

**ASSESSMENT CATEGORY: Bridging Divides - Connecting the Capital****Locality****Adv: Geraldine Page****Base: Hackney****Amount requested: £161,638****Benefit: London-wide****Amount recommended: £161,640****The Applicant**

Locality is the national membership network for community organisations. Its main aim is to support community organisations to be strong and successful; to meet local needs; and to give people a purpose, a good place to live and good health. It has four main areas of work: Peer learning and connection through the membership network; Resources for local people to get involved & create change in their community; Specialist advice and support; and Campaigning to create a better operating environment for community organisations. Locality's online access platform, My Community.com is a gateway for advice and support for the community sector and a place where the community movement can connect virtually. It is currently the recipient of a strategic grant to deliver your Funder Plus offer.

**The Application**

Locality is requesting funding over 3 years for a capacity-building project for civil society organisations across London. Specifically, the project has 3 strands:

**1. Developing an evidence base**

Locality's experience of working with community organisations has shown that organisations prefer to learn from their peers in terms of what works in becoming resilient and thriving. It will build a series of detailed case studies of community organisations intended to act as technical support guides to others in the sector. This will help community organisations to have a prominent role in inspiring and directing others to achieve within the sector and respond to local needs and issues using a robust evidence base. It will also deliver 2 workshops per year; one aimed at upskilling community organisations in London in research, data-collecting and modelling. The second in upskilling community organisations in co-production techniques and skills so they are equipped to support strategic partners to deliver co-production exercises with their service users.

**2. Building relationships**

Working towards forging closer relationships with pan-London policy bodies such as City Hall, London Councils and individual borough authorities. Facilitating better networks for community and neighbourhood based organisations to have a stronger collective voice to be able to influence strategic bodies in London and in turn create a better operating environment for them.

**3. Strengthening role/resilience**

Through a tailored diagnostic tool and series of workshops, provide over 100 community organisations with an improved understanding of their respective strengths and weaknesses with improved governance, accountability, skills and resources to help them develop and improve. The project will be open to all community organisations in London not just Locality members.

## **The Recommendation**

Although a national organisation, Locality has a thorough knowledge of London's voluntary sector through participation in networks and work with organisations such as London Funders, London Plus, local councils for voluntary service and City Hall. Its specialist team also provides tailored support across the full spectrum of organisational life. Its membership network provides it with a good understanding of issues affecting the sector – over 120 of its members are London-based. It is well placed to deliver this capacity building project which fits well with your Connecting the Capital programme.

Locality already works across London including working with some boroughs on policy work and with civic society organisations on many levels. It has started to develop good links with London Plus as it shapes up including participating in GLV and London Funders events, network meetings and the Way Ahead stakeholder conference 'Civil Society at the heart of London'. However, its work in London has limited resources. Funding for this project will enable Locality to increase its contribution and add value to the movement mapped out in the Way Ahead, to systems change and collaboration.

**£161,640 over 3 years (£52,816, £53,872, £54,952) to build capacity and voice within civil society organisations by strengthening the evidence base of what works and supporting community organisations to adapt, become resilient and thrive.**

## **Funding History**

Meeting Date	Decision
14/11/2018	£150,000 over 12 months towards a Triage and Connect programme to support the delivery of Phase One of City Bridge Trust's Funder Plus offer.

## **Background and detail of proposal**

Locality has over 120 community members in London and are in regular contact and dialogue with them to support their work. Insight about their challenges, principally, maintaining and sustaining essential community-led services, activities and assets in London within the current political/economic/social environment has helped to shape this project. Community Organisations are facing an increased demand on their services, as many as 4 in 10 Londoners have an income below the level that is deemed necessary for a minimum socially acceptable standard of living. Furthermore, there is evidence of an increased polarisation of neighbourhoods within London as vast wealth and extreme poverty live together side by side. Civil society organisations are facing financial constraints due to a loss of local authority and other available grant income. With shrinking resources Local authorities are not only rationalising resources but also changing the way they work, with many looking at sharing services, or at commissioning across borough boundaries. This project will help community organisations react to both the challenges and help to shape responses in their neighbourhoods to meet local needs, in the face of increasing inequalities.

## **Financial Information**

As at 31st March 2017, Locality's financial year had a 31st March end. In 2017/18, it extended its year end to 30th June and so its 2017/18 audited accounts cover a 15

month period, which in part explains the increase in income and expenditure compared with the previous year. The deficit in 2016/17 was planned in order to allow flexibility to undertake key policy work, provide scope for internal development capacity and to fund improvements to internal systems. The budget for 2018/19 projects a deficit at a time when its free reserves are under target. The organisation is of the view that its reserves target is quite generous (and this will be reviewed during the year). The organisation says that the amount of income confirmed at this point in the year is higher than it was at the same time last year. It does not currently show the Cost of Fundraising in its accounts. This has been brought to Locality's attention and it will be shown in future audited accounts.

<b>Year end as at 30 June</b>	<b>2017 Audited Accounts £</b>	<b>2018 Audited Accounts £</b>	<b>2019 Budget £</b>
<b>Income &amp; expenditure:</b>			
<b>Income</b>	4,561,000	6,424,000	6,247,459
- % of Income confirmed as at 18/10/2018	n/a	n/a	55%
<b>Expenditure</b>	(4,808,000)	(6,166,000)	(6,379,725)
<b>Total surplus/(deficit)</b>	<b>(247,000)</b>	<b>258,000</b>	<b>(132,266)</b>
<b>Split between:</b>			
- Restricted surplus/(deficit)	102,000	57,000	0
- Unrestricted surplus/(deficit)	(349,000)	201,000	(132,265)
	<b>(247,000)</b>	<b>258,000</b>	<b>(132,265)</b>
<b>Cost of Raising Funds</b>			
- % of Income	0.0%	0.0%	0.0%
<b>Operating expenditure (unrestricted funds)</b>	<b>3,536,000</b>	<b>5,176,000</b>	<b>5,359,938</b>
<b>Free unrestricted reserves:</b>			
<b>Free unrestricted reserves held at year end</b>	<b>1,234,000</b>	<b>961,000</b>	<b>828,735</b>
No of months of operating expenditure	4.2	2.2	1.9
<b>Reserves policy target</b>	<b>1,068,000</b>	<b>1,030,000</b>	<b>1,030,000</b>
No of months of operating expenditure	3.6	2.4	2.3
<b>Free reserves over/(under) target</b>	<b>166,000</b>	<b>(69,000)</b>	<b>(201,265)</b>

