Mapping funding for equity & justice Infrastructure

What we've learnt so far



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FOREWORD

London Funders is embarking on a new piece of work with funders and equity partners to map the current state of funding for equity and justice infrastructure. This will initially focus on London, before we take the approach nationwide.

We have convened an Advisory Group of equity partners and funders to guide this work. They have agreed the definitions and scope of the research and are helping us map other connected or complementary work that is underway.

The work has a number of phases, and will include analysis from available datasets alongside qualitative research with funders and funded groups. We're looking forward to sharing what we're learning throughout this process. This report is part of the literature review process that we undertook at the start of the project to assess gaps and inform our research questions.



INTRODUCTION

The Covid-19 pandemic laid bare the inequalities and systemic injustices embedded in our societies. At the same time, heightened economic inequality fuelled by the pandemic also led to greater civic engagement. Since the pandemic, a growing number of funders in the UK have committed to reducing inequity and advancing social justice. Between 2021-2022, data from 60 key funders revealed 5.7% of investment from UK foundation went to the justice sector, with 0.3% going towards building power through community organising. Over the years, a number of funders have also committed to building stronger civic infrastructure to allow social movements led by local communities to thrive. If we are to achieve the wider ambitions of strong and vibrant organisations led by and for the communities they represent, we need to have a common understanding of the current funding position of the sector and their needs.

London Funder's Equity and Justice Infrastructure Mapping Project aims to help fill this knowledge gap. The research will identify, on both the "demand" and "supply" side, where there are gaps and opportunities to inform discussions with funders on the strategic development of funding approaches in this space. While some efforts have been made to better evidence the scale and funding of more generic forms of infrastructure support, we still lack understanding about the infrastructure sector specifically for equity and justice organisations. This project will improve our understanding of the current funding position of the sector and the needs they are seeking to address.

By equity and justice infrastructure, we mean the support offered to organisations led by and for the communities they represent. Equity and justice infrastructure organisations deal with issues that are long term, systemic and structural – and encompass a wide range of functions, from capacity building, leadership development to movement building and a wide range of other resources that can help 'harness the collective' power of equity led groups.

METHODOLOGY

A total of 115 documents were collated and reviewed using the following search techniques:

- 1.Google and Google Scholar search using queries to understand "needs of equity and justice infrastructure organisations"
- 2. Google and Google Scholar search using keywords "infrastructure", "equity and justice infrastructure", "capacity building",
- 3. Following a broader review of grey and academic literature compiled using step 1 and 2, the most relevant documents were identified. A forward bibliography search of these documents further provided some more resources.
- 4. Members and partners of London Funders also suggested relevant resources which were added to the list.

Out of the 117 documents compiled, 51 documents were excluded after an initial review. Out of the remaining 66 documents, one document was not available (PDF not accessible) and was removed from the review process. The remaining 65 documents were included in the review. A list of all reviewed literature is linked here.

The following research questions guided the structure of this report:

- 1. How has equity and justice infrastructure been defined in literature?
- 2. What does the funding landscape look like for equity & justice infrastructure organisations?
- 3. Who funds equity & justice infrastructure organisations?
- 4. What are the wider funding issues that equity & justice infrastructure organisations face?
- 5. Has the equity & justice infrastructure sector grown in previous years?
- 6. What is the impact of existing equity & justice infrastructure organisations?
- 7. What is the need for equity & justice infrastructure organisations?

KEY INSIGHTS

The literature review revealed a lack of literature that is equity and justice infrastructure specific. Therefore, majority of the insights are pulled from broader literature on general infrastructure organisations. Overall, some of the insights we can draw from available literature are:

- 1. Funding infrastructure is beneficial for the wider sector: infrastructure organisations improve sector collaboration and create sustainable and resilient sectors. One paper provides evidence of significant return on every £ invested into infrastructure organisations using a social return on investment analysis.
- Infrastructure is crucial for systemic change: Infrastructure organisations, due to the factors of resilience and collaboration they contribute to, indirectly contribute to stronger movement-building which the literature considers crucial for systemic change.
- 3. Sector is facing low capacity to meet demand: The size of infrastructure sector has not experienced real growth over the past decade while the voluntary and community sector has expanded, leading to increased demand and pressure.



HOW IS INFRASTRUCTURE DEFINED?

The literature included in this report was analysed to assess how "infrastructure" has been defined. Since most of the literature came from funders' or organisations' impact/evaluation reports, these definitions are largely shaped from a funder/grantee perspective.



How is infrastructure defined?

Infrastructure in the voluntary sector is often described as the "backbone," "foundation,", "civil society support" or "scaffolding" necessary for civil society organisations to operate effectively (Common Vision Futures Playbook, The Way Ahead). Infrastructure organisations provide critical services and functions such as capacity building, development support, networking, knowledge sharing, and collaborative advocacy. These services enable frontline organisations—those working directly with individuals and communities—to enhance their effectiveness and achieve collective impact (Common Vision Futures Playbook, London CVS Network Impact Report). In the context of civil society, infrastructure organisations also act as intermediaries between small groups and the broader sectors (public, private, etc.), ensuring these organisations are not isolated from decision-making processes. Infrastructure organisations also support advocacy efforts for policy changes that foster more inclusive and equitable resource distribution (The Way Ahead). This means providing both the tools and the strategic capacity needed by equity-focused organisations to influence policy, public discourse, and public sector decisionmaking processes.



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How is "equity & justice infrastructure" defined?

The literature provides some insights on characteristics of equity and justice infrastructure organisations.

- They are particularly focused on supporting groups
 disproportionately impacted by inequalities, including
 BME, LGBTQ+, and disability-focused organisations.
- Their work goes beyond capacity building, focusing on advocacy, movement-building, and dismantling structural barriers to equity (Building Capabilities in the Voluntary Sector, Perspectives on Voluntary Sector Resilience).

London Funders' Definition of Equity & Justice Infrastructure

Our definition of Equity and Justice Infrastructure Organisations (EJIOs) is informed by a review of literature and consultation from the sector.

"Organisations that specifically provide support to Equity and Justice organisations (by and for led organisations that work towards issues relating to equity and justice) as Equity and Justice Infrastructure Organisations."

To filter our equity & justice infrastructure organisations from the broader infrastructure organisations, we have further created a list of characteristics and functions of EJIOs. Organisations that meet all of the following characteristics and carry our any/all or a mix of the listed functions are considered EJIOs under this project.

Characteristics:

- Provide support to by-and-for led organisations.
- Deal with issues that are long term, systemic and structural
- Have unparalleled reach into communities and can 'harness the collective'. Some markers of this:
 - Community based and community led has community leaders in decision making roles or incorporates direct input from the community it benefits
- Infrastructure is focused on the community rather than the individual e.g.
 - the promotion of volunteering,
 - the promotion of the voluntary sector,
 - promoting the efficiency and effectiveness of charities and
 - the effective use of charitable resources, and
 - the promotion of community capacity building
- are intersectional:
 - has a specific focus on discrimination, inequality or poverty, coupled with an analysis of how structural inequality impacts communities and a drive to challenge or change systems;
 - making more explicit about the link between protected characteristics and equity

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London Funders' Definition of Equity & Justice Infrastructure

Functions:

- Act as an umbrella body for equity and/or justice organisations
- General organisational development (audits, trainings on emerging issues in the sector, IT infrastructure data privacy audits, cloud set-up and management, etc.)
- Governance support (governance strategy, senior leadership recruitment/management, etc.)
- Workforce training, retention and development (leadership training, professional development programs)
- Fundraising and/or business development support
- Business Development/Administration Support/Legal Support
- Financial Hosting
- Mental health and wellbeing support for the sector
- Support or provide mentoring networks from peer organisations
- Promote volunteering host and place interns/young professionals in the sector, provide workforce development to young professionals in the sector, etc.
- Networking and Connection Forums/Spaces, spaces to collaborate, provide physical infrastructure
- Campaigning, advocacy and communications support for organisations
- Research, learning and policy support, monitoring and impact evaluation support
- Provide resources/spaces to or facilitate connections with community leaders
- General support for grassroots organisations
- Imaginative spaces/training, anti-oppression, anti-racism training, diversity equity and inclusion training
- Funding for community level organising (protests, sit-ins, etc)/pro bono legal support for protest related legal support
- Pooled funds (hosting/distributing), Collaborative funds (hosting/distributing)
- Partnership and consortia development networking/collaboration support within the sector
- Collating and circulating sector-wide news, sharing sector needs, jobs, etc
- Promote or work towards the effective use of charitable resources (providing data/insights to equity/justice organisations to steer effective use of funds)
- Promote or generally work towards the efficiency and effectiveness of equity and justice charities

HOW IS INFRASTRUCTURE FUNDED?

The literature included in this report was analysed to assess how equity and justice infrastructure organisations are funded and by whom. Given the lack of literature on this topic, the information in this section comes from a limited set of reports.







How is Equity & Justice Infrastructure Funded?

There is a lack of literature and data capturing the funding going into funding equity and justice infrastructure organisations (EJIOs).

Limited literature captures who funds equity and justice but does not capture if that funding covers infrastructure support.

<u>Funding Justice 2 report by Civic Power Fund</u> shows that out of the £952.4 million worth of funds analysed (equivalent to c. 21% of UK foundation giving in 2021/22), only 0.3% of UK foundation giving in 2021/22 went towards building people power through organising. While infrastructure support stretches beyond movement building, this data still gives us a small snapshot of the state of infrastructure funding. The report also notes that 'London receives the most funding on a per capita basis with £407 of grants per 100 people.'

<u>360 Giving Infrastructure report</u> provides a dataset which we analysed to make the following deductions:

- 1. The report mapped 698 active registered infrastructure organisations as well as 1,084 closed organisations that have been removed from official registers.
- 2. Based on 698 active organisations across the UK the total income for 2020-21 was £900,820,897 (only 24% of grants by UK's top 300 foundations in 2020-21).
- 3. There were a total of 176 active organisations in London with a combined 2020-21 income of £284,187,282. No income information was present for 8 organisations and 6 organisations had no income..
- 4. We manually refined the list to return only specialist infrastructure organisations working within London. This list had 89 active organisations with a combined 2020-21 income of £216,217,472. (approximately 76% of London's infrastructure orgs total income). Four organisations had no income information and 1 organisation had no income (£0).

The government spent £258 billion on grants in 2020-21.

Combined giving by UK's top 300 foundations was £3.7b in 2020-21.

UK General Infrastructure Organisations' Income

REGION	INCOME OF INFRASTRUCTURE ORGANISATIONS IN THE REGION
East Midlands	£29,305,617
East of England	£30,009,075
London	£284,187,282
North East	£5,406,498
North West	£42,066,776
South East	£36,422,026
South West	£34,474560
West Midlands	£27,558,902
Yorkshire & The	£227,350,736
Humber	
Undefined	£227,350,736

London General Infrastructure Organisations' Income

INCOME BAND	COUNT OF ORGANSATIONS
Under 10k	85 (12.6%)
£10K-£100K	110 (16.3%)
£100K-£1M	339 (50.4%)
£1M-£10M	130 (19.3%)
Over £10M	9 (1.3%)

London Specialist Infrastructure Organisations' Income

INCOME BAND	COUNT OF ORGANSATIONS
Under 10k	8 (9.4%)
£10K-£100K	12 (14.1%)
£100K-£1M	38 (44.7%)
£1M-£10M	23 (27.1%)
Over £10M	4 (4.7%)

This does not provide a full picture of funding going towards equity and justice infrastructure organisations (as the dataset used by 360 Giving might not provide a comprehensive list of all equity and justice infrastructure organisations active, especially based on our working definition). In the next phase of the research, we will refine this list to provide a more accurate picture of funding received by them.









Where is this funding coming from?

Two main reports focus on funding available to infrastructure organisations in the UK and both report that about a quarter of the sector's funding comes from government sources.

360 Giving Infrastructure Report

Over 275 funders report to the 360 Giving database about their grants and grantees, populating their database.

- 25% of the infrastructure sector's income comes from government sources, including grants and contracts
- 8% is provided by other grant-makers.
- The remaining income is not clearly specified in the available data, but likely consists of membership fees and revenue from service provision. Some contracts involve delivering infrastructure services (e.g., supporting Clinical Commissioning Groups) rather than directly assisting charities and community organisations.

NAVCA Report Using 187 Members' Data

The National Association for Voluntary and Community Action (NAVCA) is the national membership body for local infrastructure organisations, supporting the voluntary and community sector in England. It currently has 180 members.

Their report highlighted three main Sources of funding:

- local government (36%, £62m),
- local health bodies (21%, £37m)
- grant-making trusts and foundations (18%, £31m).

Wider Funding Issues

The covid-19 pandemic had a major effect on voluntary sector infrastructure funding, with substantial one-off grants provided to help infrastructure organisations both support their members and ensure their own survival. Although this led to a rise in total incoming resources for the sector in 2020-21, the available literature does not explore to what extent increased resources were maintained in the long term. Additionally, there is a concern that these organisations, having supported more charities and community groups during the pandemic and the ongoing cost-of-living crisis, are now facing a precarious funding situation themselves.

Data on funding received by small charities highlights some wider issues with funding in the voluntary sector which also impact infrastructure organisations. In a 2024 report, about 50% of small charities receive no public income, and "government investment in small charities has fallen by £413 million since 2013." Small charities also saw an increase in their expenditure since the pandemic but have been left under-resourced due to lack of funding that goes to small grassroots charities. This is despite higher public trust in small charities over larger charities.

Back in 2010, a <u>report</u> by Council of Ethnic Minority Voluntary Sector Organisations (CEMVO) found that 45% of 173 Black, and minority ethnic (BME) organisations surveyed had experienced cuts by local authority and other funders. Since then, many more organisations have been affected. Literature has pointed to how BME voluntary and community sector organisations repeatedly have had to <u>justify the legitimacy</u> of their role.

Wider Funding Issues

Literature also highlights the barriers for a thriving voluntary & community sector (VCS) infrastructure due to funding constraints. It notes networking and sharing learnings between organisations as a key function of a thriving VCS infrastructure. However, <u>funding remains a key obstacle</u> to participating in networks that could facilitate collaboration, and fragmented infrastructure and competitive structures further complicate the situation. Although charities acknowledge the benefits of connecting with others, they are often discouraged from collaborating or sharing ideas and data due to perceived or actual competition within the financial system, especially in relation to public sector contract commissioning and delivery.

Generally, social sector infrastructure has seen financial decline and increased fragmentation in recent years. Literature reveals that funding has driven a shift away "<u>from coordination and towards competition</u>." In 2015, a <u>review found that there was insufficient investment in local infrastructure and a lack of quality provision in many areas of England, especially those that are more deprived.</u>



HOW HAS THE SECTOR GROWN?

We analysed existing literature to assess how the supply and demand of equity and justice infrastructure organisations have changed. We only found literature focused on general infrastructure sector growth and this provided limited evidence on its ability to fulfil existing demand.



Growth of Infrastructure Organisations

Voluntary and community sector infrastructure has not experienced real growth over the past decade, following significant declines in its size in the period prior to that. However, even in this period prior to the past decade, the voluntary and community sector expanded. As a result, in 2020-21, the infrastructure was considerably smaller compared to 2009-10, yet serving a larger sector. The availability of capacity-building support for charities has been further obscured by the increasing variety of work and income-generating activities contributing to overall turnover. While the 20 largest infrastructure organisations account for 37.5% of total spending, the majority are relatively small, with 29% having a turnover under £100k and 80% under £1 million.

There are some reports that provide a rough idea of the size of the infrastructure sector, but they can only be used to provide estimates. For example, the Big Assist Program evaluation notes that the program issued 846 vouchers (for support to infrastructure organisations across England), confirming the presence of at least 846 infrastructure organisations in the region (Aiding Organisational Change - An evaluation of the difference the Big Assist has made to local infrastructure organisations). This number is significantly higher than infrastructure organisations membership networks, such as NAVCA, which reported a total of 187 members across England in 2022 (Connecting Locally: VCS Infrastructure in England).

WHAT IS THE IMPACT OF EQUITY & JUSTICE INFRASTRUCTURE ORGANISATIONS?



The literature included in this report was analysed to gather available evidence about the impact of equity and justice infrastructure organisations.

Impact

Evidence on the impact of infrastructure organisations comes primarily from literature published by implementing organisations and funders and not from communities or people who might benefit from them.

Organisational impact reports also <u>note this gap</u> in impact related knowledge (Macmillan, Rob (2006), A Rapid Evidence Assessment of the Benefits of Voluntary and Community Sector Infrastructure (London: NCVO)).

Evidence from impact reports reveal that:

- 1. Infrastructure services provide expert advice, build capacity to access resources, offer reflection space, increase confidence, and boost external credibility for recipient organisations.
- 2. Infrastructure enables community participation, gives the sector a voice at various administrative levels, and helps coordinate networks of organisations.
- 3. Beneficiaries report feeling stronger and sustainable due to better structures, strategic outlooks, and improved knowledge of their operating environments as a result of infrastructure support received.

A survey of frontline organisations in London for the Central London CVS Network (2010) found that 78% of respondents said the "CVS had helped make them more informed about policy, suggesting that they are well positioned to provide support." A study of the sector in Gloucestershire (Framework, 2009) noted the "strategic role of infrastructure in providing leadership, strategic vision and promoting the contribution of the sector locally and in relationships with public sector commissioners." A <u>review of ChangeUp</u>, an infrastructure building program focused on capacity building suggested that it led to increased sector influence.

PAC

Reach

Although studies in Central London (<u>Central London CVS Network</u>, <u>2010</u>) and South Yorkshire (<u>Wells et al, 2010</u>) note how third sector infrastructure organisations have wide reach, evidence from the North East and Cumbria (<u>Chapman et al, 2009: 7, 41</u>) is a little more circumspect about the representation role of support providers, noting lack of capacity, lack of intelligence on the sector and questions of legitimacy for organisations speaking on behalf of the whole sector.

Social Return on Investment

Research on the economic value of third sector infrastructure, such as the work by Voscur, a major infrastructure organisation in Bristol, highlights that beyond acting as an impartial mediator, these organisations are highly valued for their role as independent advocates for the sector. They bring groups together, bridge the gap between public and third sectors, and provide vital intelligence to external stakeholders. Both frontline organisations and strategic external agencies appreciate Voscur's wide range of services, from enabling access to the voluntary sector, providing sector insights, disseminating information, and building capacity, to helping organisations secure funding and promoting equality. The analysis indicated that Voscur's social return on investment was £1: £11.82. This means that for every pound invested in the organisation, Voscur created £11.82 of social value.



WHAT IS THE NEED FOR EJIOs?



We analysed existing literature to assess the need for equity and justice infrastructure organisations. The literature highlighted the role of infrastructure organisations in movement-building (an approach towards equity that funders are increasingly moving towards), improving sector-collaboration and creating a strong and sustainable voluntary sector.

Need

The need for infrastructure support is largely pieced together using impact reports of infrastructure support programs and funders' survey of their grantees expressing support needs. Esmée Fairbairn's survey of its grants plus programme (which can be considered a type of infrastructure support) revealed that 42% of respondents accessed Funding Plus from Esmée in 2023, compared to 27% in 2017 implying an increase in demand. Wandsworth Council's needs assessment also found a need for funding infrastructure and capacity building in its VCSE sector. A 2023 impact report of CVS in London estimated that 10,700 organisations and community groups were "actively engaged in infrastructure support from London's CVSs in 2020/21, in the form of advice, guidance and support, training, networking opportunities and other events." Impact reports of specific infrastructure support programs also highlight the high demand for support. In Robertson Trust's capacity building support survey:

- 71.8% wanted support with funding strategy (incl. 31% of charities with an annual income >£25k, and 10.7% of charities with an annual income <£1m) but only 28% accessed this.
- 43% wanted longer programmes of learning but only 16% had accessed this. However many respondents saw the value of a oneoff sessions as an introduction to a topic. Charitable organisations value both breadth and depth of support.
- Targeted support capacity building that was tailored to respondents' needs, offered choice, and which was delivered by providers with relevant third sector experience, was important to many organisations.
- 1-2-1 and peer supports were particularly popular. Many respondents thought that developing relationships with their funders was important to help them access the right support.

Given the gap in demand and supply, some funders have also highlighted the need for strengthening sector infrastructure. Post-covid literature notes the "need to be there in rebuilding sector infrastructure and resilience and sustaining good new practice into the medium and longer term" (Paul Hamlyn Foundation)."

The literature provides some connection between the importance of infrastructure for movement-building. According to American historian John D'Emilio (2002), "change comes in the form of alternating cycles of what we might colloquially call leaping and creeping". During the slower "creeping" phases, the movement's infrastructure, organisations, relationships, and leadership are developed. This foundation allows for significant progress during "leaping" phases—those key "movement moments" when public engagement, attitudes, and policies advance rapidly. The strength of a movement's infrastructure determines the extent of progress when the opportune moment arises. Therefore, a strong infrastructure is crucial for sustainable movements and long-term change.

Infrastructure organisations <u>also foster collaboration</u> by playing a crucial role in enabling organisations to tap into networks, share knowledge and find expert support with skills or processes. Funders also note that infrastructure organisations can "<u>have a role in advancing social justice and diversity, equity, and inclusion in the sector</u>".

Existing literature makes the case that <u>charity sector infrastructure bodies</u> <u>should play a greater role in speaking out on behalf of the sector</u> where individual charities are reluctant to raise issues with funders out of fear for their future funding. Infrastructure bodies can take the initiative in highlighting the negative impacts of certain current grant-making practices, following the example set by organisations like IVAR.

CONCLUSIONS AND AREAS TO EXPLORE FURTHER

There is limited literature on equity & justice infrastructure organisations in the UK. Existing literature on general infrastructure organisations provides some evidence that infrastructure organisations create a strong, resilient and sustainable sector. Some literature also correlates increased collaboration and resilience provided by infrastructure support to strong movement-building environment - crucial for systemic change.

Gaps in Literature That The Project Will Explore Further

- 1. Lack of literature on equity & justice focused infrastructure: While there is some literature on general infrastructure organisations, there isn't anything on infrastructure organisations that specifically support the equity & justice sector. Our research will improve evidence base in this area.
- Lack of literature on funding received by equity & justice infrastructure organisations. The report by 360Giving provides some insight into the funding received by infrastructure organisations. Given that this report only used 360Giving data, this picture is likely incomplete. Our research will add to this picture by supplementing with qualitative data and using other existing datasets such as London Datastore (local authority data) and Charity Commission data. Literature also doesn't assess if the level of funding invested into the sector during Covid has been maintained. We hope to assess this in our research.
- 3. Voice of equity and justice infrastructure organisation is missing. Most literature comes from funders or researchers and is missing direct input from equity and justice infrastructure organisation. Our research includes a sector wide survey, gaining input from both equity and justice organisations about their emerging needs and from equity and justice infrastructure organisations.

Do you have literature to add to this review? Would you like to share your reflections or find out more about the project? Please email Shreya.Gautam@londonfunders.org.uk

