The Power of Community

Locality is the national membership network for community organisations
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The Power of Community

Locality – who we are

Locality is the national membership network for community organisations. We support local organisations across England to unlock the power of community that exists in every place. Strong and successful local community organisations, run by and for local people, are essential in tackling many of the difficult social, environmental, and economic problems we face.

Our goal is simple: to help our 1200 members be the best that they can be and to create a supportive environment for their work through our lobbying.

If you share our vision for a fair society where every community thrives and like us believe that local community organisations are key to solving the challenges of our times, please become a supporter of our work.

In the face of a pandemic

In 2020 as the world has faced extraordinary challenges, hardship, and uncertainty, we have experienced the power of community like never before. This year the resilience and power of community organisations has been demonstrated in spades.

From the first days of the crisis, barely missing a beat, community organisations mobilised to support their neighbourhoods through the hardest of times. Alongside our NHS and care workers, community organisations have been part of the front line of defence against the virus. During months of lockdown they were coordinating volunteering efforts, delivering emergency supplies, and supporting isolated groups. At the same time, they recalibrated existing services to deliver online or over the phone, whilst facing significant income reductions and threats of closure. They are able to do all this because, as one Locality member described it, “we were built for this.”

Community organisations have built up a huge resource of community power over a long period of time. They know the context, the people, the problems, and they care about the local community first and foremost. Long before coronavirus reached our shores, community organisations have been doing whatever it takes to support local people.

The findings from our membership survey*, carried out this summer, are a testament to this resilience. They show that the pandemic has dealt huge blows to the community sector’s financial stability. But our findings also show the determination of members to continue to weather the storm, while at the same time they have
been battling rising demand in their communities, responding flexibly and finding enterprising and innovative new ways to meet an ever-increasing demand.

**Impact of our network**

Our membership network has huge strength, reach and influence:

- Supports around **307,000 people each week** across the network
- Supported approximately an additional **16,000 community groups** last year
- Employs over **6,400 people**
- Works with over **17,500 volunteers**, equivalent to over **108,500 hours each week**
- Has a combined income of **£315 million**
- And a combined earned income of **£139 million**
- Owns **£555 million** worth of land and buildings

**Services our network provides**

Local community organisations come in all shapes and sizes: small and large, urban, and rural. They focus on a wide range of different activities. They are unique because they support and champion a specific place.

While there is no ‘typical’ community organisation, they all make a huge impact in their community. Our survey findings show that Locality members **deliver on average 13 different services or activities to their community**. The activities and expertise of our membership is extensive – some of the most common services delivered by a typical community organisation are around tackling social isolation, unemployment, and mental health. Locality members work in some of the most deprived neighbourhoods in the country. **61% of Locality members are based in the top 30% most deprived neighbourhoods.**
The groups and service users our members work with

- Homeless people: 13%
- Victims of crime and their families: 14%
- Offenders, ex-offenders and their families: 16%
- LGBTQ+: 17%
- Asylum seekers/refugees: 17%
- Faith communities: 19%
- People with addiction problems: 21%
- People with learning difficulties: 34%
- People with physical disabilities: 36%
- Other third sector organisations: 56%
- BAME communities: 61%
- Children (15 or under): 63%
- Unemployed: 65%
- People in financial difficulty: 66%
- People with mental health needs: 66%
- Young people (16-24): 78%
- Older people: 78%

* The above table is based on at least 10% of service users being from these groups.

Most common activities and services

- Catering and food services: 26%
- Economic development: 26%
- Pre-school and after-school clubs: 27%
- Environment and conservation: 30%
- Business development: 30%
- Social prescribing: 31%
- Advocacy: 35%
- Foodbank: 35%
- Education: 37%
- Youth work: 38%
- Leisure, sports and recreation services: 39%
- Capacity building: 39%
- Childcare: 41%
- Community leadership: 45%
- Festivals and events: 48%
- Mental health: 49%
- Employment support: 51%
- Arts & cultural activities: 51%
- Training and skills support: 54%
- Volunteer training and management: 55%
- Social isolation: 69%
- Community development: 70%
- Community facilities, room hire and managed...: 73%
The majority of our members are experts in community development, engaging local people and stimulating civic participation. Community organisations also support a local ecosystem by working with other community groups. Enabling a rich network of mutual support for all community organisations and groups is a vital part of their approach. On average each Locality members supported **an additional 35 community groups in their local area last year**.

Over 70% of Locality members support the management and development of local buildings and spaces, and 45% of the membership directly own a community asset. These are the places where community power is built - through the groups, services, and amenities they house and the connections and relationships that are forged within them. Furthermore, community ownership or management puts the governance of these spaces in the hands of local people – unlocking new capacity, service improvement and innovation.

**Diversity of our membership**

The communities our members work with are diverse. Over half of our members (56%) work with Black, Asian, and Minority Ethnic (BAME) communities. The groups and service users our members work with most are older people, young people, (16-24-year olds), people with mental health needs, and people in financial difficulty.

Our survey shows us that 11% of the organisations responding to our survey are BAME-led (the majority of their Board or leadership are Black, Asian or Minority Ethnic), with 18% of organisations having staff teams made up of more than half BAME staff.

We also know that 77% of Locality members responding to the survey are led by senior teams that are at least 50% female, while 86% have staff teams made up of at least 50% women.

**Impact of COVID-19 on our members**

Earlier this year, Locality published a report “We Were Built for This” demonstrating how the crisis has shown that community organisations, their staff and volunteers are creative and resourceful, ready to adapt and respond flexibly to the needs of their communities. However, the impact of the pandemic, the lockdown and continuing economic uncertainty has had a significant impact on income and financial resilience.

In recent years, many Locality members have sought to reduce grant dependency through an increased focus on trading income, such as through venue hire, tenant organisations or community cafes, shops, or leisure centres. These enterprise models provide the independence that fuels their community power and provided a sustainable income source to subsidise local services in the context of declining
grants. Yet, this year, it has been these organisations that have been most exposed to income losses.

**Impact on income**

Between March 2020 and July 2020, 46% of our members lost at least a quarter of their income and 26% lost at least half of their income. However, for members most reliant on trading (i.e. over half of their income is earned through trading activities) 62% have lost at least a quarter of income, and 37% lost over half of their income.

**Income lost between March 2020 - July 2020 (all members)**

- 15% None
- 23% Less than 25%
- 11% Between 25% and 50%
- 20% Between 50% and 75%
- 31% Over 75%

**Income lost between March 2020 - July 2020 (high-trading organisations)**

- 8% None
- 20% Less than 25%
- 17% Between 25% and 50%
- 30% Between 50% and 75%
- 25% Over 75%
These levels of income losses are likely to be sustained, as local lockdowns and social distancing measures continue to impact trading and increased pressure on local authority finance affects resources through grants and contracts. Looking at the period between July 2020 and January 2021, we asked organisations their projected income losses, relative to pre-crisis forecasts. **41% of members are expecting to lose at least a quarter of their income.** For organisations where trading is more than 50% of their income, 59% expect their losses to be at least a quarter. Looking at the period between January 2021 – December 2021, these loss predictions are sustained at the same level.

**Impact on staff**

Community organisations have demonstrated their extraordinary capacity to adapt at pace. People working for community organisations have shown their incredible commitment to the communities they work with – overhauling the way they deliver services and managing unprecedented uncertainty. Yet we know the continued financial pressures will have an impact on jobs within the community sector.

Between July 2020 – January 2021, 20% of members are expecting to reduce their staff team – with a further 14% unsure of the impact. However, the majority of members do not expect to make redundancies in this six-month period (66%).

When asked about the period of January 2021 – December 2021 only 9% expect to reduce their staff team, but there is a higher percentage of “don’t know” responses (34%). However, even with this level of uncertainty for the period Jan – Dec, over half (57%) don’t expect to reduce their staff team.

Taking this sample size as indicative of our wider membership, these findings could represent the full-time equivalent of nearly 650 staff lost over the period July 2020 - December 2021.
Looking to the future

Community organisations are dealing with managing sustained and ongoing losses, and at the same time they are re-writing their business models and developing their services to meet new demand. Our member survey showed that 44% of Locality members saw demand increase during the first three months of the crisis. For these organisations demand increased on average by more than a third (39%).

Most of our members are based in areas of multiple deprivation, trading in areas of traditional market failure to provide local social value and providing vital local services. In a crisis whose impact has followed the contours of existing inequalities, their role in their neighbourhoods is ever more acute. Community organisations are determined to be there to support the big challenges facing their neighbourhoods – from unemployment, to mental health and social care.

One of the clearest examples of the adaptability and resourcefulness of community organisations is how they have managed to transition services through digital transformation. From respondents to our member survey, almost a third said they were delivering all of their work remotely. Nearly half had digitised some of their face-to-face services and almost a quarter said they were planning to.

Community organisations have also seen significant spikes in volunteering and new relationships with volunteers locally and want to build on the outpouring of community spirit experienced nationally during the crisis. The pandemic changed volunteering patterns – with older demographics more likely to be shielding, this led to a reduction in volunteering capacity for some community organisations. So, while 22% of members saw volunteering increase during the pandemic, 36% actually lost volunteers during the first three months.

We asked members to rank their organisational stability in the coming year. The risks posed by the pandemic were ranked as “significant” by half (51%) of respondents. Just under a third (30%) said there are “significant risks to future viability” in the next year. 70%, however, said they could manage the short-term risks over the next year. While this is only a snapshot in time, it is perhaps testament to the resourceful of organisations operating diverse business models with multiple income streams, that they are able to balance these significant risks. However, when we look at a five-year timeframe, we can see that members are significantly concerned about how long they can survive in this way – only 42% say these threats are manageable looking at the next five-years.

Our member survey shows a remarkable level of hope and positivity within the membership. We are living through the most challenging of times, and community organisations are determined to do whatever it takes to support their communities.
**Recommendations to national government**

To unlock the power of community organisations in our social and economic recovery, we are calling on the government to:

1. **Put community ownership and enterprise at the heart of our economic recovery**
   - Expand the Community Ownership Fund to capitalise community organisations and establish a £1bn investment plan for community assets over the next five years.
   - Put **Communities in Charge** of local economic development by ringfencing 25% of economic development funding for community-led partnerships.

2. **Create collaborative public services that unlock community power**
   - Support “power partnerships” to develop through long-term investment in councils and communities and enable local places to put **Keep it Local** into practice.

3. **Turn community spirit into community power**
   - Establish a £300m Neighbourhood Recovery Fund, to support the most disadvantaged areas to build social and economic capital to drive recovery and long-term prosperity.
   - Put neighbourhoods at the heart of the Devolution and Recovery White Paper and strengthen community powers to lead change locally.

**About our survey***

Within our wider network are over 450 ‘Essentials’ members and our new research data comes from this core group of Locality members. We received responses from over 40% of them and have extrapolated our findings to represent all our essentials members.

As a result of a new membership model we introduced in the spring, this year’s findings are not directly comparable with previous years. Instead they provide a powerful baseline representing the strength of community organisations which we will build on in subsequent years. The survey was carried out between July and September 2020.

Impact Report to be published in 2021

We will be publishing a fuller report in the New Year looking at the measurable impact of Locality’s work. If you want to receive a copy, **sign up to our newsletter**.
Locality supports local community organisations to be strong and successful.

Unlock the power in your community with us

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