



# Sector Infrastructure Funding Analysis

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Supported by





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# Executive Summary

Voluntary sector infrastructure bodies perform vital roles supporting and enabling voluntary and community organisations, both locally and at a national level. This report explores how the voluntary sector infrastructure has changed over the last 12 years, particularly by looking at its finances and funding.

Key findings:

- There are estimated to be nearly **700 voluntary sector infrastructure bodies** in the UK, spending over £500m a year
- The **majority of these (519) are local or regionally based** organisations and 180 have a national remit
- There have been **significant mergers and closures** of organisations during the period, and while there have been new registrations, there has been a decline in the overall number of infrastructure organisations, during a period when the number of charities, Community Interest Companies and other voluntary community groups has continued to grow
- The 20 largest organisations in this cohort account for over a third (37.5%) of the spend, but **the majority of organisations are relatively small** with 29% having a turnover under £100k and 80% under £1m
- The sector has a **diverse set of funding sources**. Around one quarter of the sector's income is from government (both grants and contracts), with a further 8% from other grantmakers. The remainder is not delineated in the data available, but is likely to consist largely of membership fees and income from providing services. Some of these contracts are for the infrastructure to deliver contracted services (eg to support Clinical Commissioning Groups) rather than provide direct support for charities and community groups

The report highlights a number of challenges around funding for these organisations over time:

- The **sector infrastructure has not grown in real terms** over the last decade, following large falls in the size of the sector before that. This is despite growth in the voluntary and community sector as a whole over the same period. This means that, compared to the picture in 2009-10, voluntary sector infrastructure in 2020-21 was much smaller, but supporting a larger voluntary sector. The level of capacity building support available for charities has been further masked by increased diversity in the kinds of work delivered and income generating activities included in the turnover.

- Although funding from non government grantmakers is only a small percentage of the total funding for infrastructure, these **grants are an important part of the funding mix for some organisations**, particularly for specialist organisations supporting marginalised groups who are least able to pay for services, and where the capacity building support might not be available without this grant funding.
- Very few trusts and foundations fund the sector infrastructure organisations and it is a very **fragile ecosystem**. Changes to funder strategies expose this vulnerability with some infrastructure bodies reporting that they have few funders that they are even eligible to apply to. **This means change in the strategies of one funder are likely to have an impact on the applications received by others.**
- **Covid-19 had a significant impact** on voluntary sector infrastructure funding, including large one-off grants to help infrastructure bodies support their members, as well as help them survive as organisations themselves. While this impact has manifested in a rise in the total incoming resources of the sector in 2020-21, it is unlikely that these increased resources will be sustained over time. In addition there is a risk that through their work during the pandemic and the cost of living crisis, some of these organisations are trying to support an increased number of charities and community groups needing support when their own funding position is precarious.

We hope that this report provides context to grantmakers to inform strategy development and collaboration between funders. Infrastructure organisations are sometimes an invisible part of the sector, but we all feel the impact when organisations close, either directly or indirectly.

We hope this data facilitates discussions and supports more active decision-making to prioritise what is funded and retained over the coming years in what is likely to be a very challenging period for the sector.

# Introduction

## Context

This report explores how the voluntary sector infrastructure has changed over the last 12 years, particularly by looking at its finances and funding.

The context for the report is an environment in which voluntary sector infrastructure is finding it increasingly difficult to fund its work, and in which several funders have stopped funding programmes used by voluntary sector infrastructure. Under pressure from the recent extraordinary crisis of funding needed for pandemic responses and the cost of living crisis, there is a further potential impact of new funder strategies omitting support for sector infrastructure in order to prioritise the “front line”, but demand for support from infrastructure organisations is increasing.

During the previous recession, a significant amount of the sector infrastructure was lost from 2010 to 2014, particularly the specialist equality infrastructure, and we felt the impact of this during the pandemic, as funders found it harder to reach charities in most need of support, especially black-led community groups. More recently, Small Charities Coalition, which provided vital support to smaller organisations and groups and a means for funders to reach parts of the sector, closed in 2022.

We hope that this research will support discussion between funders about the infrastructure that it is valuable to have in the sector, what we need to retain, and how it can be resourced. We intend that it will support strategic discussions and proactive choices.

The Paul Hamlyn Foundation has commissioned 360Giving to support this analysis as a starting point to facilitate discussions and support wider collaboration. Better data could support more active decision-making over the coming years in what is likely to be a very challenging period for the sector.

### **Case Study: Black and Minoritised voluntary and community sector**

In 2010 there were over 50 Black and Minoritised led infrastructure organisations in England alone, with 45 of them working directly with Voice4Change England on skills development programmes reaching 5,900 Black and Minoritised voluntary and community organisations.<sup>1</sup>

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<sup>1</sup> Voice4Change England Impact Report 2011

At that time capacity building support was largely funded by the Office for Civil Society, the Big Lottery Fund (now named National Lottery Community Fund) BASIS programme and through the CapacityBuilders programme, with a small amount from other trusts and foundations.

When this funding came to an end in 2011, Voice4Change England convened both funders and national infrastructure organisations to explore how the Black and Minoritised sector could be supported. This resulted in limited direct funding, alongside an attempt to ‘mainstream’ support to other national and local organisations and establish partnerships between the general and equalities infrastructure organisations.

This ‘mainstreaming’ approach had limited success and as other funding sources were not found, as a result we saw a high number of closures in local, regional and national Black and Minoritised infrastructure organisations. The nature of the Black and Minoritised voluntary and community sector is a high proportion of micro and small organisations who are less able to pay membership and service fees so infrastructure organisations are more dependent on grant funding. Due to structural inequity, these infrastructure organisations were also less likely to secure contracts. Others contracted in size with just the core functions needed to survive.

<b>National organisation closures included:</b>	<b>Larger local and regional closures included:</b>
<ul style="list-style-type: none"> <li>● Coalition of Racial Justice</li> <li>● Council of Ethnic Minority Voluntary Sector Organisations</li> <li>● Becon (Black Minority Ethnic Community Organisations Network)</li> <li>● Migrant Organisations Development Agency</li> <li>● Federation of Black Housing Organisations</li> <li>● Union of African and African Caribbean Organisations</li> <li>● Consortium of Bengali Associations</li> <li>● Confederation of African Organisations</li> <li>● Black Voluntary Sector Network Wales</li> <li>● Confederation of African-Caribbean Organisations</li> </ul>	<ul style="list-style-type: none"> <li>● Just West Yorkshire</li> <li>● North Somerset BME Network</li> <li>● Sheffield BME Network</li> <li>● Lewisham Ethnic Minority Partnership</li> <li>● Southwark Race and Equalities Council</li> <li>● Leeds Connecting Communities</li> <li>● Camden BME Alliance</li> </ul>

In 2020 when funders were looking to make sure their emergency pandemic grant programmes were reaching communities who needed it most, the mechanisms to reach Black and Minoritised led organisations were not consistently available due to the reduction in number and capacity of equalities infrastructure organisations. Those infrastructure organisations that were still running were smaller than they were in 2010 and lacked the capacity to scale up to respond to the high demands of funders and the sector. Without these infrastructure bodies there was also less support available for Black and Minoritised community groups responding to the crisis.

We hope that sharing this data and report facilitates discussions and supports decision-making for the future.

## Definitions

In this report, we define sector infrastructure as charities whose main purpose is to provide support to other charities. This support is commonly in the form of capacity building, advice, information, convening, policy work, training, consultancy and sometimes platforms and access to resources. See the [appendix](#) for further information on the scope and exclusions.

The identified organisations are divided into broad categories

### National infrastructure

- **General** - working with all voluntary organisations in a country (UK-wide, or constituent nations)
- **Specialist** - working nationally, but only with voluntary organisations in a particular sub-sector or field. These could be based on cause (e.g. health charities) or community group (e.g. charities working with children)
- **Service provider** - providing specific services such as platforms

**Local infrastructure** - organisations providing services to charities in a local area. These local areas can be as large as regions - for example providing services to charities in London. Local organisations are split further into categories

- **General** - Local Councils for Voluntary Service, or equivalent organisations, that provide services and support to all charities in an area
- **Specialist local infrastructure** - providing support to a particular group of charities in a local area

- **Volunteer Centre** - providing volunteer services in the local area. Where the volunteer centre is hosted by a CVS the “General” category was used instead.
- **Service providers** - providing specific services, such as a community accountancy service. Where the service provider is hosted by a CVS the “General” category was used instead.

## Approach

A methodology is provided in the [appendix](#). It should be noted that there isn't a definitive list of all organisations so the data used for this report was compiled and categorised using text searches. It isn't a perfect data set, but is robust enough to explore the trends, issues and concepts.

## Using this report

Links have been included in this report below the visualisations to a tool called Flourish. Click on the links to interact with the visualisations. The data used for this report is also available on the 360Giving website if you have further opportunities for use of the data or would like to explore in more detail.

# Sector Profile

## Size and nature

**Key finding: There are nearly 700 voluntary sector infrastructure bodies in the UK, spending over £500m on services.**

There are 698 active registered infrastructure organisations identified by this research, as well as 1,084 closed organisations<sup>2</sup> that have been removed from official registers. These closed organisations are likely to be an under-estimate as it is hard to identify organisations from historical data. The registered organisations are also likely to be an underrepresentation of the total number of organisations as some small organisations choose not to register as a charity.

519 of these active registered organisations are local infrastructure bodies - such as Councils for Voluntary Service or organisations supporting specific community groups - while 180 are bodies with a national remit.

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<sup>2</sup> Note that some of these closed organisations will represent organisations that have needed to re-register with the regulator when they change legal form, so there will be organisations that appear in both categories.

In the year ending March 2021 (2020-21), the latest financial year with full data available, the total spending of these organisations was £716m. However, this includes a large amount of spending related to Covid-19 where infrastructure bodies acted as grantmakers by passing on funds to member organisations. Our estimate for this funding is around £182m, meaning that the adjusted total spending of these organisations was £534m. Their total income was higher at £901m - a large proportion of which was one-off grants relating to Covid-19.

Of the 698 active identified organisations, 673 recorded income and spending in 2020-21. The remaining 25 are delayed in reporting or include some organisations that are dormant and in the process of closure.

**Table 1: Number of organisations and total income and spending, 2020-21, by category**

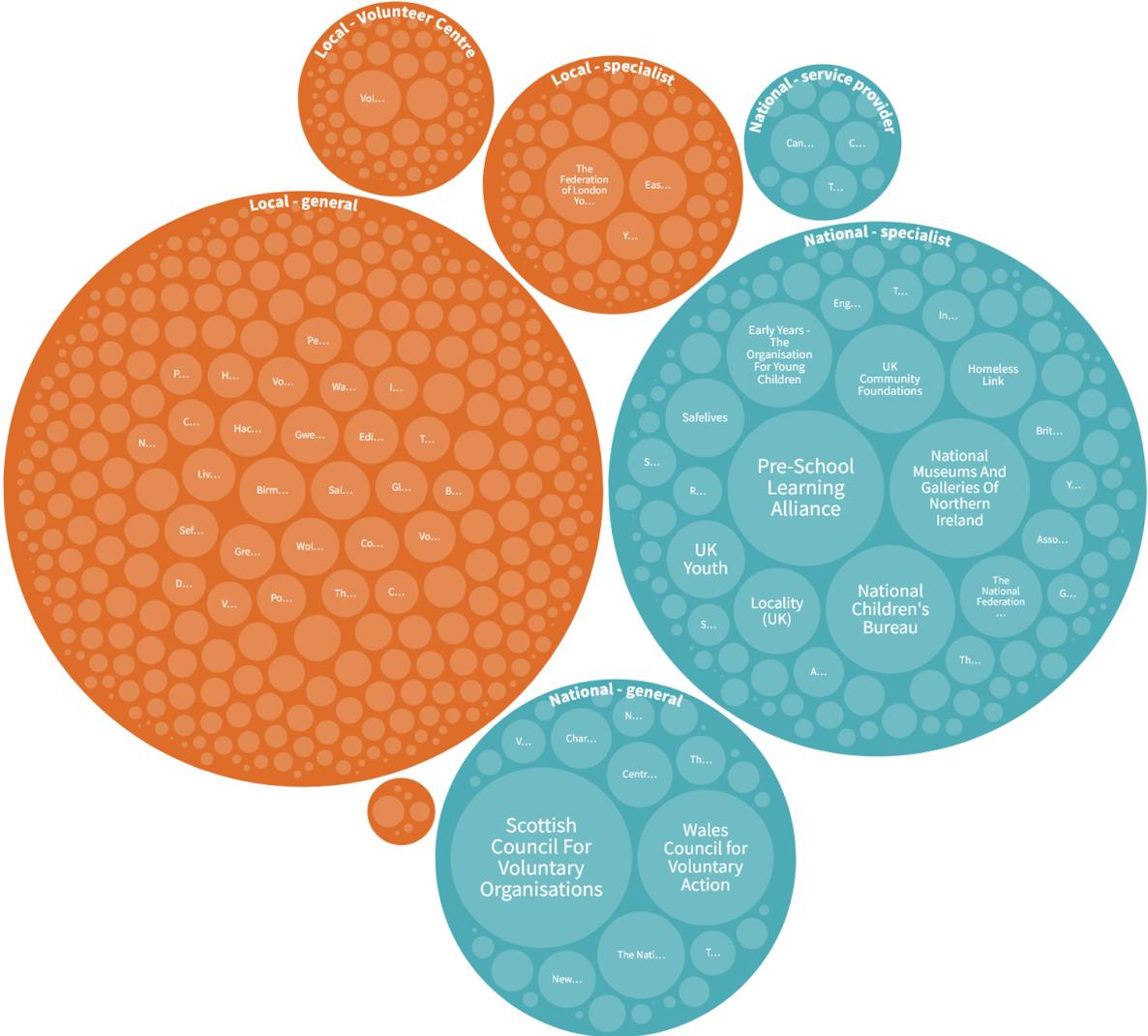
Category	Number of charities	2020-21			
		Median income (£)	Income (£m)	Spending (£m) Adjusted	Spending (£m) Original
Local - general	333	460,000	228.9	195.8	204.2
Local - specialist	93	213,000	39.2	33.8	35.1
Local - Volunteer Centre	84	123,000	18.3	15.9	15.9
Local - service provider	8	69,000	1.8	1.6	1.6
<i>Local total</i>	<i>518</i>	<i>319,000</i>	<i>288.2</i>	<i>247.1</i>	<i>256.8</i>
National - Specialist	130	513,000	443.7	187.5	326.1
National - General	34	553,000	156.1	86.8	120.1
National - service provider	16	588,000	12.9	12.0	12.0
<i>National total</i>	<i>180</i>	<i>516,000</i>	<i>612.7</i>	<i>286.4</i>	<i>458.3</i>
<b>Total all</b>	<b>698</b>	<b>370,000</b>	<b>900.8</b>	<b>533.4</b>	<b>715.0</b>

Finances in 2020-21 are unlikely to be typical for these organisations, as the picture reflects the impact of the Covid-19 pandemic and related response measures, where voluntary sector infrastructure was both an important delivery partner for Covid-19 relief funding as well as the recipient of emergency funding itself. For example, over half of the difference between income and spending is due to the Association of NHS Charities which received a large funding boost in that year but did not immediately spend it.

Some of the voluntary sector infrastructure bodies in this report became distribution partners for grantmakers in 2020-21, distributing grant funding to their members or sectors in order to get the funding to organisations who need it most. This additional grantmaking meant that these organisations spent an estimated £181m more on making grants in 2020-21, compared to the previous 3 years.

Figure 1 shows the composition of the sector, sized by their spending, with some of the largest organisations highlighted.

**Figure 1: Voluntary sector infrastructure bodies, sized by spending in 2020-21**

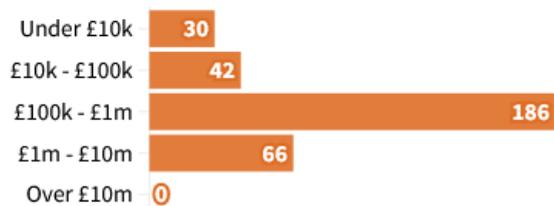


<https://public.flourish.studio/visualisation/12383116/>

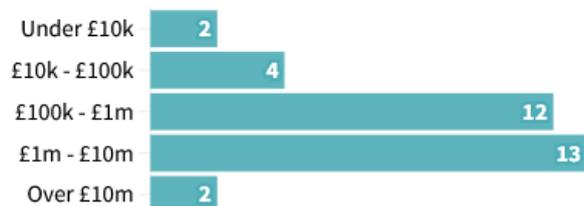
Most identified organisations had annual income between £100,000 and £1m, with a small number of larger organisations, including 10 national and specialist providers with income greater than £10m. Figure 2 shows the number of charities in each income band, by category. The 20 largest bodies account for 37.5% of the sector’s total spending, as shown in Table 2.

**Figure 2: Size of voluntary sector infrastructure bodies, showing number of charities by income band, 2020-21**

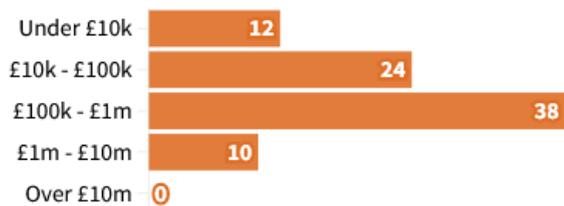
**Local - general**



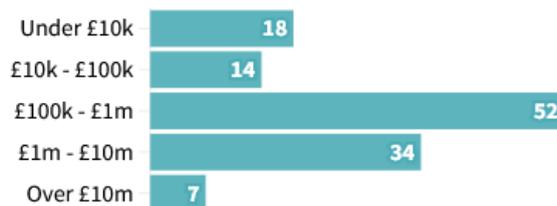
**National - general**



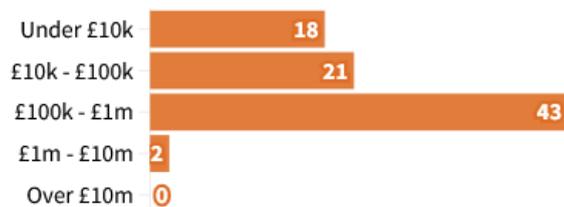
**Local - specialist**



**National - specialist**



**Local - Volunteer Centre**



**National - service provider**



**Local - service provider**



**All**



<https://public.flourish.studio/visualisation/12383338/>

**Table 2: 20 largest voluntary sector infrastructure bodies, by spending in 2020-21**

Name	Category	2020-21 (£m)		% of total spend
		Spending	Income	
Scottish Council For Voluntary Organisations <sup>3</sup>	National	31.8	65.0	6.0
Pre-School Learning Alliance	Specialist	23.7	22.8	4.4
National Museums and Galleries (NI)	Specialist	19.0	19.3	3.6
Wales Council for Voluntary Action*	National	17.9	51.0	3.4
National Children's Bureau	Specialist	16.2	16.2	3.0
UK Community Foundations*	Specialist	11.6	83.3	2.2
Early Years (NI)	Specialist	10.8	11.2	2.0
National Council for Voluntary Organisations	National	7.4	7.5	1.4
Locality (UK)	Specialist	7.3	8.2	1.4
Homeless Link*	Specialist	7.2	21.8	1.3
National Federation of Women's Institutes	Specialist	6.5	4.9	1.2
Safelives	Specialist	6.1	7.0	1.1
The Federation of London Youth Clubs	Local	6.0	6.6	1.1
UK Youth*	Specialist	6.0	7.7	1.1
Birmingham Voluntary Service Council*	Local	4.3	6.6	0.8
CAST*	National	4.2	6.3	0.8
British Overseas NGOs for Development (Bond)	Specialist	3.7	4.2	0.7
Association of NHS Charities*	Specialist	3.6	158.4	0.7
Chartered Institute of Fundraising	National	3.6	3.1	0.7
Canopi Foundation	Service provider	3.4	3.5	0.6

\*These charities' spending figures have been adjusted to remove grants made to members during Covid-19, rather than funding for the organisations themselves.

It should be noted that not all of this spend relates to delivering capacity building and infrastructure support and this also includes direct delivery and income generation costs. For example, London Youth and UK Youth run outdoor education centres that provide direct delivery of activities beyond support for their members in the sector, including to schools. Others have expenditure which includes trading activity for income generation, such as the NCVO Conference Centre costs.

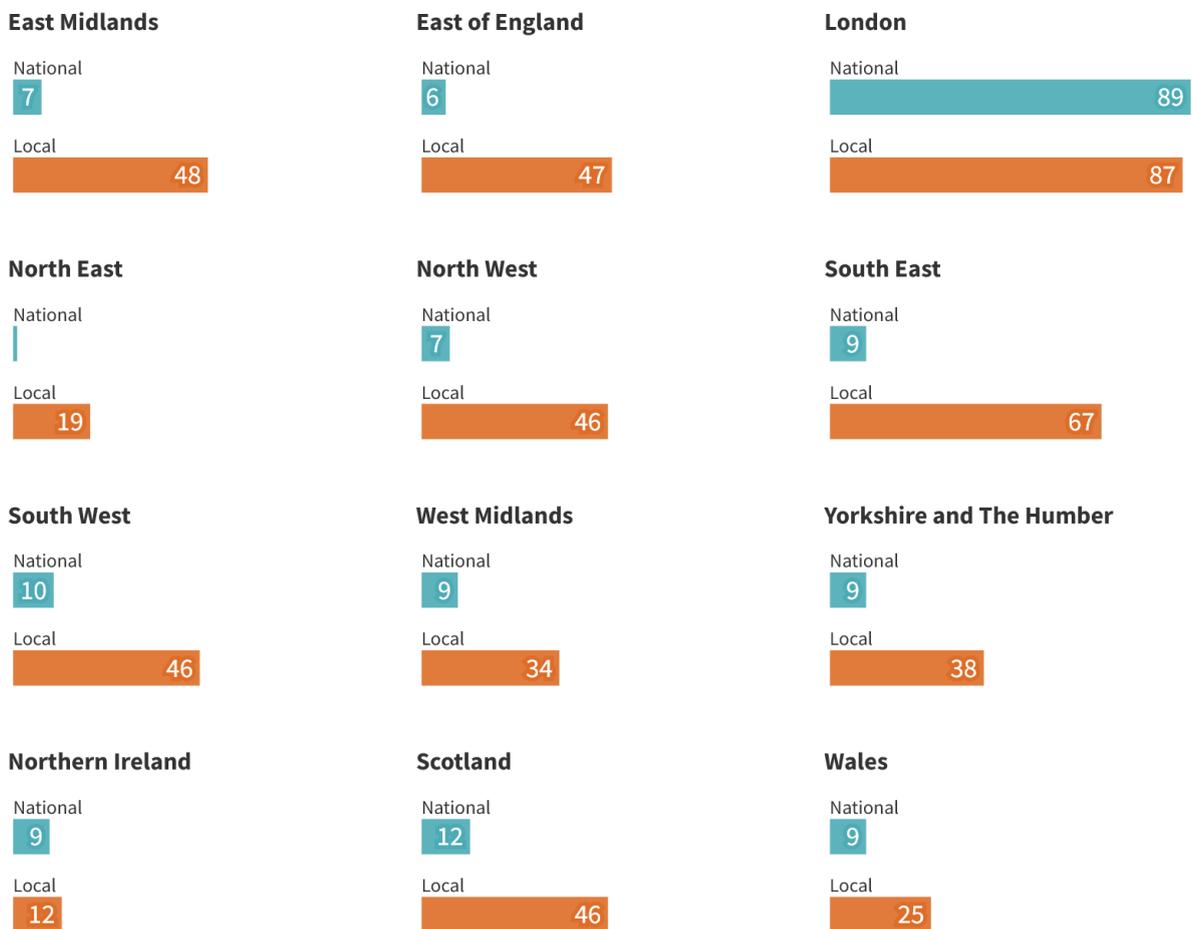
<sup>3</sup> SCVO's income and spending includes funding from the £50m Connecting Scotland project, which provides digital devices, connectivity and digital skills support to people on low incomes who are digitally excluded

## Location

**Key finding: In the UK, spending by local and national voluntary sector infrastructure bodies is equivalent to £3,200 per registered charity overall and under £3,000 per charity in England and Scotland.**

National infrastructure bodies in England are largely based in London, with over 60% of national, specialist and service providers based there. As might be expected, local infrastructure bodies are more spread around the country.

**Figure 3: Country and regional spread of voluntary sector infrastructure bodies (number of charities, 2020-21)**

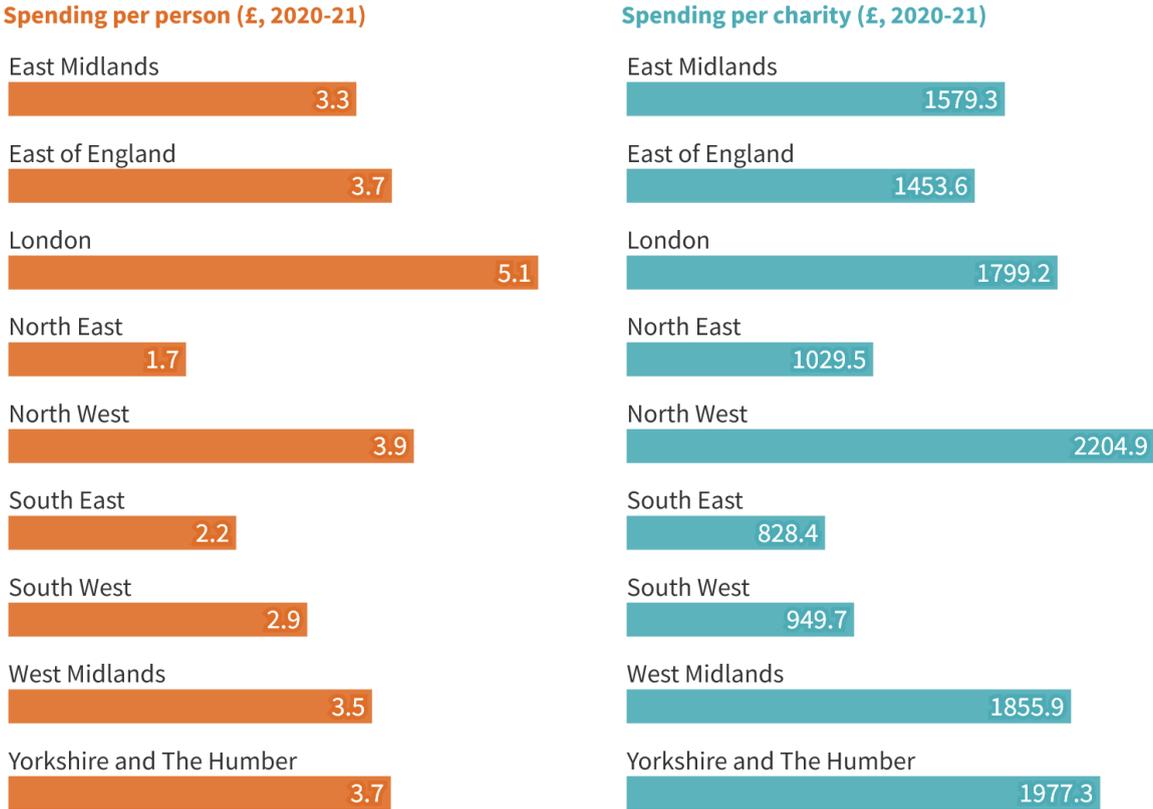


<https://public.flourish.studio/visualisation/12383441/>

*Note: Region/country is based on registered office address.*

By combining data on voluntary sector infrastructure spending with the population<sup>4</sup> and total number of charities in an area<sup>5</sup>, we can show the relative levels of spending between different regions. These patterns may not just reflect under or over funding in an area, but also differences in the structure of the sector and how services are provided. Figure 4 shows spending by local infrastructure per person across England.

**Figure 4: Relative spending by local infrastructure bodies in England**



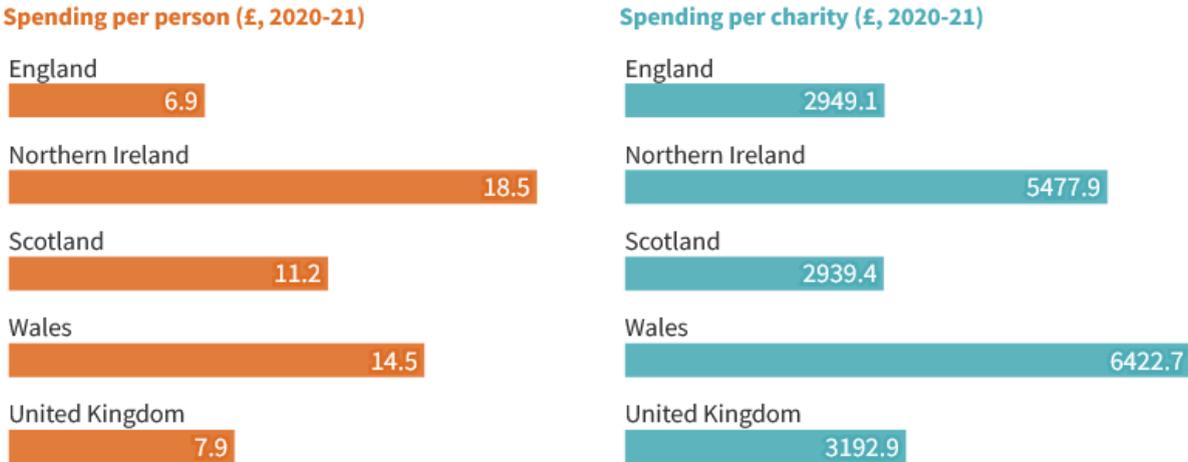
<https://public.flourish.studio/visualisation/12384009/>

*Note: Region/country is based on registered office address*

The next chart shows relative spending on all infrastructure (local and national) across the four constituent countries of the UK. These figures show local and national organisations together as the structure of infrastructure provision does differ between the countries. This is particularly true in 2020-21 when, for example, SCVO and WCVA in Scotland and Wales respectively played a role in distributing Covid-19 relief funds.

<sup>4</sup> From Office for National Statistics  
<sup>5</sup> From the NCVO Civil Society Almanac

**Figure 5: Relative spending by voluntary sector infrastructure bodies in UK**



<https://public.flourish.studio/visualisation/12384047/>

Note: Region/country is based on registered office address.

## Historical trends

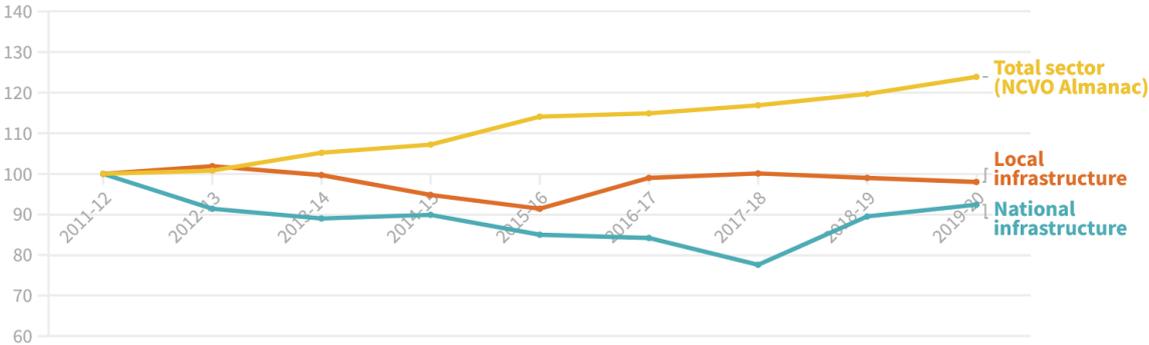
### Compared to the voluntary sector as a whole

**Key finding: Spending on voluntary sector infrastructure has not matched the growth in the voluntary sector over the last ten years.**

The period from 2011 to 2022 has seen the UK’s voluntary sector grow, albeit at a slower rate than the previous decade. Figures from the [UK Civil Society Almanac](#), published by NCVO, show that in 2019-20 there were roughly the same number of voluntary organisations as in 2011-12, but that those organisations were spending around 20% more, adjusted for inflation.

Voluntary sector infrastructure has not matched these trajectories. Looking at these organisations' spending, while the sector as a whole reported spending growth of over 20%, total spending by both national and local infrastructure bodies changed little over the period. The underlying trends are also negatively impacted by an increasing proportion of the spend by local infrastructure organisations being for activities not directly providing support for the sector but instead providing support to councils and Clinical Commissioning Groups for the provision of services. While the local services are of value to communities, it masks the real capacity for support for the voluntary sector organisations, particularly smaller organisations.

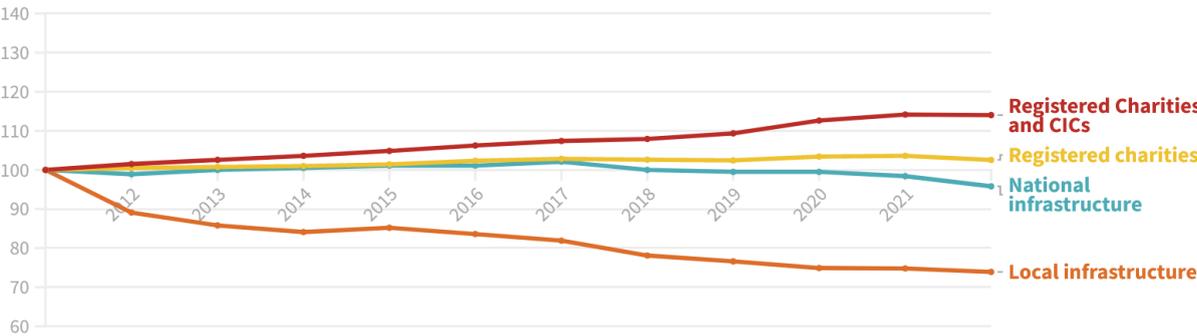
**Figure 6: Change in total spending, 2011-2020 (indexed 2011=100, inflation adjusted)**



<https://public.flourish.studio/visualisation/12557366/>

Turning to the number of organisations, the number of national infrastructure bodies fell by around 4% over the same period, while the number of local infrastructure bodies was roughly 25% smaller. Over the same period the population of Community Interest Companies (CICs) has increased by nearly five times, from around 6,000 in 2011 to 27,000 in 2022

**Figure 7: Change in number of organisations, 2011-2022 (indexed 2011=100)**



<https://public.flourish.studio/visualisation/12557281/>

The differences in trends between voluntary sector infrastructure, and the voluntary sector as a whole, means that a smaller number of voluntary sector infrastructure bodies have had to spread their resources more thinly.

Again, the overall figures mask underlying trends with some types of infrastructure disproportionately affected, but new organisations providing different types of support or serving different parts of the sector created. For example at the national level we saw the closures and merging of Volunteering England and VInspired, but a growth in the new digital and data infrastructure such as CAST, Datakind UK and 360Giving.

## Spending

**Key finding: In real terms, spending by all types of voluntary sector infrastructure bodies is lower in 2020-21 than in 2011-12.**

Adjusted for inflation, total spending by local and national infrastructure bodies changed little between 2011-12 and 2019-20, although the response to the Covid-19 pandemic in 2020-21 did see an increase in their income and spending. There was a significant fall in income of the “local-general” category (which mostly consists of CVSs and similar organisations) in 2010-11, and although there has been a small rise in cash terms spending since then, the sector’s spending in 2019-20 was only 75% of that seen in 2010-11.

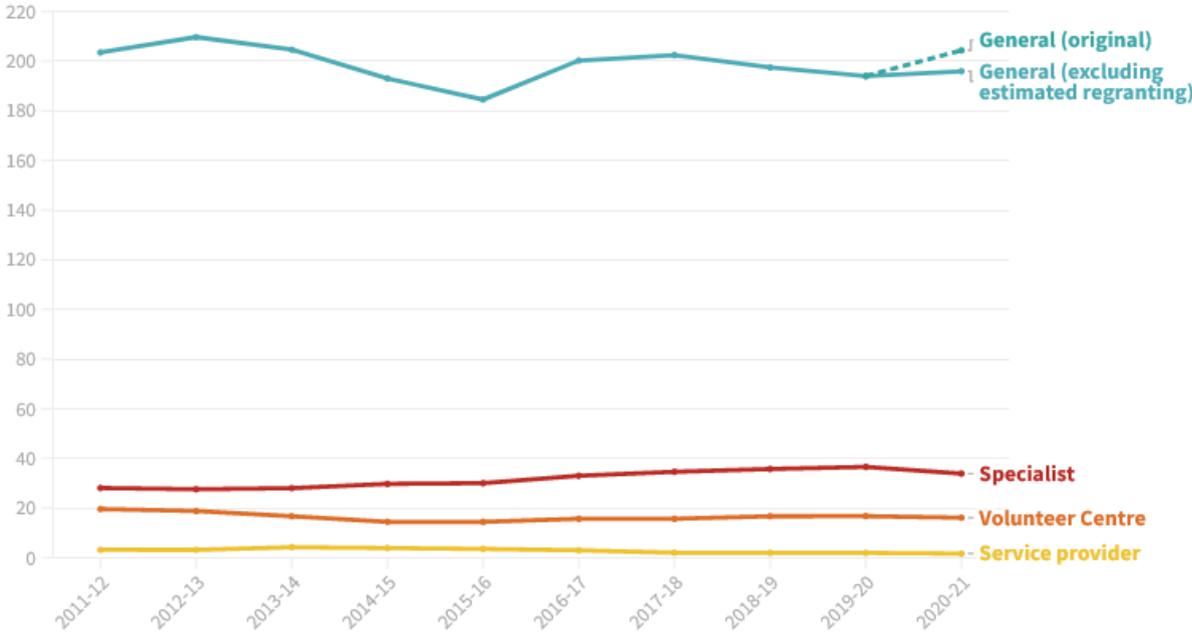
Figure 8 shows total spending since 2011-12 in £ million, adjusted for inflation. The figure includes an estimated adjustment for re-granting activity during 2020-21 for local-general bodies (where infrastructure bodies would distribute grants on behalf of grantmaking foundations). This estimate is produced by removing from their total spending an amount equal to grants made by the largest of these organisations (around £25m), minus their average grantmaking over the previous 3 years (£11m).

This data is supported by the Connecting Locally research project<sup>6</sup>, conducted by Sheffield Hallam University for NAVCA. This research found that the income and spending of NAVCA members (who are equivalent to roughly 75% of the “local-general” category) grew slightly in cash terms between 2016-17 and 2019-20, with a larger jump in 2020-21 as a result of Covid-19 funding.

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<sup>6</sup> <https://navca.org.uk/research-project>

**Figure 8: Total spending by local voluntary sector infrastructure, 2011-12 to 2020-21, £million**

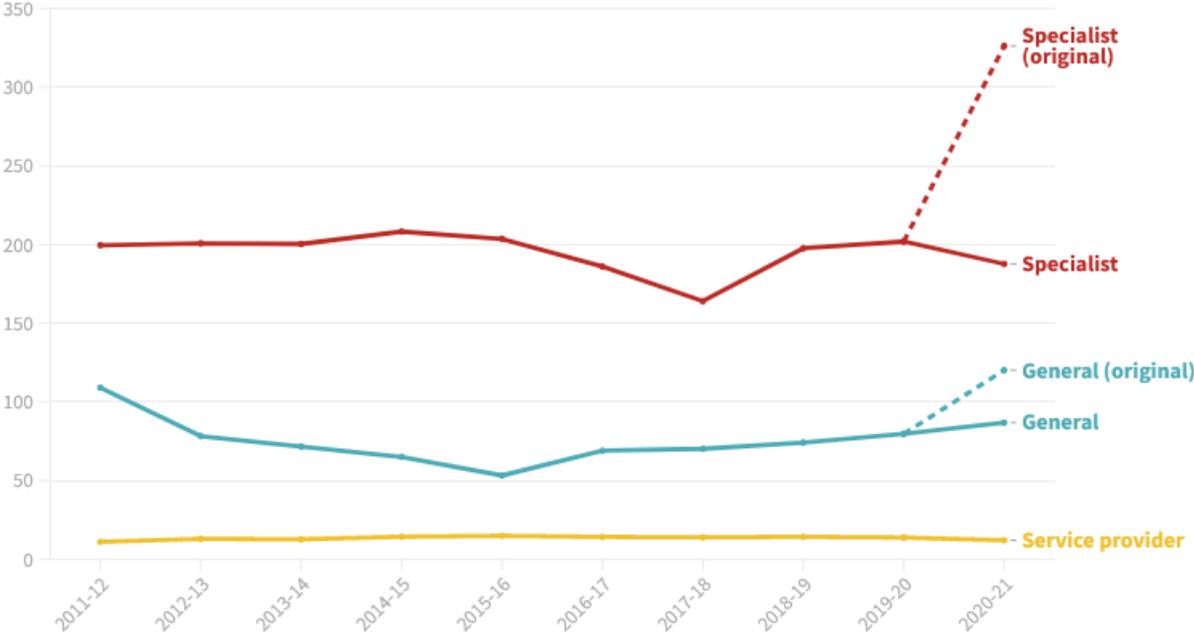


<https://public.flourish.studio/visualisation/12384125/>

*Adjusted for inflation to 2020-21 prices, using RPIX. Original here refers to figures before adjustment to remove exceptional Covid-19 spend redistributing grants on behalf of funders.*

A similar picture is seen in national infrastructure organisations, in figure 9. Both specialist and general national infrastructure bodies ended the period spending less in aggregate than 10 years previously, after adjusting for inflation. General national infrastructure saw a reduction of over half of their spending power between 2011-12 and 2015-16, before recovering some of that fall in the time since.

**Figure 9: Total spending by national voluntary sector infrastructure, 2011-12 to 2020-21, £million**



<https://public.flourish.studio/visualisation/12384129/>

Adjusted for inflation to 2020-21 prices, using RPIX. Original here refers to figures before adjustment to remove exceptional Covid-19 spend redistributing grants on behalf of funders.

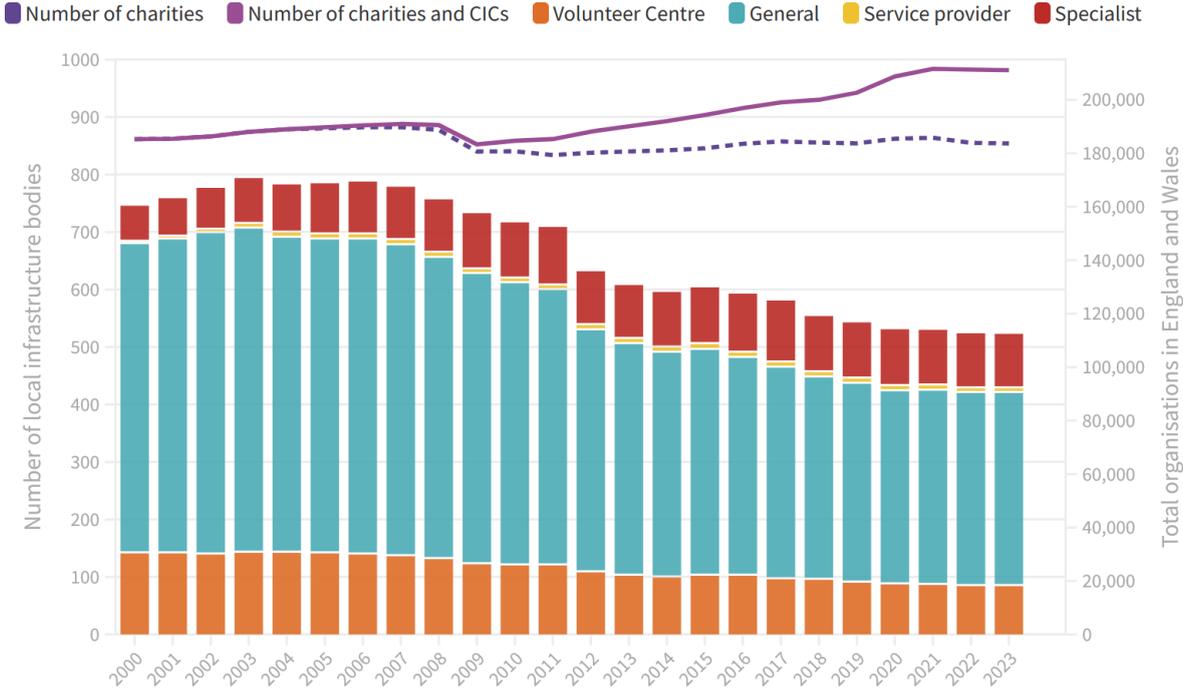
**Number of organisations**

**Key finding: The number of voluntary sector infrastructure bodies has declined since 2006, particularly amongst local infrastructure bodies.**

The period since 2004 has seen a decline in the number of organisations that fit the definition used here, particularly in the “local-general” category. This can be attributed to outright closures of organisations (particularly the drop around 2011 that coincides with a drop in the total spending power of the sector), but there is also likely to be significant other structural changes in how the bodies are organised - for example in mergers or consolidation between organisations.

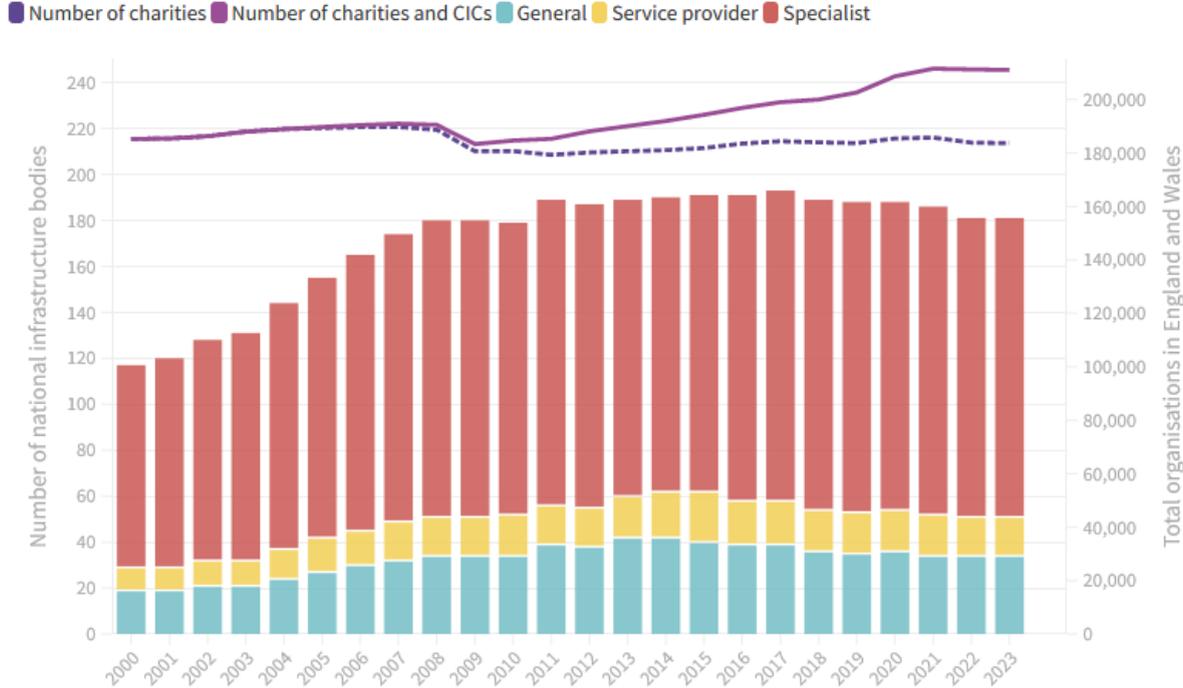
National bodies have seen less dramatic change over recent years, with total numbers of organisations remaining relatively stable, although this net picture does hide churn under the surface as organisations are closed and new organisations started.

**Figure 10: Number of local voluntary sector infrastructure bodies, 2000-2022**



<https://public.flourish.studio/visualisation/12384163/>

**Figure 11: Number of national voluntary sector infrastructure bodies, 2000-2022**



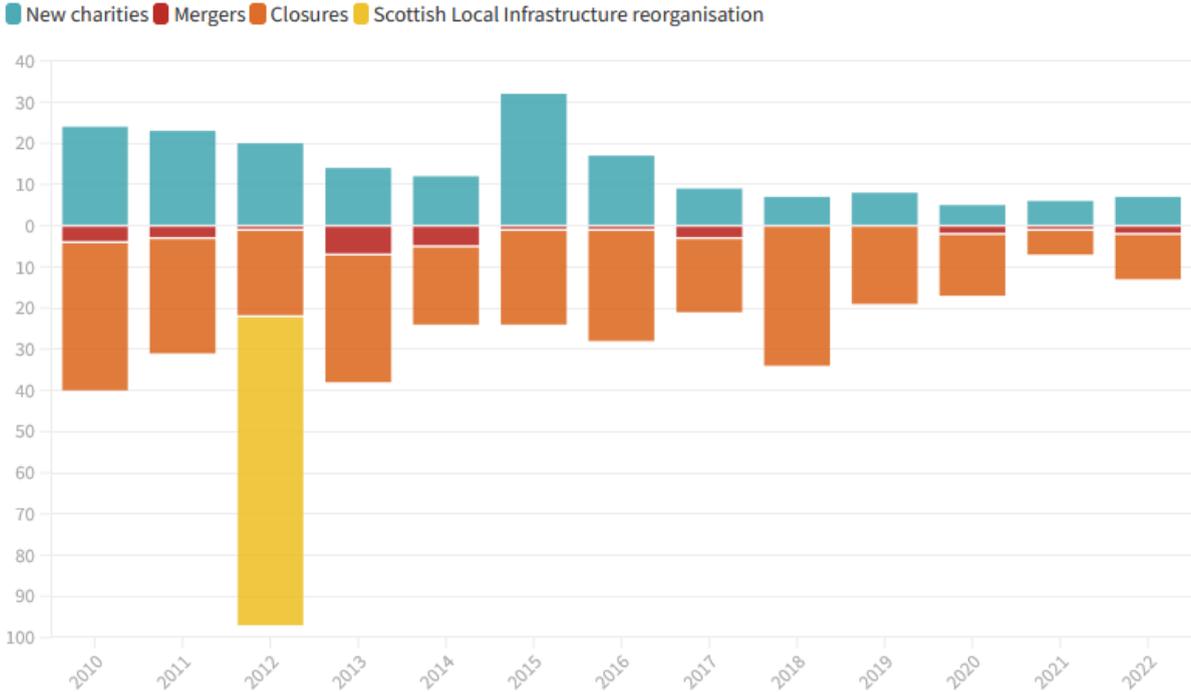
<https://public.flourish.studio/visualisation/12384173/>

A closer look at the composition of these headline changes over the last 10 years reveals a consistent rate of closures of organisations, with a peak around 2012 which reflects a

reorganisation of local infrastructure provision in Scotland which resulted in the closure of 75 organisations and the creation of new bodies which combined functions.

Note that for both local and national organisations, some organisations may be shown as a closure and new charity when they have actually changed legal form (for example registering as a Charitable Incorporated Organisation), as this can appear as a closure in the regulatory data.

**Figure 12: Changes in number of local infrastructure bodies, 2010-2022**



<https://public.flourish.studio/visualisation/12740627/>

In the local specialist infrastructure category, youth services and support were disproportionately affected by closures. In the service providers category they were nearly all Community Accountancy Services.

**Case Study: Local Service Providers - Community Accounting Services**

When 360Giving designed the research, one of the categories identified was “Local Service Providers”. This category was included because historically it has been a specialist, but important part of the local infrastructure - however, when this research was undertaken in 2022, only eight organisations were identified in the data so it wasn’t a useful segment - but understanding this decrease is an example of the impact on the charitable sector.

This example uses what has happened to Community Accounting Services as an illustration, but it is not the only group of infrastructure that saw unintentional collective withdrawal of funding that led to closures..

Community Accounting Services (CASs) are non-profit organisations that provide financial services to charities and community groups at non-profit or subsidised rates - mainly to small charities with the vast majority of organisations supported having a turnover of under £250k. These services include preparation of accounts, bookkeeping, payroll, independent examinations, filing of accounts/annual returns with HMRC, the Charity Commission and Companies House, setting up financial management systems, and other financial support and training.

In 2006, it was estimated that there were 80 CASs in total operating in England with at least part of someone's job devoted to provision of Community Accounting Services, increasing to 94 CASs if unfunded services are included.<sup>7</sup> These were either independent registered organisations or dedicated projects within other local infrastructure, such as a CVS.

As a result of the Finance Hub and the ChangeUp and CapacityBuilders investments, there were estimated to be over 100 CASs in 2009 when the Community Accountancy National Network incorporated. This included one in every London Borough, supported by grants from London Council and Local Authorities. By 2014 when the Community Accountancy National Network merged into Charity Finance Group, there were only 37 organisations that were transferred over, and in 2015 it was estimated that in London there were only 10 organisations providing full or partial community accounting services from the previous 32 in London.<sup>8</sup> The closures were a result of reduction in grants to the sector, and especially infrastructure organisations, as a result of austerity in the 2010s, and in some cases the prioritisation of funding that was available to the local CVS or generic support instead.

This is a drastic decline both in the number of organisations providing these services, but also in the nature and scale of the services provided.

The need for financial management support for small charities remains and this report shows that the number of sector organisations has increased. The drastic decline both in the number of CASs providing these services, but also in the nature and scale of the services provided means that in many areas, charities are having to pay high rates from commercial

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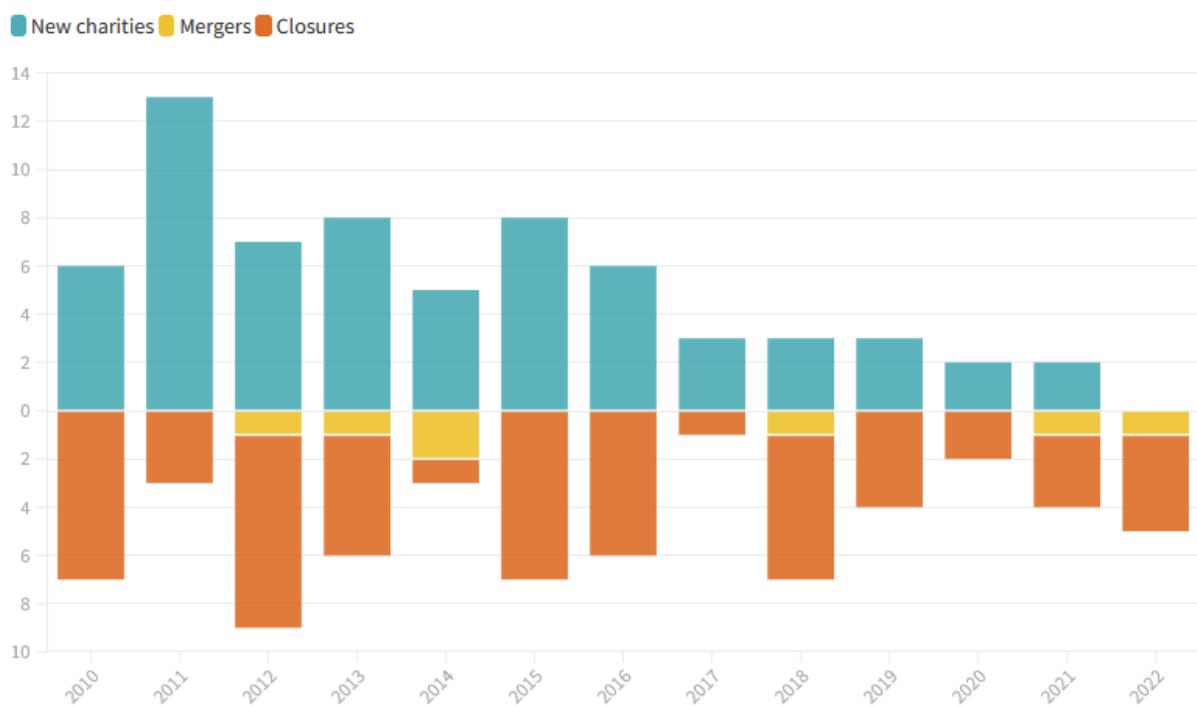
<sup>7</sup> Morgan, G et al (June 2006), *Analysis of Community Accounting Services in England and Strategic Implications*, (Sheffield Hallam University and Community Accountancy National Network for the Finance Hub, part of the Government's ChangeUp Programme). Page 15

<sup>8</sup> O'Brien, J (2015), *Community Accountancy Services for London: what to do?*, report for Charity Finance Group and City Bridge Trust

providers, or have an overhead of having a finance manager in-house when they are too small to need one.

Charities and community groups which had been using a community accounting service that subsequently closed saw their support costs increase when moving to commercial providers, and in some cases had to reduce spend on service delivery. For relatively modest grant funding to subsidise the services, there was a high impact in the support provided to charities.

**Figure 13: Changes in number of national Infrastructure bodies, 2010-2022**



<https://public.flourish.studio/visualisation/12740676/>

While figure 13 shows relatively small numbers of organisations for net changes in the number of national infrastructure organisations, it is important to recognise the impact on local infrastructure organisations. For example, Charities Evaluation Services closed and became a smaller project within NCVO before complete closure, but had been a valuable source of information, resources and training for local and specialist infrastructure organisations. This included delivering ‘train the trainer’ support which provided local infrastructure organisations with an income stream through providing monitoring and evaluation workshops and outcomes framework development. More recently the closure of Small Charities Coalition has added to

pressures on the local infrastructure with some people who had been using Small Charities Coalition support turning to other organisations.

While there were some high profile closures and mergers in the volunteering space like Volunteering England and VInspired, there were disproportionate numbers of closures for organisations serving minoritised communities. As well as the black and minoritised led organisations mentioned above, disability organisations were also affected with closures of a number of organisations including

- British Council of Organisations of Disabled People
- The Association of Local Voluntary Organisations for the Deaf
- National Association of Local Society for Visually Impaired People
- Coalition for Disability Rights

# Funding

## Income sources

**Key finding: Voluntary sector infrastructure bodies have a diverse set of income sources, with around a quarter coming from central and local government.**

Using data from the Charity Commission for England and Wales we can look at the funding sources of voluntary sector infrastructure. In total, around 25% of sector income comes from grants (18%) and contracts (7%) with government (including both central and local government). This figure is higher for local infrastructure bodies, with nearly half (46%) of the income of “local-general” infrastructure bodies coming from government. This income is likely to be predominantly from local government.

Estimates of grants received (see “Grant funding” below) suggest that a further 8% of income comes from grantmakers. The remainder of income received is not explicitly categorised in the available data, but is likely to include significant amounts of membership fee income and trading income from selling services.

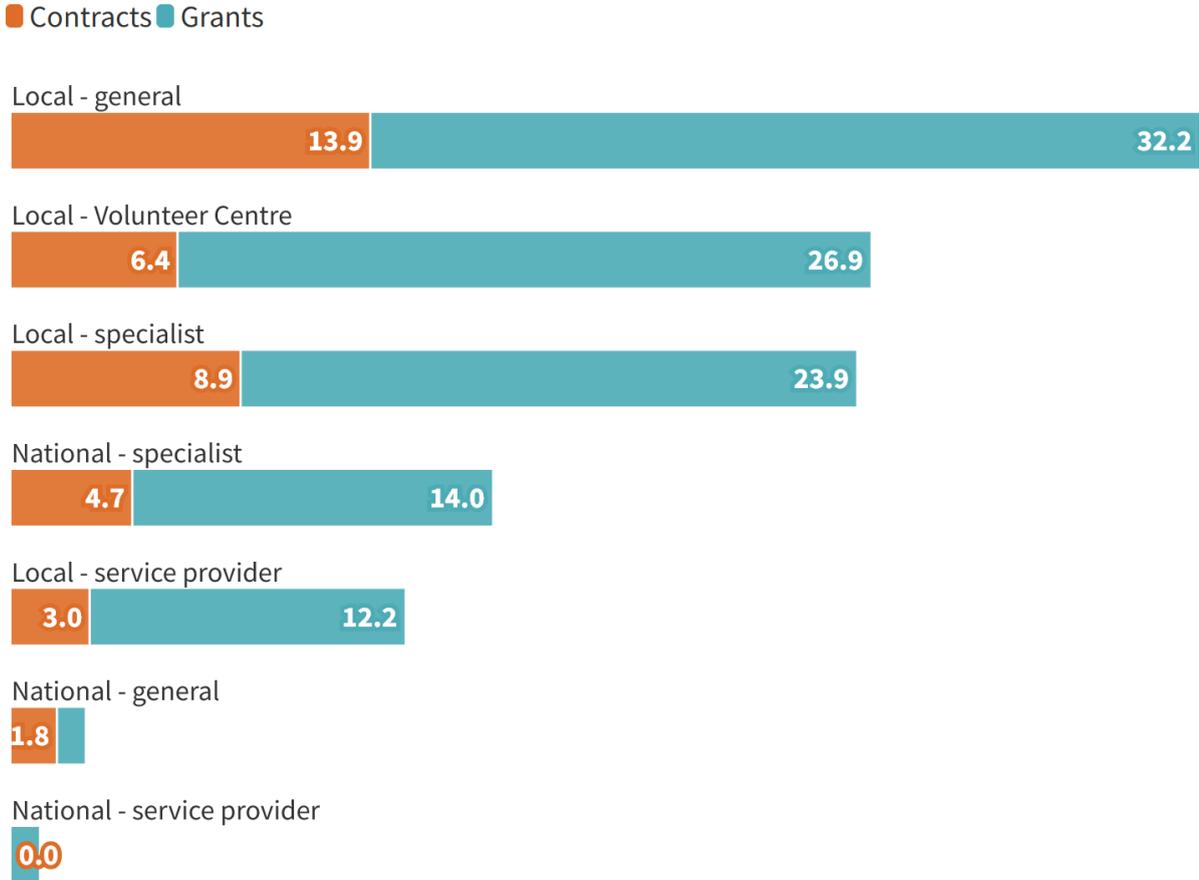
**Figure 14: Voluntary sector infrastructure, income sources £m, 2020-21**



<https://public.flourish.studio/visualisation/12384200/>

National bodies are less likely to receive income from government, receiving less than 3% of their income from government sources, although national specialist bodies have a higher proportion at around 20%. These figures are likely to be different in other years due to the atypical nature of Covid-19 funding around this time.

**Figure 15: Voluntary sector infrastructure, % of total income coming from government grants and contracts, 2020-21**



<https://public.flourish.studio/visualisation/12384190/>

## Grant funding

**Key finding: Grant funding from foundations and lottery distributors accounts for at least 8% of the income of local infrastructure bodies.**

By analysing grants data shared by funders, using the 360Giving Data Standard, we can understand the grants received by this set of organisations. To account for the different publishing schedules of funders, we have included grants from 2018-19, 2020-21, 2020-21 and 2021-22. Grants intended for regranting to other organisations have been removed from this dataset.

These figures suggest that, excluding grants from central government, these organisations received around £253m over the four year period, averaging £63m per year. Over this period 450 of the organisations received a grant, nearly two thirds of the total population of

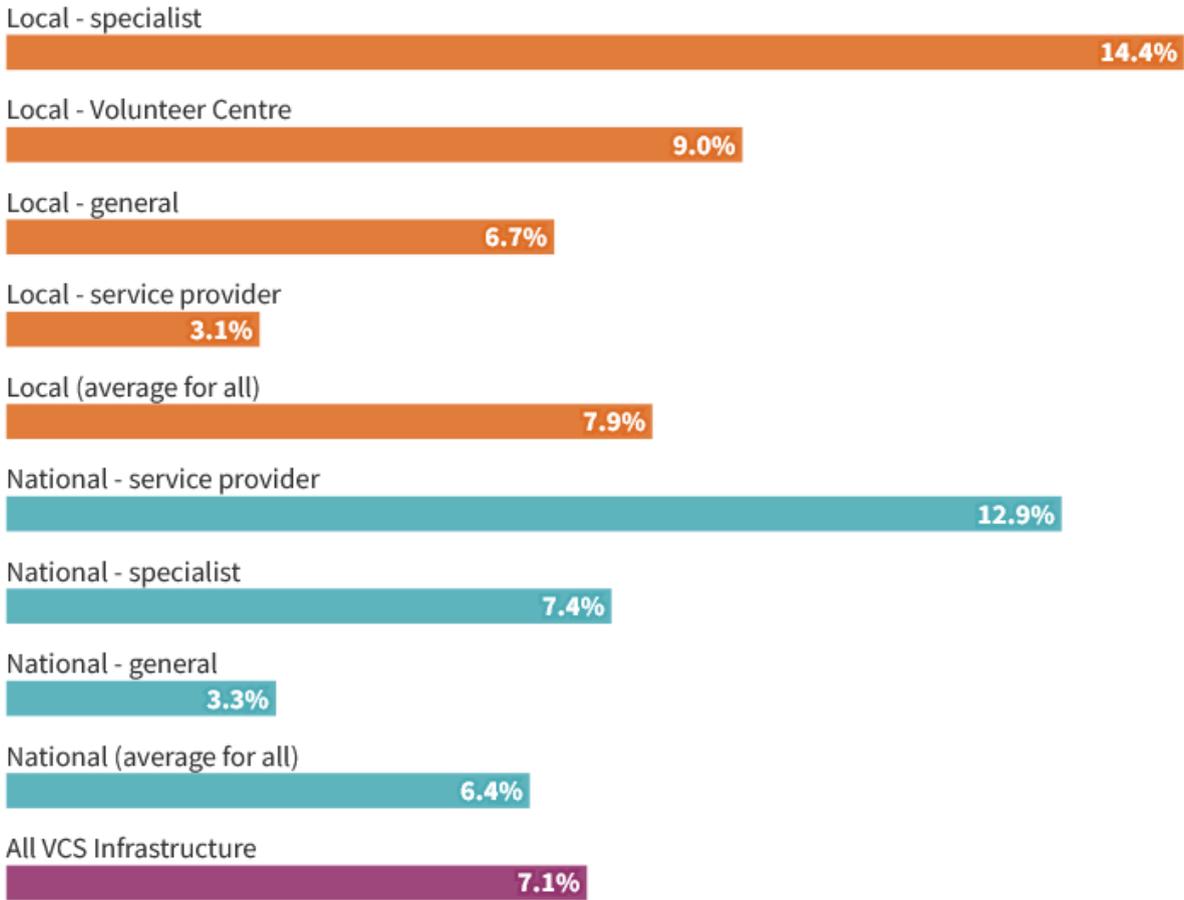
organisations identified in this research. An average of £63m a year means these grants represent around 8% of the sector’s funding.

**Table 3: Grant funding to voluntary sector infrastructure, 2018-19 to 2021-22**

<b>Category</b>	<b>Amount £m</b>	<b>Recipients</b>	<b>Grants</b>
Local - Volunteer Centre	5.7	51	192
Local - general	54.2	234	1,103
Local - service provider	0.2	3	7
Local - specialist	20.1	57	311
National - General	16.9	23	166
National - service provider	6.2	6	76
National - Specialist	150.3	76	616
<b>Total</b>	<b>253.6</b>	<b>450</b>	<b>2,471</b>

As an estimated proportion of total income (estimated because it is comparing average grant income between 2018-19 and 2021-22 with actual total spending in 2020-21), local specialist organisations receive the highest proportion of their income from grantmakers, followed by national service provider organisations.

**Figure 16: Grants as an estimated proportion of total income, 2020-21**



<https://public.flourish.studio/visualisation/12421584/>

## Top funders

**Key finding: Five funders provide one third of grant funding to voluntary sector infrastructure**

Excluding grants distributed through UK Community Foundations from the National Emergencies Trust and central government grants, the largest funders of voluntary sector infrastructure over the four year period were the National Lottery Community Fund (NLCF - £58m), Sport England (£13m), City Bridge Trust (£11m), Esmée Fairbairn Foundation (£9m) and Paul Hamlyn Foundation (£5m). These five funders alone provided one third of non-government grant funding to infrastructure organisations.

Some of the funding provided by the National Lottery Community Fund, particularly to national organisations, was provided through the UK Portfolio which closed for new applications in autumn 2021 and contributed to the reduction in 2021-22.

Note: There may be other funders that are missing from this list as they do not publish their data using the 360Giving Data Standard, most notably Arts Council England through the IPSO funding, an investment programme for support organisations.

**Table 4: Largest funders of voluntary sector infrastructure bodies, 2018-19 to 2021-22, £m**

<b>Funder</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
The National Lottery Community Fund	16.8	11	19.5	10.4
Sport England	3.6	5.1	1.8	2.5
City Bridge Trust	2.5	4.4	2.8	1.7
Esmée Fairbairn Foundation	1.5	2.3	1.0	3.7
Paul Hamlyn Foundation	1.4	1.3	1.0	1.1
Spirit of 2012	0.0	3.2	0.5	0.1
John Lyon's Charity	-	1.6	0.7	1.3
Trust for London	0.9	0.7	0.8	1.1
The National Lottery Heritage Fund	0.9	1.4	0.2	0.5
Garfield Weston Foundation	0.2	0.8	0.9	0.8
Comic Relief	1.2	0.4	0.5	0.1
The Henry Smith Charity	0.5	0.5	0.2	1.0
Lankelly Chase Foundation	0.4	0.7	0.5	0.6
Joseph Rowntree Charitable Trust	0.2	0.6	0.5	0.8
Barrow Cadbury Trust	0.7	0.5	0.6	0.3
Lloyds Bank Foundation for England and Wales	0.3	0.6	0.7	0.4
The Tudor Trust	0.4	0.8	0.4	0.3
BBC Children in Need	1.1	0.3	0.2	-
London Marathon Charitable Trust	-	1.5	-	-
Guy's and St Thomas' Charity	0.0	1.5	-	-

The large amount of grant funding from NLCF is reflected in the funding received across the different categories, where NLCF is the largest funder in all local organisation categories, and largest for national infrastructure bodies.

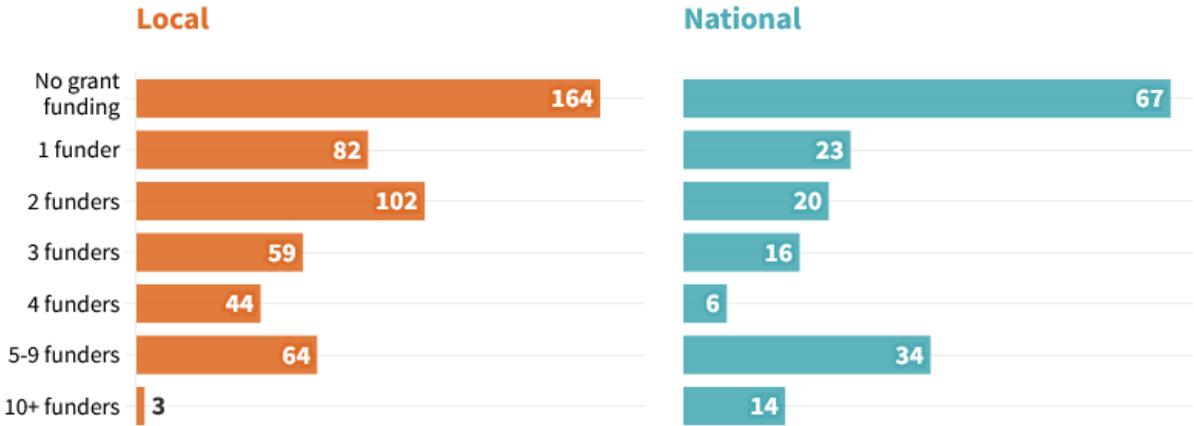
**Table 5: Largest funders of voluntary sector infrastructure bodies, 2018-19 to 2021-22, by category**

Category	Funder	Amount £m	Recipients	Grants
<b>Local - Volunteer Centre</b>	NLCF	2.3	31	59
	City Bridge Trust	1.7	8	18
	The Henry Smith Charity	0.8	7	12
	Co-operative Group	0.1	16	21
	Garfield Weston Foundation	0.1	5	6
<b>Local - general</b>	NLCF	33.8	162	320
	City Bridge Trust	3.4	21	42
	Guy's and St Thomas' Charity	1.5	1	3
	Lankelly Chase Foundation	1.1	4	21
	BBC Children in Need	0.9	16	21
<b>Local - service provider</b>	NLCF	0.2	3	6
	Garfield Weston Foundation	0.0	1	1
<b>Local - specialist</b>	NLCF	5.1	38	58
	City Bridge Trust	3.4	12	37
	John Lyon's Charity	3.1	9	20
	Trust for London	1.0	6	9
	Sport England	0.9	3	7
<b>National - General</b>	NLCF	4.0	11	22
	Esmée Fairbairn Foundation	1.3	8	14
	Paul Hamlyn Foundation	1.3	9	18
	Garfield Weston Foundation	0.8	9	13
	Comic Relief	0.6	4	5
<b>National - service provider</b>	Esmée Fairbairn Foundation	1.7	3	10
	Indigo Trust	0.8	1	3
	NLCF	0.8	3	4
	The Tudor Trust	0.6	5	14
	Paul Hamlyn Foundation	0.5	3	11
<b>National - Specialist</b>	Sport England	11.6	5	23
	NLCF	11.4	39	64
	Esmée Fairbairn Foundation	5.1	19	40
	Spirit of 2012	3.8	3	5
	Paul Hamlyn Foundation	2.2	18	41

# Who funds with who

The figures suggest that while grant funding from lottery distributors and foundations is an important source of income for the voluntary sector infrastructure sector, one third of organisations didn't receive any grants from foundations between 2018-19 and 2021-22, while over half of organisations received grants from more than one funder sharing their data using the 360Giving Data Standard.

**Figure 17: Number of funders of voluntary sector infrastructure of funders sharing data**



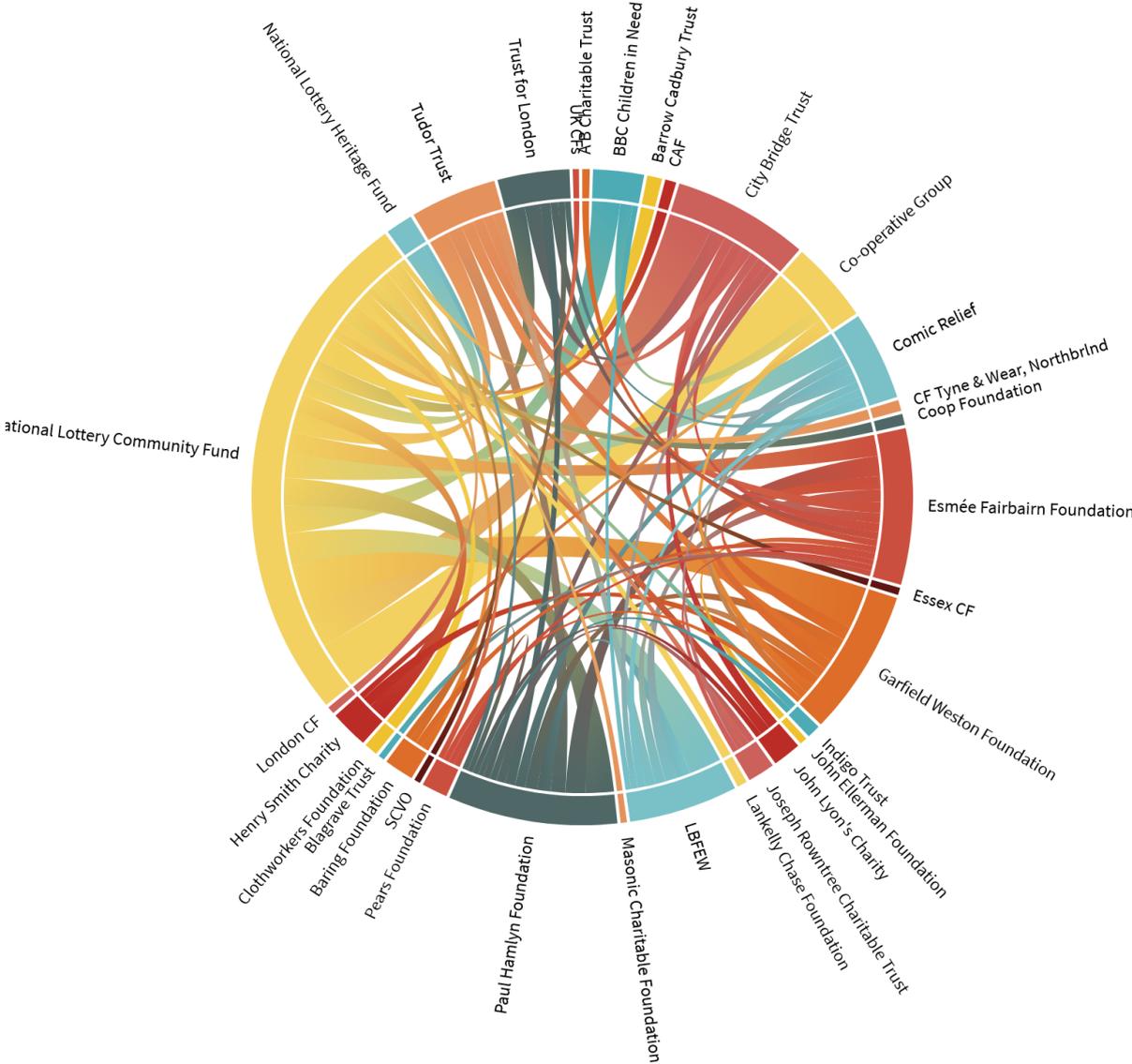
<https://public.flourish.studio/visualisation/12740865/>

Note: This only includes grants from funders sharing their data using the 360Giving Data Standard so under-represents the true figures. The majority of local-general organisations receive some level of grants from local authorities or local funders that may not be publishing their data.

Organisations supporting minoritised communities are most likely to be reliant on grant funding, although due to the different time periods of the datasets being used in this report, it is difficult to provide more detailed figures on this.

Figures 18 to 20 connect funders who share recipients in the voluntary sector infrastructure - that is they have both given a grant to the same organisation over the time period shown. Thicker lines show stronger connections between funders, in terms of the number of the same organisations funded. The figure highlights a number of core sector funders that are more likely to be providing funding to support a set of organisations. Connections between funders are only shown if they share five or more recipients in common.

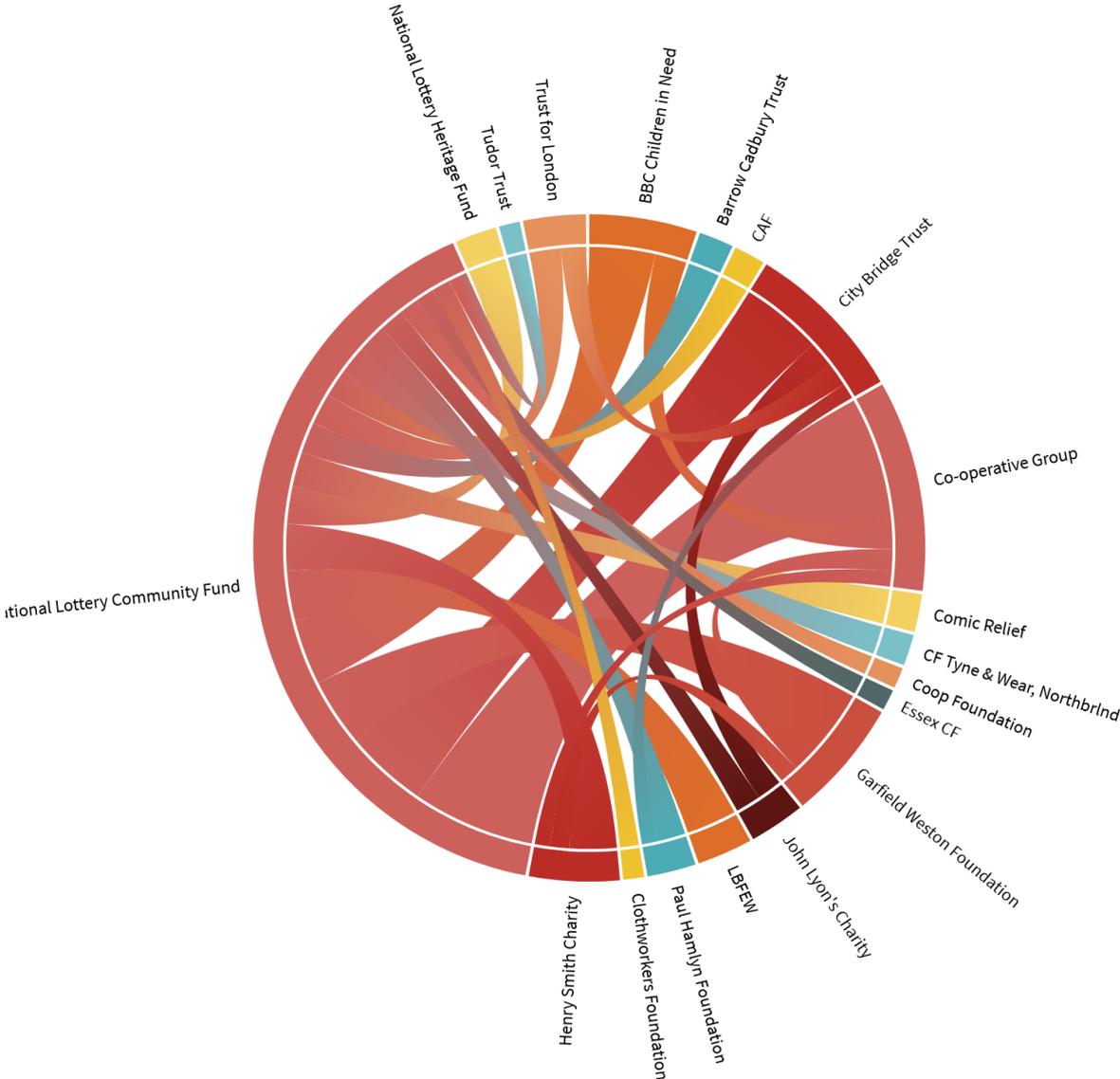
**Figure 18: Funders with shared voluntary sector infrastructure recipients, 2018-2022**



Shows funders with five or more recipients in common.

<https://public.flourish.studio/visualisation/12421756/>

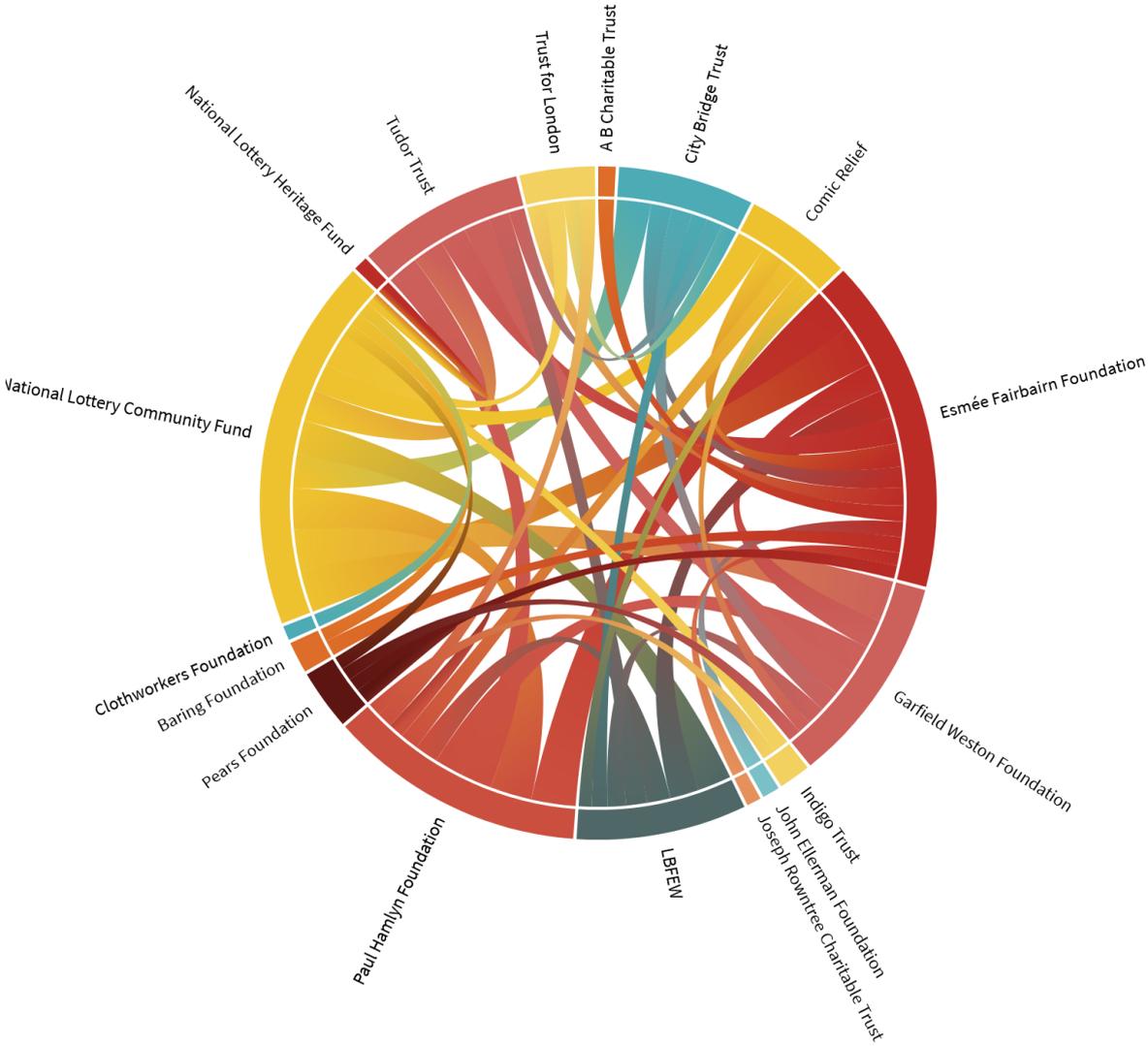
Figure 19: Funders with shared local voluntary sector infrastructure recipients, 2018-2022



Shows funders with five or more recipients in common.

<https://public.flourish.studio/visualisation/12433167/>

**Figure 20: Funders with shared national voluntary sector infrastructure recipients, 2018-2022**



Shows funders with five or more recipients in common

<https://public.flourish.studio/visualisation/12433171/>

# Conclusions

Voluntary sector infrastructure bodies perform vital roles supporting and enabling charitable organisations, both locally and at a national level. This report shows the scale of the voluntary sector infrastructure and how it has changed over the last 12 years, particularly by looking at its finances and funding.

The report also highlights a number of challenges around funding for these organisations over time:

- The **sector infrastructure has not grown in real terms** over the last decade, following large falls in the size of the sector before that. This is despite growth in the charity sector as a whole over the same period. This means that, compared to the picture in 2009-10, voluntary sector infrastructure in 2020-21 was much smaller, but supporting a larger voluntary sector. The level of capacity building support available for charities has been further masked by increased diversity in the kinds of work delivered and income generating activities included in the turnover.
- The sector has a **diverse set of funding sources**. Around one quarter of the sector's income is from government (both grants and contracts), with a further 8% from other grantmakers. The remainder is not delineated in the data available, but is likely to consist largely of membership fees and income from providing services. Some of these contracts are for the infrastructure to deliver contracts (eg to support Clinical Commissioning Groups) rather than direct support for charities and community groups.
- Although funding from non-government grantmakers is only a small percentage of the total funding for infrastructure organisations, these **grants are an important part of the funding mix for some organisations**, particularly for specialist organisations supporting marginalised groups who are least able to pay for services, and where the capacity building support might not be available without this grant funding.
- Very few trusts and foundations fund the sector infrastructure organisations and it is a very **fragile ecosystem**. Changes to funder strategies expose this vulnerability with some infrastructure charities reporting that they have few funders that they can even apply to. Change in strategies of one funder are likely to have an impact on the applications received by others.
- **Covid-19 had a significant impact** on voluntary sector infrastructure funding, including large one-off grants to help infrastructure bodies support their members as well as help them survive as organisations themselves. While this impact has manifested in a rise

in the total incoming resources of the sector in 2020-21, it is unlikely that these increased resources will be sustained over time.

The two examples included in the report of Black and Minoritised led infrastructure organisations and Community Accounting Services illustrate the accumulative impact of individual changes to funding strategies. The loss of this infrastructure has been felt by funders themselves. During the pandemic some funders found it difficult to reach the minoritised communities that they were wanting to target. Cutting funding to the CASs may have been a false economy. In some areas, funders are having to pay a premium within their grants awarded for financial support for hundreds of grantees instead of paying a smaller amount to keep a local CAS going to provide a non-profit, and often more tailored service, to small charities. Some are funding financial support to charities through funder plus initiatives. It is not possible to fund every organisation, but given the challenges ahead, there is an opportunity for funders to take a step back and consider options to collaborate and review the issues collectively and strategically, rather than individually making decisions that might lead to the loss of something that is valued.

There are no easy answers, but we hope the data and research in this report help to stimulate discussions and consideration of the collective picture to support more conscious and informed decision-making.

# Appendix A - Methodology

## Approach

This research used open data sources to identify the organisations and explore their income. This included Charity Regulator data and grants data published by funders using the 360Giving Data Standard.

We also attempted to find historic data from previous programmes and evaluations but this was used to identify organisations rather than providing detailed financial information.

To undertake the analysis we need to apply the definitions to actual data about charities. This is a messy and resource-constrained process, so there will always be limitations. To identify a group of charities to analyse, the process we have used is:

1. Extract from the Register of Charities in England and Wales a list of charities meeting particular criteria, based on how they have classified themselves. The criteria are:
  - a. "Activities" includes "Acts As An Umbrella Or Resource Body" or
  - b. "Beneficiaries" includes "Other Charities Or Voluntary Bodies"
2. A similar extract of Scottish charities based on those where beneficiaries are given as "Other charities or voluntary bodies".
3. A similar extract of Northern Irish charities where the beneficiaries are "Voluntary and Community Sector".
4. The results found in [charityclassification.org.uk](http://charityclassification.org.uk) give either:
  - a. ICNPTSO category of H90 - Other philanthropic intermediaries and voluntarism promotion
  - b. UK-CAT tag of [CV103 - Umbrella Bodies](#)

After this long list of charities was created, the list was manually checked, starting with the largest organisations to check whether they met the definition above. For smaller organisations, they were assumed to not be suitable for inclusion unless they contained a particular set of keywords, for example, "Council for Voluntary Service" or "Volunteer Centre" or included key phrases related to support for charitable organisations.

The extract produced over 84,000 charities in the long list, so not every charity could be manually examined. Some methods were looked at in more detail, for example, the 1,400 tagged in the UK-CAT umbrella bodies category were examined more closely.

This was then sense checked against other sources and further organisations were added to the selection.

## Limitations

There is no definitive list of sector infrastructure organisations so there may be a margin of error in the organisations that have been identified - particularly for historic organisations that have since closed and not completed recent Annual Returns, limiting the information available. There is also less information available on the charity registers in Scotland and Northern Ireland than there is in England and Wales, making it more challenging to extract information and there are also difficulties identifying relevant organisations on the CIC register.

## Scope

This definition does produce some fuzzy edges when trying to decide if organisations should be included or not. The nature of voluntary sector infrastructure is fluid and also changes in different parts of the country or in different sub-sectors. In practice, the infrastructure functions of some organisations happen alongside frontline service provision. Some of the particular edge cases considered include:

**Funders** - While funders of charities (particularly grantmaking foundations) do generally work with charities rather than the general public, they are excluded from this analysis. This exclusion is because they are generally considered to be their own sub-sector, and are already analysed separately. They have a very different operating and funding model to the infrastructure organisations that form the core of this research, and so their inclusion would unhelpfully skew the results. It should be noted that in some areas local funders may provide infrastructure-like services to local charities.

**Federation parent bodies** - Some charities are organised in a “federal” structure, with local branches registered separately as charities that are members of a national parent body. These parent bodies are excluded from this analysis. While they could share characteristics with specialist infrastructure bodies, in practice we have excluded them on the basis that they share more in common with large national charities that operate under one registered charity.

**Fundraising service providers** - Some charities (such as [the Charities Trust](#)) provide donations management services to charities to facilitate processes like payroll giving. While these provide an infrastructure-like role, if the charity only provides services, without associated infrastructure functions, then it is excluded from our analysis.

**Village halls/Community centres** - The “customers” of village halls and similar community facilities are often mainly local charities and community groups who hire the facilities to help

provide their services. However, the facilities are used by beneficiaries, staff and volunteers of those charities for direct service provision, rather than as support to the charity itself. Therefore these organisations are excluded from the analysis.

## Analysis and data sources

Analysis was then undertaken on these organisations, with data coming from a number of official regulatory and other sources.

Data sources for the bulk of information about charities, includes the following sources, used under the Open Government Licence and accessed via [findthatcharity.uk](https://findthatcharity.uk):

- **Charity Commission for England and Wales** - bulk register download
- **Office of the Scottish Charity Regulator** - register download
- **Charity Commission for Northern Ireland** - register download

Data on grants received by the organisations was based on data published by grantmakers using the 360Giving Data Standard, accessed via the [360Giving Datastore](https://360giving.org.uk/datastore). A full list of data publishers and the licence used for their data can be found in the [360Giving Data Registry](https://360giving.org.uk/data-registry).

Supplementary and comparator data was drawn from the following sources:

- Geographical data, including postcode lookups, from the [ONS Geoportal](https://geoportal.statistics.gov.uk)
- [Inflation data \(RPIX\)](https://www.ons.gov.uk/economy/inflationandcosts/tables/rpix) from ONS
- [Mid-year population estimates](https://www.ons.gov.uk/peoplepopulationandcommunity/migrationpopulationandethnicity/populationmainindicators/bulletins/mid-year-population-estimates) from ONS
- Whole-sector charity populations from [NCVO Civil Society Almanac 2023](https://www.ncvo.org.uk/publications/civil-society-almanac-2023)

# Appendix B - History

In the past there were a number of major funding programmes that were dedicated to supporting sector infrastructure development as a means of delivering a more effective civil society. There has been a lot of research on the best way to deliver infrastructure support to civil society organisations<sup>9</sup>, but very little on how to pay for it now that central and local government grants to the sector are constrained, and it is no longer a priority in the strategy for the National Lottery Community Fund.

This “history” is by no means comprehensive and reflects the capacity available, but is provided to provide context to the data and analysis in this report.

## Major Funding Programmes

### ChangeUp and Capacitybuilders (2004-2011)

ChangeUp<sup>10</sup> was a significant programme of capacity building for the infrastructure of the voluntary and community sector. The aim of ChangeUp investment was to catalyse the modernisation of infrastructure provision in order to improve its sustainability, quality and reach.

The HM Treasury’s 2002 *Cross Cutting Review of the Role of the Voluntary and Community Sector in Service Delivery*<sup>11</sup> recognised that the sector and Government have a mutual interest in building the capacity of voluntary and community organisations. The report made a series of recommendations that aimed to strengthen the support and assistance available to voluntary and community organisations.

In response, the Home Office published ChangeUp, the cross-Government framework on capacity building and infrastructure in the voluntary and community sector, developed in partnership with the sector.

ChangeUp’s aim was that by 2014 the needs of frontline voluntary and community organisations in England will be met by support which was:

- available nationwide
- structured for maximum efficiency
- offering excellent provision

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<sup>9</sup> An overview of research in to models and a list of studies can be found in TSRC - Third Sector Research Centre (2014), *Building Capabilities in the Voluntary Sector: What the evidence tells us*, (Birmingham, TSRC).

<sup>10</sup> Information from <https://www.changeup.org.uk/>

<sup>11</sup> HM Treasury (2002), *The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review*, (London, HMT).

- accessible to all
- truly reflecting and promoting diversity
- sustainably funded

ChangeUp described the basic architecture of support which frontline organisations needed.

Investment was made at national, regional, sub-regional and local levels, with the bulk of investment (65%) going through the regions to support sub-regional and local initiatives benefiting organisations on the ground.

Investment was made in stages within three spending programmes:

- Embedding Quality and Improving Reach
- Modernising Infrastructure
- Driving Up Activity in Key Areas

The aim of investment was to catalyse the modernisation of infrastructure provision in order to improve its sustainability, quality and reach in line with the high level objectives set out in ChangeUp.

The ChangeUp programme was initially run by the Home Office but had a number of issues, including a lack of sector involvement and significant delays in distribution of the funding. In order to address concerns, in March 2005 the Home Secretary announced the Capacitybuilders agency to manage the ChangeUp framework at arms-length from Government, led by sector expertise. Management of the Capacitybuilders agency then moved from the Home Office to the Office of the Third Sector.

Capacitybuilders aimed to provide:

- a focus for accountability and ownership of ChangeUp led by sector expertise,
- take ownership of fund management,
- ensure the programme is joined up and co-ordinated,
- mainstream diversity issues into the design and delivery of activities within ChangeUp
- ensure real time action learning and longer term evaluation.

The ChangeUp programme had three basic methods of delivery:

- Establishing and supporting national hubs that focused on specific areas of expertise including governance, performance, finance, volunteering, workforce development, and ICT. They were intended to spread good practice and skills in their respective areas either to consortia or directly to frontline organisations. They were run by relevant national infrastructure bodies, which had contracts to provide these services. Following a review of their effectiveness the hubs were replaced by National Support Services in 2008.

- By promoting and supporting the establishment and development of support networks or consortia which are mostly geographically based – either regionally, sub-regionally, or at Local Authority level – but including some which are thematic and address particular groups such as children, young people, families, race equality, and support to social enterprise. Consortia were intended to achieve impact by improving the management, organisation and skills of frontline organisations in their geographical (or thematic) sphere of operation.
- National Programmes seeking to address specific issues such as the Improving Reach programme which grant aids the provision of support to organisations working for or with marginalised groups including minoritised communities, refugees and migrants, faith communities, and isolated rural communities.

The evaluation of the 2004 - 2008 phase of ChangeUp<sup>12</sup> found significant distance travelled at national and local levels as a result of ChangeUp. At national level, the serious problems of funding delays which beset the early years of the programme, and which tarnished its image for some considerable time afterwards, had not recurred. At local level, many consortia had been established and working effectively in areas where there was previously no co-ordination of infrastructure for the sector – and a considerable number of the 12 locality case studies looked at in the area had made significant progress during the years 2004 - 2008.

The evaluation found that by March 2008, in addition to the national hubs, around 130 consortia had been established and around £150 million had been spent (between 2003 and 2008) on the ChangeUp programme.

This was a really significant investment in infrastructure development, but unfortunately was hit by economic changes, with a tailing off of ChangeUp funding and the effects of the recession on other sources of income for the sector, both frontline and infrastructure. The National Audit Office report<sup>13</sup> from the time highlights sustainability as an important issue and noted the impact on frontline organisations when infrastructure closes.

A further £90m was spent on programmes between 2008 and 2011 when Capacitybuilders closed early with the change of government, not completing its work towards the 2014 vision, in particular, not substantially increasing the sustainability of infrastructure organisations.

## **Transforming Local Infrastructure (2012-13)**

The Transforming Local Infrastructure programme provided grants with the aim of transforming the local support provided to frontline civil society organisations. The funding

<sup>12</sup> TSRC (2009), *Evaluation of ChangeUp 2004 to 2008. Summative Evaluation Report for Capacitybuilders*, (Birmingham, TSRC)

<sup>13</sup> National Audit Office (2009), *The Impact of ChangeUp on Support and Frontline Organisations*. [https://www.nao.org.uk/wp-content/uploads/2009/02/0809132\\_impact\\_of\\_changeup.pdf](https://www.nao.org.uk/wp-content/uploads/2009/02/0809132_impact_of_changeup.pdf)

mainly supported local infrastructure and volunteering infrastructure organisations to rationalise and transform, so they are well-led, influential, responsive, efficient, and less reliant on statutory or Lottery funding. This pressure for mergers, rationalisation and transformation was partly a result of pressures with ChangeUp/Capacitybuilders ending.

Applications were received and assessed by the Cabinet Office and Big Fund (the non-lottery arm of the Big Lottery Fund, now National Lottery Community Fund). In early 2012, a total of £30m was distributed to 74 organisations across England.<sup>14</sup>

## **Office for Third Sector/Civil Society (2006 - 2014)**

The Strategic Partners Programme began in April 2006 with the aim of providing strategic grant funding under three areas:

- organisations providing a voice for the voluntary and community sector
- those promoting the national debate around volunteering and
- those promoting philanthropy through charitable giving.

The 2008-11 programme included £12.2m over three years to 42 organisations, with many of the national infrastructure organisations and including equality organisations such as Voice4Change England, Women's Resource Centre, and LGBT Consortium.

The final round of three year funding in April 2011 was much smaller and did not include equalities organisations as Office for Civil Society Strategic partners, with the list reduced to NAVCA, NCVO, ACEVO, Locality, Volunteering England, Social Enterprise UK, Community Foundation Network, Social Entrepreneurship Partnership and Institute of Fundraising.

## **BASIS - Building and Sustaining Infrastructure Support (2006 - 2012)**

BASIS was a funding programme for infrastructure organisations by the Big Lottery Fund (now known as the National Lottery Community Fund).

The initial programme, BASIS 1, awarded close to £100m to over 200 projects supporting the sector infrastructure. In 2009 a second round was launched of up to £50m to 119 projects to fund projects that fill the highest priority gaps in the infrastructure support to ensure the sector's wide spectrum of organisations can access relevant high-quality assistance. It also included £750k to NCVO for the Value of Infrastructure Programme which sought to provide an evidence base to support further funding of infrastructure organisations.

## **Big Assist (2012-2016)**

BIG Assist was initially a £6m three-year programme funded by the BIG Lottery Fund (now known as the National Lottery Community Fund) and delivered by the National Council for

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<sup>14</sup> Cabinet Office (2012). The full list of organisations awarded funding is available at: <https://www.gov.uk/government/publications/transforming-local-infrastructure-awards>

Voluntary Organisations (NCVO). The programme piloted new ways of offering a targeted support programme to help voluntary sector infrastructure organisations be more efficient, effective and sustainable through a demand-led approach to support.

Support was offered across the following areas:

- Strategy, planning and managing change.
- Financial sustainability.
- Innovation, new products and ways of working.
- Marketing and building strategic relationships.
- Supporting and developing people and organisational change

Infrastructure organisations accessed relevant support via an online marketplace of approved suppliers, and paid for the support using vouchers supplied by the BIG Assist programme.

A key element of the programme was also to promote peer to peer learning and the exchange of ideas between infrastructure organisations.

The evaluation of the Big Assist programme in 2015 presented the context for the programme and the impact on infrastructure since the closure of the Capacitybuilders programme, observing that more infrastructure organisations than ever were seeking extra support and advice to help become more efficient, effective and sustainable.<sup>15</sup>

Austerity measures in the national budget had led to significant cuts across local government. As a result, there had been a large reduction in the amount of money that councils were able to make available to support infrastructure organisations through grant funding. Competition for the remaining grants had become increasingly tough, and infrastructure organisations were being forced to find new ways to fund themselves, either by working with local government on a contract basis, by finding external funding sources, or by raising money themselves.

The combined effects of the economic downturn and reduced spending on welfare and public services had also led to some frontline charities experiencing increased demand for their services, at a time when some charities are also struggling to maintain their funding streams. In some cases, this has placed additional pressure on infrastructure organisations because the charities that they work with were asking for increased support, or because their support needs are changing.

As a result of these pressures, a number of infrastructure organisations had downsized or been forced to close down entirely in the years running up to the evaluation in 2015.

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<sup>15</sup> OPM (2015) *Evaluation of the Assist Investment in National Infrastructure Programme*, pp. 7-8.

The evaluation in 2015 found that the aims of the programme were broadly being met and the contract was extended for a further year in order to develop four work areas:

1. A further £1 million investment in the infrastructure through the BIG Assist platform.
2. An extension of the evaluation.
3. A programme of outreach and consultation with funders and other stakeholders to secure additional investment to support the longer term sustainability of the BIG Assist platform.
4. A programme of engagement with leading infrastructure organisations to learn from and share their vision for the future.

Outreach and consultation with funders and other stakeholders was not successful in sustaining the Big Assist programme or other support for infrastructure. In fact the 2016 evaluation concluded that “In light of the 2015 Comprehensive Spending Review, this climate does not look like altering and it appears there will be even less funding available from both local and central government in the coming years.”<sup>16</sup>

## Other

A number of programmes of previous funders were not dedicated to infrastructure, but funded a disproportionate number of infrastructure organisations:

- Local Government - Neighbourhood Renewal Fund
- London Councils - Grants Programme
- National Lottery Community Fund - UK Portfolio
- Arts Council England - Investment Principles Support Organisations (still running)

## Scotland

It should be noted that the majority of the programmes above were for England or on occasion, England and Wales. Devolved governments in Scotland and Wales had their own programmes.

In Scotland in 2011, the Christie commission on the future delivery of public services<sup>17</sup> made several recommendations regarding the reform of Scotland's public services, including the voluntary and community sector.

Following the report the Scottish Government invested in the development of a network of Third Sector Interfaces (TSIs) across Scotland. This aimed to ensure that the Third Sector was adequately supported and enabled to participate in Community Planning and contribute

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<sup>16</sup> NCVO/Institute for Volunteering Research (2016), *Aiding Organisational Change: An evaluation of the difference the Big Assist has made to local infrastructure organisations*, p.38

<sup>17</sup> Scottish Government (2011), *Commission on the future delivery of public services*, (Scotland, Scottish Government)

toward the achievement of local and national outcomes. TSIs were funded by the Scottish Government to deliver four core functions:

- Volunteering development (support for volunteers and organisations who support volunteers).
- Social enterprise development (to promote and develop social enterprise locally).
- Supporting and developing a strong Third Sector (support for Third Sector organisations on setting up a charity, training and development, and funding advice).
- Building the relationship with community planning (acting as the conduit and connecting the Third Sector with the implementation of the Single Outcome Agreements and Community Planning Process).

In 2016, the Scottish Government commissioned an evaluation of the model<sup>18</sup>, and published a response to the review in 2017 which included:

- ceasing to fund Voluntary Action Scotland from September 2018
- redefining their vision statement for the TSI network
- establishing a closer and more direct working relationship with TSIs
- exploring options for longer term change

The review also recommended that there should be a move away from the four original functions that TSIs had been prescribed to deliver on and towards an outcomes framework. This [outcomes framework](#) was developed by Evaluation Scotland and published in 2018.

Although funding to Voluntary Action Scotland ceased, the funding for the network of infrastructure organisations was not reduced. The centralised approach taken by the Scottish Government seems to have contributed to less pressure on infrastructure organisations in Scotland than in England.

## Wales

The position in Wales is different again. The Welsh Government has a Third Sector Scheme which includes a Welsh Third Sector Infrastructure Scheme which is recently has been comparatively more generous than the situation in England. WCVA has a close working relationship with the Welsh Government.

## Current position

As this report has shown, austerity measures since 2010 have had a significant impact on the funding available for infrastructure organisations, particularly from national and local government. While lottery distributors and trusts and foundations could not be expected to fill

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<sup>18</sup> Social Research (2016), *Evaluation of Scotland's Third Sector Interface Network Model and Voluntary Action Scotland*, (Scotland, Scottish Government)

these gaps, there hasn't been a collective strategy or conscious approach to funding or consideration of infrastructure organisations, especially after Big Assist closed in 2016.

In recent years, support for infrastructure has generally been part of main programmes where it can be difficult for infrastructure organisations to secure funding competing against frontline organisations which the criteria is designed for. There is an increase in funders explicitly excluding infrastructure organisations in a perceived effort to prioritise the frontline and provide more direct support. Some funders support infrastructure as part of funder plus initiatives. There are a small number of programmes specifically for infrastructure organisations, but some of these have been closed during 2022 or are under review.

There have also been some funders who increased their own capacity to provide support themselves instead of funding infrastructure bodies to provide that support, potentially due to the reductions in capacity of infrastructure, but this risks accelerating the unsustainability of some infrastructure. This has included the growth of research and policy functions within some funders where previously infrastructure organisations would have been funded to do this work, and matching charities with commercial consultants to provide capacity building support and advice when previously partnerships with infrastructure organisations would have been established to keep the knowledge sharing within the sector and supporting the sustainability of the infrastructure.

While there was a slight increase in funding to infrastructure organisations in 2020-21 during the pandemic, the majority of this included emergency grants to replace lost income from trading activities such as room hire, or were grants for onward distribution to member organisations. We are not seeing any substantial increases to support the capacitybuilding work of infrastructure itself.

Growing membership income is not an option for all types of infrastructure organisations. For some organisations, grant funding will always need to be a part of the mix.

We hope that better data could support more active decision-making to prioritise what is retained over the coming years in what is likely to be a very challenging period for the sector.



## About 360Giving

360Giving helps funders publish open data about their grants, and supports people to use this data to improve charitable giving. Our vision is for grantmaking in the UK to become more informed, effective and strategic.

You can find out more about 360Giving and our plans for development at [threesixtygiving.org/unleashing](https://threesixtygiving.org/unleashing)

You can access the grants data used in this report using our grants awarded search engine, GrantNav: [grantnav.threesixtygiving.org](https://grantnav.threesixtygiving.org)

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For general enquiries, email us at [info@threesixtygiving.org](mailto:info@threesixtygiving.org)

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