are willing or able to pool budgets at the level of place.

Slowly but surely, however, a more radical, less technocratic vision of devolution is beginning to heave into view.

It started with the government's commitment to create a Community Right to Buy, giving local people the first right of refusal on valued local buildings and spaces when they're put up for sale. It received a rhetorical fillip when the English Devolution Bill became the “English Devolution and Community Empowerment Bill”, putting community power in lights as an explicit devolution goal.

It has now got significant financial investment and political focus with the announcement of the “Pride in Place Programme”.² This brings neighbourhoods centre stage in what the government has defined as its key political battleground – the rise of Reform UK – with £5bn to be spent on “helping communities take back control”.

Up to 250 disadvantaged neighbourhoods will receive £20m over 10 years to invest in their own priorities, whether that's improving community spaces and parks, or tackling entrenched challenges like homelessness and child poverty.

Much devil will be in the detail, of course, about how far the programme makes good on its clear ambitions for community control of spending decisions and ownership of assets. But, finally, we are starting to see the communities agenda shift from the margins of Whitehall policymaking to the centre of the government's political story.

The community opportunity

The opportunity here is huge. As this report sets out, we believe the community anchor organisations ([see description on p. 10](#)) that we support across the country provide compelling answers to the biggest issues the government is grappling with today.

Our work has shown how they:

- ☀ play a key role in the local economy, kickstarting growth in disadvantaged neighbourhoods and ensuring the gains of growth are shared by all
- ☀ are critical agents of prevention, able to support the government's mission to reduce waiting times and build a "Neighbourhood Health Service"
- ☀ bring meaningful power closer to people's everyday lives, at a time of increasing division and where people lack faith that politics has any answers.

Crucially they are trusted in a way that, increasingly, politicians just aren't. The **We're Right Here** campaign that we are part of found that 47 per cent of the UK trust community organisations most to understand the change their community needs, compared with only 22 per cent trusting the council, 7 per cent the mayor and 5 per cent central government.

Additionally, a previous report we produced showed how, in some of the lowest turnout wards in the country, where people are increasingly giving up on representative democracy, a community-powered participatory democracy is flourishing.³

But so often this incredible work is happening in isolation; in spite of government policy, rather than actively encouraged by it. Whenever we speak to our members there is an abiding frustration that the amazing impact they are having is being counteracted by something happening elsewhere; that generally they are only stopping things getting worse, rather than actively seeing things get better.

So in **our pre-election manifesto, "Building Thriving Neighbourhoods"**, we challenged policymakers to imagine how much more could be achieved with supportive systems in place, which actively build community power, rather than stand in its way.⁴

The government's new Pride in Place Strategy describes itself as "a break from the past, a new way for government to work in partnership with communities and neighbourhoods". So there are promising signs this could be starting to happen.

There are, however, risks in government getting into the neighbourhoods business. As Rashid Iqbal – CEO of **The Winch**, one of the community anchors involved in this research – told us: "if you frame the neighbourhood as the smallest unit of the state, you're going to get a statist response".



We repeatedly hear how, from our members' perspective, "trickle-down" devolution doesn't work. Power gets passed from central government to sub-regional "strategic authorities" to local councils; very little, if any, makes it into community hands. When it does, it tends to rely on the individual inclinations of particular public sector leaders, so is patchy at best. Often, as another of our members described, the relationship with the state feels extractive, even "abusive", rather than one of power-sharing and partnership.

So, there is a clear and present danger that the neighbourhood becomes the most local unit of the state, the final link in a technocratic policy chain, rather than what it really is: the best opportunity we have for building relationships.

As Rashid explains: "working at a neighbourhood level means you can have some scale but still be human. You can hold authentic relationships and be responsive and able to affect things."

Or as Mike Wilson, Executive Director at **Pembroke House** put it: "the answer that community anchor organisations are all sitting on is that we are living in spaces where people are meeting and relating in ways we critically need. It's a place, it's a living set of relationships, it's a community people want to be part of. That's the wellspring that everything comes from. The description of what a functioning neighbourhood looks like is not an administrative one."

Anchors of the future

This report seizes the opportunity to imagine the neighbourhoods agenda from the community up, rather than design it from Whitehall down.

It tracks over 100 years of community power to make the case that community anchor organisations' time has come. If policy is turning towards neighbourhoods, then we have a tried and tested model that's already having huge impact on the things government cares about most: regenerating economies, providing preventative services, creating community cohesion.

We explore how this model is making transformative change in neighbourhoods in Birmingham, Sunderland, Wigan, and Leeds, even where national, regional, and local government policy offers little support.

We also look across three key areas of government policy currently in development to show what they might look like if we started in neighbourhoods, with community anchors, rather than Whitehall.

Across all these areas, one thing is clear: while the transfer of powers matters, what matters more is building the strength of community anchors as crucial infrastructure.

Devolution can't just be about the public sector "letting go"; more important is that we support communities to "power up", so they can instigate and drive improvements and change in their own neighbourhoods themselves.

Community ownership is the key route to achieving this and is therefore the focus of our recommendations. Transferring assets to local people is what enables them to really "take control" of their own destinies, providing an

independent power source from which they can become genuine partners with the state, rather than always in a contractual or instrumentalised relationship.

We therefore want the government to make community ownership of assets its top priority for neighbourhoods – strengthening existing community anchor organisations and building the capacity of a new generation.



Chapter 1:

**The community anchor
model – locally adored,
nationally ignored**

If this is to be the age of neighbourhoods, then community anchor organisations are their essential infrastructure. They are the backbone of the very places this government has pledged to support – the communities where the social fabric has frayed most.

As Locality's strategic framework puts it: community anchor organisations are "the most well-established community organisations ... they tend to be the strongest and most successful..., employing staff, delivering services and owning or managing community spaces."⁵

Independent and locally-led, community anchors are rooted in place. They act as trusted local hubs, combining a mission to improve social wellbeing with economic regeneration, driving local growth and reinvesting any surplus directly back into their neighbourhoods.⁶

In areas where private investment is weak and public services have retreated, they are often the neighbourhood's main economic driver and a key employer. Across our membership, 60 per cent of organisations operate in the 30 per cent most deprived areas of England⁷ – the same industrial heartlands, mining towns and urban centres that once powered Britain's prosperity and now bear the scars of deindustrialisation and neglect.

Yet the role of community anchors is still too often misunderstood. They are not simply voluntary groups or service delivery partners. They are resilient and robust institutions – holding communities together through crises, building trust where other institutions have withdrawn, and creating the conditions for local people to solve problems collectively.

A long history of community power

The community anchor model has deep roots in local development and social reform. Its history stretches back to the late 19th century settlement movement, when Oxford and Cambridge colleges established settlement houses in the poorest parts of London. Academics and students lived alongside local residents, sharing knowledge, and providing education and support.⁸

The settlements soon became catalysts for progressive reform, campaigning for housing rights, fair work and public health. In 1920, they united as the British Federation of Residential Settlements, pressing for government action to tackle poverty. This movement, through a century of evolution and merger, would eventually become Locality in 2011. Meanwhile, the movement spread throughout the world as the **International Federation of Settlements and Neighbourhood Centres**.

Over time, new generations of anchors have emerged from different traditions: local initiatives responding to industrial decline, regeneration partnerships, development trusts and campaigns for social and environmental justice. Despite this diversity, they share similar values of making their places better for those who live in them.

The need for anchors in our communities now

The community anchor model has never been more relevant. Decades of centralisation has hollowed out local capacity and weakened the institutions that once bound communities together. Meanwhile, demand for local support has soared, driven by a cost of living crisis, inaccessible public services, and rising social division. Yet many community anchors are already confronting these challenges head on.

Here, we explore what they're doing to boost their local economy, transform public services, and grow trust and cohesion with their community.

■ Driving local economies to serve the community

In the face of austerity, community anchor organisations across the country are driving local growth, not only by creating jobs and running enterprises that keep wealth circulating locally, but by convening local actors and leading regeneration efforts.

Case study

Witton Lodge Community Association and the North Birmingham Economic Recovery Board

Witton Lodge Community Association in Perry Common, Birmingham shows what this looks like in practice. Acting as a trusted convenor, it bridges the gap between communities, local institutions, businesses and government – and delivers results.

While Birmingham City Council grapples with financial challenges, party struggles and political inertia, its limited capacity and investment is directed towards East Birmingham, through a council-led Economic Recovery Board. This left other areas of the city at risk of falling behind, but Witton Lodge Community Association refused to accept this in North Birmingham.

During the pandemic, it convened **North Birmingham Economic Recovery Board** (NB:ER Board), initially chaired by the former MP, Jack Dromey, and now Paulette Hamilton MP, bringing together the West Midlands Combined Authority, councillors, residents, housing providers, the Department for Work and Pensions, and local organisations. The Board's mission was to ensure local people benefit directly from local growth, tackling the deep-rooted inequalities exacerbated by the pandemic.

Since then, the NB:ER Board has mapped investment opportunities, aligned skills and training with employer needs, and tackled barriers



to employment such as transport and childcare - all through an Economic Recovery Plan driving forward its mission.

Recently, this has included supporting Amazon's recruitment drive at the new Peddimore site and helping connect local residents to hundreds of roles through targeted training and employment support. Regular Jobs Fairs have successfully linked hundreds of job seekers with a wide range of employers.

The Board has also partnered with major employers and institutions like Halfords, the NHS, and Birmingham Metropolitan College (BMet) to create apprenticeship routes and skills programmes. They have also developed a new "Business, Employment and Support" training online portal - connecting residents and businesses across North Birmingham to live vacancies, training, and business support.

As the Board member leading the Board's skills workstream, BMet deliver the Adult Education Budget for North Birmingham.

North Birmingham Adult Education Budget 2022/23



The Board established a "Ladders of Opportunity" bursary, awarding over £20k to help 23 young people access training, education, and mentoring.

The difference between the results seen in East and North Birmingham are stark.

While the East Birmingham Board took over a decade via costly consultants to develop a spatial infrastructure strategy, North Birmingham Board is set to complete a comparable plan within a year, using support from the West Midlands combined Authority (WMCA), in-house expertise and community networks.

Keiran Casey - Skills, Insights and Briefings Officer at West Midlands Combined Authority - says

"I sit on both the North Birmingham Economic Recovery Taskforce and East Birmingham Employment and Skills Collaboration Board.

I've seen the real difference that can be made through boards such as these, particularly in North Birmingham where a trusted community organisation such as Witton Lodge Community Association is responsible for getting partners round the table and driving actions forward.

Community organisations are the real trusted institutions in areas such as North Birmingham, and they know how to build relationships, turning big strategies into action on the ground, and that's exactly what I've seen during my time.

When I first joined the Taskforce in North Birmingham, I tried to help shape the workstreams around skills, employment, and community development. Five years on, you can see real success stories and how we've strengthened partnership working between all the partners involved, from colleges to key partners such as Department for Work and Pensions, Birmingham City Council and key employers, all with one key goal, supporting local residents to make the most of the opportunities we know are out there right now, and our ambitions for the future.

For me, the lesson is clear – that community-led approach, having trusted organisations convening key partners makes all the difference, from being the voice of residents in the community, to being able to shape relationships and then collectively deliver for the people and places they know best.”

Witton Lodge Community Association's model is more agile, less bureaucratic and better value for money. It not only shows how community anchors can create inclusive local economies but how they can rebuild trust in politics.

At a time when many see Westminster and regional institutions as distant, organisations like Witton Lodge make politics tangible again – providing spaces where residents, businesses, and public bodies work together on shared priorities.

By leading economic regeneration, community anchors are not just plugging gaps left by struggling councils, they are showing how government can reconnect with people and deliver results that are meaningful to community.

■ Keeping people well and out of statutory services

While public services struggle to meet demand, community anchor organisations are working “upstream” and providing holistic and preventative services - reducing pressure on the NHS and local councils by tackling issues before they reach crisis point.

Hamara Healthy Living Centre's Cultural Food Hub, Leeds

Hamara, a community anchor organisation in Beeston, Leeds, has grown to be the largest voluntary, community, and social enterprise (VCSE) organisation supporting racially minoritised communities in the city.

It provides cradle-to-grave support across health, fitness, food, education, skills, social connection and more. It also runs specific support programmes for local people with learning disabilities and autism.

Central to Hamara's service provision is its Cultural Food Hub. The Hub was developed during the COVID-19 pandemic to offer culturally appropriate food to local people from the five key ethnic groups in the neighbourhood,

As well as providing healthy and appropriate food to these communities, the Hub model also serves as a first point of contact with local people to understand the challenges they face across the wider determinants of their health.

The local Primary Care Network (PCN) funds Hamara to employ a group of Social Prescribing Link Workers. Known as "Patient Ambassadors", these colleagues support people accessing the Hub with, for example, training, employability, and socialisation.

The PCN initially approached Hamara to provide this service because of their reputation and success within the local VCSE sector for delivering impactful community development work.

As the PCN Business Manager puts it, "We trust Hamara to know the best way to reach the community. This trust has fostered long-running relationships between us that helps us share and prioritise our work together".

The PCN also funds space to meet for community groups focussing on, for example, men's mental health and pain management. Members can take part in activities, discuss the challenges they face, and receive information about relevant support services. Hamara offers secondary prevention interventions to these groups when they're in the centre, including cancer screening and blood pressure checks.



■ Bringing people together for the neighbourhoods they share

As populist narratives take hold and threaten the fragmentation of our society, community anchor organisations are building social cohesion, maintaining welcoming, neutral spaces that encourage belonging and bridge divides.

Case study

Responding to the riots – Back on the Map, Sunderland

Back on the Map is a community anchor organisation in Hendon, Sunderland. It grew out of the last Labour government's "New Deal for Communities" programme and has evolved into a trusted local institution providing vital spaces and services for the community.

In the wake of the racist riots that unfolded in Sunderland and across the country in summer 2024, Back on the Map has been pivotal in supporting local community cohesion.

Where the council and national partners were surprised by the scale of the unrest, Back on the Map's embedded position within the community meant it had been able to monitor growing local tensions long before the violence erupted.

As such, it has a deep understanding of the local issues that drive a wedge between the long-standing, mostly white British residents of Hendon, and newly arrived residents.

Housing is central – a scarcity of good quality housing, often exploited by bad and absentee landlords, fuels tensions. There is animosity from the local white British community towards migrant communities over access to housing, including the spreading of misinformation online about the latter being prioritised for new housing stock.

As a community-led provider of housing, Back on the Map takes on and refurbishes local properties to a high-standard and rents them out at affordable rates. As such, it is acutely aware of the housing crisis facing local people, but also of the particular levels of housing exploitation experienced by migrant families.

Key to Back on the Map's community development is a focus on local voice – working with residents to co-produce services, like housing, that tackle local need. And it works to bring the whole community together to do this.

Through community celebrations, barbecues, creative projects, and residents' groups, as well as refugee welcome events, Back on the Map brings local people together to organise around the issues that affect them all, building community cohesion.

These activities provide opportunities for vital social interaction, as well as busting myths and dispelling disinformation. They also

empower residents to improve their neighbourhoods by doing things with them not to them, as has long been the default approach of government at every level.

As one local partner organisation put it:

“Back on the Map is the essential beating heart of the community. It would be disastrous for Hendon if it folded. Every neighbourhood should have a Back on the Map – but finding them in other areas is difficult.”

Overlooked and undermined

Despite this, community anchors remain overlooked within the machinery of government. The warm words they receive from politicians – who are keen to emphasise how vital they are to the functioning of society, in particular during times of crisis – is rarely backed up with practical support on a significant scale.

Indeed, policymakers rarely grasp the full breadth and long-term impact of community anchors' work and, as such, they are often ignored in the development and delivery of policy – even when the language and methods that government programmes adopt have their roots in existing community-led approaches.

The result is a persistent gap between national rhetoric and local reality. Whitehall continues to create new schemes and initiatives to fix problems that anchors are already addressing, sometimes even undermining their efforts.

Wigan and Leigh Community Charity's struggles with social prescribing

Wigan and Leigh Community Charity (WLCC) has been linking residents to local groups and activities for many years. Long before the term 'social prescribing' entered policy language, WLCC and other community anchors were already helping people to access locally-provided, grassroots services to build connections and support their wellbeing.

When the NHS adopted “social prescribing” as a model in Wigan, the approach looked very familiar – but it was rolled out in a way that overlooked the community organisations at its heart. Rather than resourcing existing providers to cope with rising demand, funding went into employing NHS “link workers” whose role was to signpost people into existing activities. The result was duplication and bureaucracy layered on top of a system that had been functioning effectively for years, but without the recognition or investment it needed.

A clear example of social prescribing gone wrong is a “Men’s Shed” group initially housed and supported by WLCC, providing rent-free space and helping it become independent. It became a vital space for over 100 local men, many of whom came as much for conversation, connection and the impact on their mental health as for the woodworking projects.

But as demand grew, particularly through referrals from NHS link workers, the group struggled to meet need. While the link worker roles received funding, it proved difficult to find funding for the group’s own operational costs of around £20,000 per year.

During Covid-19, the group faced even greater pressures. With no paid staff, they couldn’t access furlough support, and after two years of providing a lifeline for local men free of charge, the group eventually had to close down. To this day, local people still contact WLCC asking about the service.

The story of the Men’s Shed shows the contradiction at the heart of social prescribing as implemented nationally and is a version of the same tale told by our members across the country. Indeed, the failure of funding to follow social prescribing referrals to the community organisations supporting them is the most repeated concern we hear from members about their involvement with the health system.

Policymakers embraced the language of community-led health and wellbeing but failed to value the infrastructure that makes it work. Rather than strengthening the local social fabric, resources were drawn into new NHS roles while grassroots providers were left overstretched and underfunded.



Over the last 15 years, it’s within public services that the most significant and challenging shift in the relationship between the state and community anchors has occurred.

In the wake of austerity, reduced local public sector budgets saw communities forced into the world of competitive, lowest-cost commissioning exercises against large, national, and multinational private companies and charities. This completely lost sight of the transformative place-based, people-centred work of community anchors that saves costs in the long term, in favour of the “cheaper”, flimsier, “quick fixes” of industrialised service provision.⁹

If government genuinely wants neighbourhood policy to succeed – supporting a fairer, more prosperous economy and reimagined public services – it should start by recognising and investing in the community organisations that have been quietly delivering this work for years.

Now is the time to create the conditions for the community anchor model to thrive, where national policy strengthens local capacity, where investment flows through trusted local institutions, and where communities have the means to shape their own futures. A focus on community ownership of assets must be central to this.

Chapter 2:

Community powered neighbourhoods

If neighbourhoods are to be the foundations of renewal, then the agenda must start in the neighbourhoods themselves.

For too long, national policy has treated localism as a technical exercise, transferring powers between layers of the state rather than truly sharing them with communities.

But genuine devolution isn't about shifting responsibilities down the chain of command – it's about building relationships of trust and partnership between government, councils, and local people.

Labour Together's latest report, "Pride and Prosperity" and Locality's Commission on the Future of Localism both point toward a new model of governance, one that moves from a transactional to a relational state.

In this vision, local government and community organisations work side-by-side, each bringing what the other lacks – the democratic legitimacy of elected institutions and the earned legitimacy of community trust. The role of the state becomes one of enabling and convening, not commanding and controlling.

To achieve this, power must not only be pushed down from the centre but built up from communities themselves. When we start by recognising the power that already exists in local places – in the relationships, assets, and networks that make communities work – the government's role becomes clearer. It must support it, resource it, and help it to grow.

As Labour Together outlines, extreme centralisation sits behind many of the frustrations people feel today. Few list "devolution" as a top concern, but many speak of distant decision-makers who don't understand their lives.¹⁰ This distance translates into poorer public services, weaker economies, and, in turn, low political trust.

A genuinely community-powered approach would see decisions made closer to the ground, with accountability where people can see it. Central government could focus on the big national priorities such as foreign policy and public safety, while empowering local areas to lead on what matters most to daily life. From housing to green space, no one cares more about a place than the people who live there.

The view from the neighbourhoods

From the vantage point of local communities, government neighbourhoods policy can look confusing. Across our membership, we hear the same story – communities want to play a bigger role in shaping their areas, but they face a maze of overlapping initiatives, short-term funding pots, and inconsistent engagement from the public sector.

The peril of “neighbourhoods” as the smallest unit of state

After decades of repeated statutory reorganisation at the local level, areas all across the country struggle to agree and work from coherent hyper-local footprints that make sense to residents. This is exacerbated when many different institutions – Whitehall, local and combined authorities, the NHS, the emergency services – have their own conception of what should constitute a “neighbourhood” for the purpose of the service or initiative they are trying to roll out.

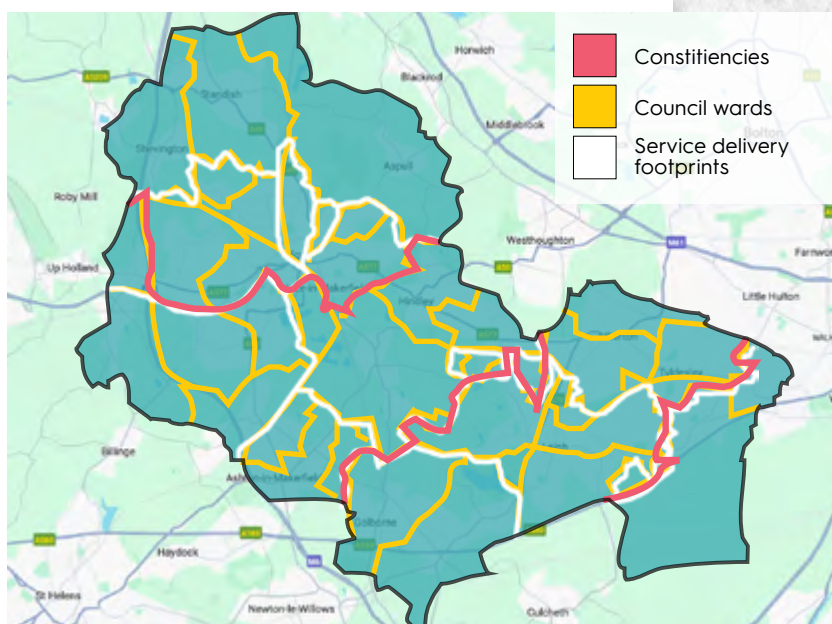
It is even the case in places like Wigan – one of our case study areas – where the council has received plaudits in recent years for its “Wigan Deal” approach to a more relational, collaborative, community-based local governance.¹¹

The borough of Wigan is home to around 330,000 people. On paper, it looks relatively straightforward: three electoral constituencies (Wigan, Makerfield and Leigh) and 25 council wards. But when it comes to how services are actually delivered, the picture is far more complex.

Since 2017, when public sector reform began in Wigan, the council has experimented with different ways of organising services. The borough was divided into seven Service Delivery Footprints (SDFs). These brought together partners such as the police, fire service, housing providers, VCSE organisations, and council teams.

The SDFs were loosely aligned to the seven existing primary care networks but didn’t align to traditional council ward boundaries or constituencies. One SDF, in which Wigan and Leigh Community Charity operates, is known as “PASHI”, as it covers the villages and towns of Platt Bridge, Abram, Scholes, Hindley and Ince. In doing so, it spans three separate council wards and crosses all three constituencies.

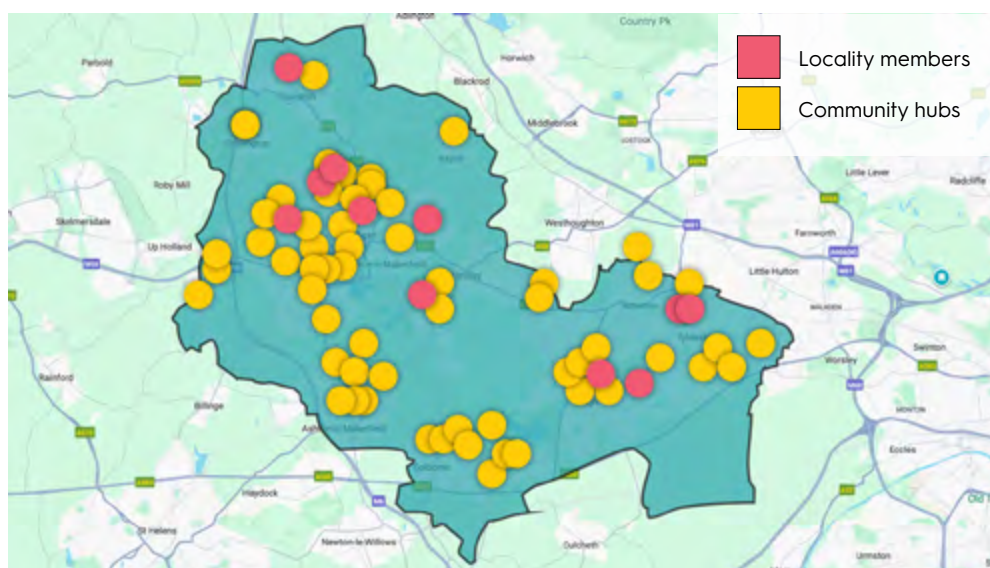
In practice, this layering of geographies has created confusion. A single ward can cover up to five villages and, in some cases, residents may need to travel 20 minutes by road across the PASHI footprint to access a service. This approach doesn’t reflect how people actually live their lives or identify with their neighbourhoods.



The many ways the state carves up local areas in Wigan

By contrast, community anchor organisations already operate at the right scale. They are rooted in places people recognise, trusted by local residents, and able to knit together services around natural communities rather than administrative boundaries.

Looking ahead, the “**Live Well**” agenda being rolled out across Greater Manchester could shift the approach. Drawing inspiration from the “fifteen-minute neighbourhood” model,¹² “Live Well Centres” will be established around places of identity rather than imposed geographies. The Live Well team are already engaging with community hubs and investing in community organisers where no hubs exist – a model that looks much more aligned with how residents see and experience Wigan.



Community organisations serving neighbourhoods across Wigan



Even when policy leaves Whitehall to be designed locally, it often becomes stuck at regional or local authority level, filtered through bureaucracy before it reaches communities themselves. The result is a version of localism that still feels top down, with communities engaged through ineffective consultation rather than treated as partners.

This means we continue to miss the real potential of community powered neighbourhoods; places where local institutions, residents, and the public sector work together as equals to deliver change.

Case study

Birmingham Community Anchor Network

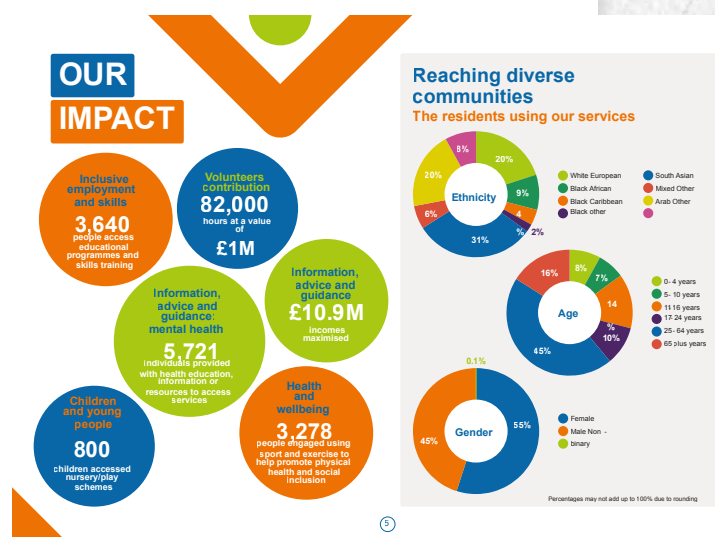
The **Birmingham Community Anchor Network** (B:CAN) shows what's possible when this partnership works from the ground up. Between them, 22 member community anchor organisations provide more than £12m-worth of vital services annually and engage with over 18,000 people each month – far outstripping the 15,050 support enquiries received by Birmingham City Council in 2024..

By rooting their work in natural neighbourhoods rather than rigid boundaries like wards or primary care networks, B:CAN reflects the city's diversity and connects with communities that statutory bodies often struggle to reach.

What makes the network powerful is its collaborative model. It has no formal structure, but is bound together by shared values and trust. Decisions are made by consensus, with organisations leading where they have specialist expertise. Members pool resources, share intelligence, and even win joint contracts to deliver services.

Smaller community groups are supported on their journey to becoming anchors themselves, with established members offering coaching, mentoring, and opportunities to partner on bids.

This combination of reach, trust, and collaboration means B:CAN is not just delivering services – it is building the social infrastructure needed for a community powered neighbourhood agenda.



In pockets of the country like Birmingham, but also **Bristol**, **Wakefield**, and **Leeds**, Locality members are showing us glimpses of what could be achieved if networks of anchors were supported to operate at this scale – amplifying local impact, strengthening civic fabric, and forming the connective tissue between government and the communities it serves.

A system fit for the modern era

Reimagining governance rooted in local people would free us from the damaging legacy of centralisation. It would replace competitive bidding with a fairer system where resources flow through trusted local institutions and power is distributed more evenly across the country.

The result would be a government that focuses on enabling rather than directing, one that recognises the importance of place within a shared national story, where local people can see and influence the decisions that shape their lives.

A neighbourhoods-up approach offers the chance to rebuild the foundations of our country. By empowering communities to act, we can restore accountability closer to home and create a more balanced partnership between citizens and the state. That's how we can move from devolution in theory to democracy in practice.



Chapter 3:

How government policy
can crowd in, not crowd
out, community power

The notion of neighbourhoods oriented around community anchor organisations is not just a thought experiment in abstract ideals of participatory democracy and community development. As already discussed, community anchors are vital for local economic growth, preventative public services, and community cohesion and trust.

In fact, you can map the impact of community anchor organisations directly against nearly all of **government's mission milestones**:¹³

- ☀️ They **raise living standards** by running community businesses that generate and retain wealth within their neighbourhoods, employing local people and using local supply chains. They also run skills, training, and employability services to support people into secure jobs¹⁴
- ☀️ They **create high-quality, affordable community-led homes** for those furthest from the housing market, including unemployed people, single parents, young people looking to buy their first home, and key workers¹⁵
- ☀️ They **tackle hospital backlogs** by providing preventative services for local people across the wider determinants of their health, while co-locating with primary and community care services to provide trusted and accessible spaces for those experiencing the starkest health inequalities. In doing so, they help keep people healthy, active and in work¹⁶
- ☀️ They help **secure home-grown energy** by running clean, renewable community energy projects that also raise income to support the development of their communities¹⁷
- ☀️ They help **give local children the best start in life** by running community nurseries and providing spaces for Special Educational Needs and Disabilities (SEND) support and open-access and specialist child and young person mental health support.¹⁸

So there is a big opportunity here – but also a challenge. How can emerging government policy work with and unlock the huge potential of community power to achieve shared goals – without crowding out and seeking to control what makes community anchors' work special?

Here we highlight how we might do this in three policy areas which are currently in development. Crucially this recognises that it's community anchors' added value to the agenda that makes them so indispensable right now – their ability to turn policy into reality all while reviving a sense of power, control, and community among local people at a time when social divisions cut deep and faith in politics is so low.

1. Pride in Place Strategy

In September 2025, the government announced the details of its new “Pride in Place Strategy”. Central to this are the “Pride in Place Programme” and the “Pride in Place Impact Fund”.¹⁹

The **Pride in Place Programme** will deliver a total of £5bn to 244 areas experiencing the “double disadvantage” of high deprivation levels and weak social infrastructure. It expands the government’s original “Plan for Neighbourhoods” announced in March 2025, which covered an initial 75 areas.

“Neighbourhood Boards” have already been established in those 75 areas. They bring communities and local partners together to decide how to spend this money across the themes of “building stronger communities”, “creating thriving places”, and “helping communities to take back control of their own lives and areas”.

The original government guidance on the development of Neighbourhood Boards included positive suggestions on the involvement of community organisations.²⁰

However, feedback we’ve gathered from our members and other partners in areas with more developed Neighbourhood Boards suggests this guidance isn’t consistently turning into practice.

Issues among Board members, including low capacity and insufficient understanding of the programme, its benefits, and roles and responsibilities, mean that the local authority often takes the lead on convening and decision-making.



With time and budget pressures on councils, including the short deadlines for producing actions plans, we've heard of community organisations struggling to get onto Boards, not being prioritised, or being consulted fleetingly after critical decisions have already been made.

As the number of areas developing Neighbourhood Boards expands under the new Pride in Place programme, there must be a shift to putting community anchor organisations at their heart.

This is even more necessary as the size of neighbourhoods in the expanded programme has shrunk to circa 10,000 people, compared to the 20,000-100,000 people under the original Plan for Neighbourhoods.

However, to prevent boundaries of each "neighbourhood" being purely dictated by central government on the basis of middle super output area (MSOA) statistical units, communities must have final say on the area boundary. As supported by the Independent Commission on Neighbourhood's recent Green Paper,²¹ this is essential to avoid a common affliction of state-imposed hyper-local boundaries that bear little resemblance to the "mental map" people have of their local area.

At this hyper-local level, community anchor organisations really are the most legitimate, knowledgeable, and trusted representatives of local people and the change local they want to see. Our vision of a truly community-led Board, with community anchor organisations at its heart would include:

- ☀ a default assumption that community anchor organisations will be members, where present
- ☀ a default assumption that, should they wish to, they will act as secretariat to the Board and as the "Accountable Body" for the funds
- ☀ a requirement to grant them decision-making and budget-holding powers over local issues and initiatives that they are best suited to lead on
- ☀ reframing MHCLG's role as an enabler of the decisions and responsibilities of the Board, rather than a directive "assessor and approver" of them
- ☀ sufficient, ringfenced funding for backfilling their time and building their capacity and capability to play the above roles as effectively as possible.

As evidenced by the Big Local programme, community-led decision-making is important for long-term impact in neighbourhood renewal, including in building the capacity and confidence of local people, their engagement with their neighbourhood, and the networks they form, as well as physical improvements to the area.²²

In areas without an identifiable community anchor organisation, funding should be ringfenced – including for community ownership of assets – to develop smaller community organisations or groups into anchors over time. This is vital to providing a long-term solution to the weak social infrastructure that stifles these areas.

Putting community anchor organisations at the heart of the Pride in Place Programme isn't just about good community-led governance, either. Key to so many of the "pre-approved interventions" that Neighbourhood Boards can fund is the long-standing work of community anchors – from community engagement in neighbourhood renewal, to community energy projects and energy efficiency and debt advice, from business support activity for local entrepreneurs, to impactful volunteering, social action, and community cohesion initiatives. And much more besides.

Indeed, the original Plan for Neighbourhoods guidance was filled with inspiring case studies of community anchor organisations in Locality membership transforming their neighbourhoods – like Zest in Sheffield, Ambition Lawrence Weston in Bristol, and Centre4 in Grimsby.²³

As the programme expands, the focus on such organisations as vital agents of local renewal must not be lost. The lesson of social prescribing, above, must be learnt – the Pride in Place Programme must harness and support the work of community anchors, not overlay, duplicate, and crowd it out.

And the same approach should sit at the heart of the **Pride in Place Impact Fund**, which will provide a further £150m to up to 95 places to more immediate support in neighbourhood regeneration.

One of the core objectives of the Fund is to develop community spaces. Community anchor organisations are pivotal to taking such spaces into community ownership to create welcoming places for connection, support, and shared activity.

This is the source of independent power for communities, and so community ownership must serve as a greater central goal in the Pride in Place Programme, Pride in Place Impact Fund, and the wider cross-government strategy for neighbourhood renewal.

2. Neighbourhood Health Service

In July 2025, the government released its much anticipated "10 Year Health Plan for England"²⁴ its prescription for the "critical condition" of the NHS, as the Darzi Investigation put it.²⁵

It lays out three courses of treatment – shifts from treating illness to preventing it, from an analogue system to a digital one, and from health services concentrated in hospitals to care in people's communities and neighbourhoods.

The idea of a "Neighbourhood Health Service" has become a shorthand for this government's plans for the NHS.

This includes the rolling out of "Neighbourhood Health Centres" closer to where people live, co-locating NHS and council services with voluntary sector services like employment and debt advice.

It also includes the convening of "neighbourhood teams" of professionals. Within these, the scaling up of roles like community health workers and peer support

workers aims to deliver “door-to-door, street-to-street” community outreach and support for local people to manage their care from their own homes.

The opportunity to rebuild the health system in this way is vast and the need is pressing. But as anyone who has worked at the hyper-local level to create healthy communities will tell you, the bureaucratic monolith of the NHS has a historic habit of turning innovative, community-led ideas into yet another programme, another job role, and another target to co-opt. The example of social prescribing in our case study above is a testament to this.

A crucial safeguard against this would be to establish community anchor organisations as a foundational partner in any efforts to create a neighbourhood health service and build out from their strengths.

On **Neighbourhood Health Centres**, for example, this could be achieved by embracing co-location with the full range of local voluntary sector services that create health.

Activities and services provided by community anchor organisations, for example, have been found, on average, to address 91 per cent of the wider determinants of health.²⁶ The **Bromley by Bow Centre** in Tower Hamlets, east London – often referenced in this government’s vision for the health system – is an example of a truly community-led Neighbourhood Health Centre that could be replicated across the country.

The 10 Year Health Plan refers to “repurposing poorly used, existing NHS and public sector estate” to create the physical space for Neighbourhood Health Centres. This provides a great opportunity for transferring health assets into community ownership, adding to the number of community-led and owned spaces run by community anchors – which people often trust more than clinically-led spaces – that can be used as Neighbourhood Health Centres.



Such a transfer of local health assets into community hands could unlock latent potential for community-led health creation²⁷ – as recommended by the Fuller Stocktake report in 2022.²⁸

On **neighbourhood teams**, the growth of community and peer-focussed roles is designed to support direct engagement with communities on health, rebuilding trust and helping to make the NHS more responsive to grassroots need. For this to be done as effectively as possible, there is an opportunity to resource community anchor organisations who have long-held, understanding, trusting relationships with local people, rather than creating new public sector roles.²⁹

And on the new focus of Integrated Care Boards on **strategic commissioning**, community anchor organisations should be identified, properly funded, and trusted to deliver local, preventative, community-led services that holistically address the wider determinants of health and effectively tackle health inequalities.³⁰

For example, West Yorkshire ICB has been a trailblazer in reimagining how the Provider Selection Regime (England's rules for procuring health services) can be used to give community organisations fairer access to the commissioning process and demonstrate this unique value.³¹

Crucially, though, to truly achieve a neighbourhood health service, the neighbourhoods in question must make sense to local people. Our previous research has highlighted the problems created by Primary Care Networks (PCNs) – the current most local arrangement of health services – whose footprint is determined by the combined catchment areas of their partner GP practices.³²

These partnerships are often based on corporate considerations rather than a joint connection to a particular area. This creates difficulty for local VCSE organisations to work with PCNs to support local people. Instead, “neighbourhood” footprints from the NHS's perspective must be based on those commonly used and understood by the community – eg, those areas served by community anchor organisations (as outlined in our public sector vs community anchor mapping on pages 20-21).

3. Get Britain Working

In November 2024, the government launched its flagship employment and economic growth policy programme, “Get Britain Working”. The government's basis for the programme is that long-term sickness and a lack of skills among working age people – and poor opportunities for young people – is harming us all.³³

People are struggling to improve their living standards and build a better life, employers are unable to find people with the skills to fill well-paying jobs, and the public purse is straining under the weight of a rising benefits bill.

A key initiative of the programme is “backing local areas to shape an effective work, health and skills offer for local people, with mayoral authorities leading the way in England”. The government has pledged to support local partners in all areas in England to develop local plans, with a particular focus and funding for eight “trailblazer” places.

This is a perfect opportunity for community anchor organisations to take a leading role. We believe their many strengths make them critical partners for the government's Get Britain Working agenda.

Their whole-person approach to the wider determinants of health that makes them such important partners for a "Neighbourhood Health Service" includes all of the factors central to finding and maintaining good work. This may start with tailored support for education, training, skills, and income, but opens up to support access to inclusive labour markets, the green economy, community wealth building, and transport, travel and connectivity.³⁴

As our previous research has set out, these organisations are rooted in their relationships with the people around them and tend to not only know exactly what type of support people need to find a way into work, but also care passionately about making it happen.³⁵

They also tend to operate in the most disadvantaged neighbourhoods.³⁶ This means they have the right skills in the right places, able to build trust and engage people who find themselves furthest from the labour market. Their relational approach is exactly what communities with deep-rooted and complex employment problems need.

There is a clear opportunity for places to put the community anchor model at the heart of these local, integrated support offers. But the risk remains that the engrained principles and culture of previous top-down, bureaucratic, deficit-based initiatives imposed by the Department of Work and Pensions prove hard to break free from.

The approach taken in any given place will come down to how regional and local authorities treat the power that has been devolved to them. If they hoard it, controlling the design of the work according to "the way we've always done things around here", very little will change.

If, on the other hand, they recognise the transformative power that community organisations will have on this agenda, we may finally see a government-enabled programme to tackle economic inactivity that makes long-term, sustainable, targeted change.

And places needn't look far for the blueprint – as already mentioned, the "**Live Well**" programme in Greater Manchester is a shining example. It is replacing Job Centres with "Live Well Centres" – trusted, neighbourhood-based, community owned and led spaces co-locating and integrating public and VCSE services across financial, employment, well-being, health and social support, as well as social connection for residents. Central to this, as emphasised by Mayor Andy Burnham, is the availability of core funding to VCSE organisations to support them to be true partners, rather than delivery contractors.

This is exactly the approach, oriented around the community anchor model, that our health, welfare, and employment systems need to not only help people into good, secure work and training, but prevent economic activity in the first place.

Conclusion

**Where we find ourselves,
and how we change it**

An opportunity and a warning

We have a huge opportunity to unlock the power of community anchor organisations to drive forward our burgeoning neighbourhoods agenda. Yet the challenges facing community anchors right now are as great as they have ever been in the long history of the model.

Community organisations are operating at the sharp end of what is increasingly described as an era of “permacrisis”. This has its roots in the financial crash of 2008 and the long period of public sector austerity that followed. Deep cuts to local authority budgets, alongside policy changes which saw the decline of grants and the rise of competitive service contracts, began to profoundly shift the role of community organisations.

Previously they had provided broad community development support which was additional to state provision. However, with the state safety net increasingly frayed, over time they have had to step in to provide much more basic services. For example, from 2019, we started to identify a huge rise in food bank provision across our membership – by 2023 over two thirds of our members were providing free or subsidised food.

This trend started before the onset of the pandemic in 2020, which further sharpened the focus on short-term, emergency service provision, as well as putting unique strain on the assets and enterprise business model which powers community anchors.

As our **“Navigating the Storm”** research highlighted, many of our members felt they’d “done the right the thing” in the years leading up to the crisis and worked hard to move their business model away from grants towards earning their own income, only to find themselves more financially exposed than traditional charities.



While they managed to survive and thrive by evolving and diversifying their business models, there has been no respite. The cost of living crisis has been described as “worse than covid” in terms of its financial impact on community organisations, many of whom have faced a “double whammy” of hugely increased costs at a time of rising demand for their services.

One thing we have learned over this period is that while the determination and innovation of community leaders should never be underestimated, their capacity to keep absorbing crisis after crisis cannot be unlimited. Something has to give, and that is why this report has stressed the importance of investing in the foundations of community power: strengthening capacity through community ownership.

Indeed, whenever we speak to our members, it is clear to us that too much of their role has become defined by its relationship with the public sector. Even the strongest, most successful community anchors, who earn the majority of their income from their assets, can find their management capacity overwhelmed by their public sector contracts.

There is now a clear body of evidence – developed by our **“Keep it Local”** campaign as well as others – that, rather than providing a good source of income and support, public sector service contracts are increasingly extractive and a drain on community resources. This starts in the well-documented challenges of commissioning and procurement and leads right through the delivery and reporting.

We’re seeing tighter and tighter contracts that don’t pay for the cost of the service being provided, let alone generating surpluses that can be reinvested in wider community support activities.³⁷ Organisations find themselves holding multiple short-term contracts, each with their own distinct, labyrinthine reporting requirements. At the same time, these contracts often require them to work across a larger geographical footprint than their own neighbourhoods, stretching their capacity and risking mission creep.

Community leaders desperately want to provide these services, because they know they do it well, and much better than the alternatives (the public sector itself or multinational outsourcing companies and big national charities). But many are finding it increasingly untenable, telling us they are spending so much time making their contract finances stack up, that their community development work is suffering.

We are therefore starting to see a trend of community anchors handing back contracts or not going for them in the first place. Instead, they are thinking about how to refocus their activities back to their core missions, like bringing individuals and groups together in their neighbourhoods to strengthen bonds, civic engagement, and local voice in decision-making.

To do this, and to consider their longer-term direction, community leaders need the time and space to think beyond day-to-day pressures. Strategic headspace is, however, very hard to come by.

Our “Navigating the Storm” report highlighted how the emergency funding provided during the pandemic had been a crucial facilitator of this, enabling community anchors to pivot their business models out of the crisis. While some funders have embedded this lesson and are providing long-term core funding, short-term project funding is still the norm, trapping community organisations in a cycle of delivery that is hard to step off and plan for the long-term.

At Locality, we are therefore committed to helping our members find this strategic headspace, both through our practical support offer and through our influencing work.

For example, our “**Connectors-UK**” programme – funded by the National Lottery Community Fund and working in partnership with the Development Trusts Associations in Scotland, Wales and Northern Ireland – is providing direct advice and peer networking opportunities, so community leaders can learn in real time from each other what’s working and share emerging best practice. We’re also providing 15 “Connection Trailblazers” with the space to step off the delivery treadmill and really focus on long-term connection building in their neighbourhoods.

But there is only so much we can achieve on our own, which is why this report is calling for bolder national policy support.



The big changes we need to see

There are three big shifts we need to make, as policy takes a turn towards neighbourhoods.

1. Community ownership

Community ownership is the foundation of community power, particularly for the community anchor model. It enables local people to generate and retain wealth for their neighbourhoods, sustain and direct their own activities, provide an independent voice for their community, and operate at a scale where they can work collaboratively with the public sector. It is a key means for communities who have been left behind, minoritised and excluded to take control and build power over the long term.

The last Labour government implemented landmark measures to support community ownership, including the creation of the Community Asset Transfer (CAT) mechanism (for communities to take control of important local buildings and spaces from local authorities), the Asset Transfer Unit (providing expert advice, guidance and support on CAT and community ownership and management), and strategic long-term funding for community anchors to support asset development.

The Community Ownership Fund, established by the last government in 2021, represented the most recent national programme of support for community ownership. The closure of the Fund in December 2024 came as a blow to many communities still waiting to realise their viable dreams to take on important local spaces.

This has tempered the community sector's response to the creation of the Community Right to Buy under the English Devolution and Community Empowerment Bill. While this right will give communities crucial legal standing to take on assets of community value, it will be less widely and less equitably used without funding and support available to facilitate it.

While there are still potential funded avenues for community ownership – through the Pride in Place Programme and Impact Fund, and the Community Wealth Fund³⁸ – the opportunities are less clear, and more fragmented.

A core aim of these programmes should be the strengthening of existing community anchors and the development of smaller community organisations into the community anchors of the future. This was a key outcome for the last Labour government's "New Deal for Communities" programme, as well as more recent long-term community development programmes like Big Local,³⁹ and will be crucial to overcoming the poor social infrastructure afflicting the "doubly disadvantaged" areas that the government has committed to supporting.

As such, we need to raise our ambition levels on community ownership, with bold, long-term and coordinated support. We need substantial dedicated investment to build on the success of the Community Ownership Fund and unlock the pipeline of viable projects it has developed, as well as supporting larger scale asset development opportunities from ambitious community anchors.

We also need clear coordination to embed community ownership across the various place-based funding streams announced by government, as well as helping align charitable funding and social investment, and the vital role of local government.

Our pre-election manifesto called for a National Community Ownership Strategy⁴⁰ – this feels more important than ever to ensure the intentional development of community ownership opportunities across different Whitehall departments, across different tiers of government, and across civil society.

2. Neighbourhood governance

The English Devolution and Community Empowerment Bill includes a measure requiring all local authorities to “make appropriate arrangements to secure the effective governance of any area of a specified description that falls within the authority’s area (a “neighbourhood area”)” – with what is meant by “appropriate arrangements” to be set out in regulations by the Secretary of State.

This is a once-in-a-generation opportunity to give powerful, national recognition to the community anchor model as the trusted, locally-rooted, community-led paradigm of neighbourhood governance.

We support the calls of the We’re Right Here campaign for the forthcoming regulations to centre local people’s voices and the integration of existing social infrastructure.⁴¹

Neighbourhood governance must actively include the community groups and organisations already working in local areas, including community anchor organisations. They bring vital local knowledge and reach into parts of the community that local authorities often struggle to engage.

Provided they have a genuine connection to their neighbourhood, they should be given a formal role in governance arrangements, ensuring decisions are grounded in the lived realities of local people.

Indeed, the “neighbourhood area” covered by the arrangement should not be decided solely by the local authority. To be as meaningful and effective as possible, it must relate to a conception of a “neighbourhood” that makes sense to local people (eg, the area served by a community anchor organisation), and certainly not larger, town or borough sized areas with competing priorities.

This approach offers a way of combining the elected democratic legitimacy of councils with the earned, participatory democratic legitimacy of community anchor organisations. Together they can co-produce solutions that are both accountable and locally grounded.

Having **integrated existing social infrastructure**, like community anchors, and **adopted a community-led conception of “neighbourhood”**, we support We’re Right Here’s wider calls on neighbourhood governance:

- ☀ **Relational governance** – Neighbourhood arrangements should work in relational ways – fostering trust, mutual respect and shared responsibility between residents and institutions. Community anchor organisations present a strong, collaborative forum through which such an approach can thrive
- ☀ **Equal partnership** – Neighbourhood governance must put residents, including through community anchor organisations, on an equal footing with councillors and officials, exercising shared responsibility for shaping priorities, services and investment decisions. They must be embraced as collaborators and co-producers, and the knowledge, skills and commitment that they bring to the table should be properly recognised
- ☀ **Community leadership** – Effective neighbourhood governance should be convened from within the community itself. Each neighbourhood governance arrangement should be chaired by a locally rooted representative who does not hold political office, but who can demonstrate accountability to the neighbourhood they serve, for example a community anchor organisation
- ☀ **Real accountability** – Community power is only meaningful when it is enforceable. In the event that local people from any one part of the community come to feel that they are being shut out of decision-making or that residents come to feel that neighbourhood governance arrangements are not centring their voices, they should have access to a clear route to redress.

3. Community-led public service reform

Community anchor organisations play a unique role in local services – with prevention in their DNA, they are able to tackle the most complex problems due to their trusting relationships, local knowledge and intrinsic commitment.⁴²

But, as described above, competitive tendering, in a climate of austerity and with a bureaucratic procurement culture, has made it very hard indeed for community organisations to compete and has time and again crowded out community power.

There are a growing number of examples of local authorities doing things differently. We have built up a growing network of “Keep it Local” councils and Integrated Care Boards, who are committed to finding a different way and are developing long-term public service partnerships with local community organisations.⁴³

However, they are doing this despite the wider national policy drivers. These are clearly described by the Crown Commercial Services procurement guidelines, which state that the over-riding requirement is to achieve value for money through competition.⁴⁴ While in theory “best value” incorporates broader notions of social value, the marketised policy framework, tough financial climate and risk averse public procurement culture means that it is invariably conflated with “lowest cost”.

The government has recently made encouraging steps towards a new approach. The latest National Procurement Policy Statement makes clear that the policy priority is to be flexible and look local. The headline goal is to drive economic growth, and according to the new guidance, the key means of doing this is to “maximise procurement spend with small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs)”.

The Cabinet Office has also recently consulted on proposals to take the commissioning of “people-focussed” services for “vulnerable uses” – with examples of adult social care and children’s services – out of the full competitive procedure.⁴⁵

These promising signs must now be followed by transformative change. They must help create a new world where commissioners and community anchor organisations can collaboratively design and deliver uniquely impactful, preventative, and holistic services. And this must allow community anchors to maintain time for the vital community development work they were established to provide.

This will require the government to:

Remove “people-centred” services from competitive procurement processes

A service may reasonably be deemed ‘people-focussed’ simply because it aims to address an immediate human need.

“People-centred”, however, reflects the fact such services are delivered most valuably when they focus on eg, the personal experience, trauma, barriers, ambitions, relationships, and strengths of each individual to sustainably target the root cause of the issues that have led them into the service. This is the community anchor approach.

Many such services across health, social care, welfare, debt advice, culture, employability, community, crisis support, and many other areas are best delivered in people-centred way. And this requires building long-term partnerships with community organisations – rather than short-term procurement exercises – to produce truly transformative services.

The classification of a service as supporting “vulnerable” people is also not a helpful criteria for inclusion. Any person will benefit from taking part in a “people-centred” service.

Allow commissioners to discriminate in favour of local SME and VCSE providers

The Cabinet Office is said to be exploring the possibility of allowing local authorities to legally discriminate in favour of SMEs in their communities, with ministers as saying this would enable councils to “maximise spend within their area and help boost local economies”.⁴⁶ This would also be a crucial move in supporting community anchor organisation to secure more contracts, strengthen their financial sustainability, and expand the range of local services they can provide.

☀ Change how commissioners think about social value – from “additional” to “intrinsic”

Social value is traditionally defined as the economic, social, and environmental benefits delivered in addition to the service being provided, through use of the profit earned from the contract, eg, providing local jobs, hiring apprentices, implementing green measures.

But it is not an effective way of capturing the “intrinsic” social value of community anchor organisations (who don’t earn profit) in the provision of people-centred services within their communities. These services have a social purpose by their very nature, and it’s through the deep trust, connections, relationships with local people, and commitment to places that local VCSE organisations are able to maximise this purpose.

Such “intrinsic” social value comes through the delivery of local, neighbourhood-focussed, preventative services and manifests healthier people, strengthened and empowered communities, reduced inequalities, reduced isolation and more

To tackle this problem, if procurement reform doesn’t go as far as removing such services from competitive processes, it must at least support commissioners to create questions that reflect the importance of the “intrinsic” social value of people-centred services within the quality aspect of the tender, while relaxing the requirement to score “additional” social value for such services.

In general, community ownership – and the community power that flows from it – are a prerequisite for truly collaborative public services. Through it, community anchors can develop the independence necessary to come to the table on their own terms and leave it when they want to – the balance of power necessary for equal partnerships between communities and the state.



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Locality supports local community organisations to be strong and successful. Our national network of over 2,000 members helps hundreds of thousands of people every week. We offer specialist advice, peer learning and campaign with members for a fairer society. Together we unlock the power of community.

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