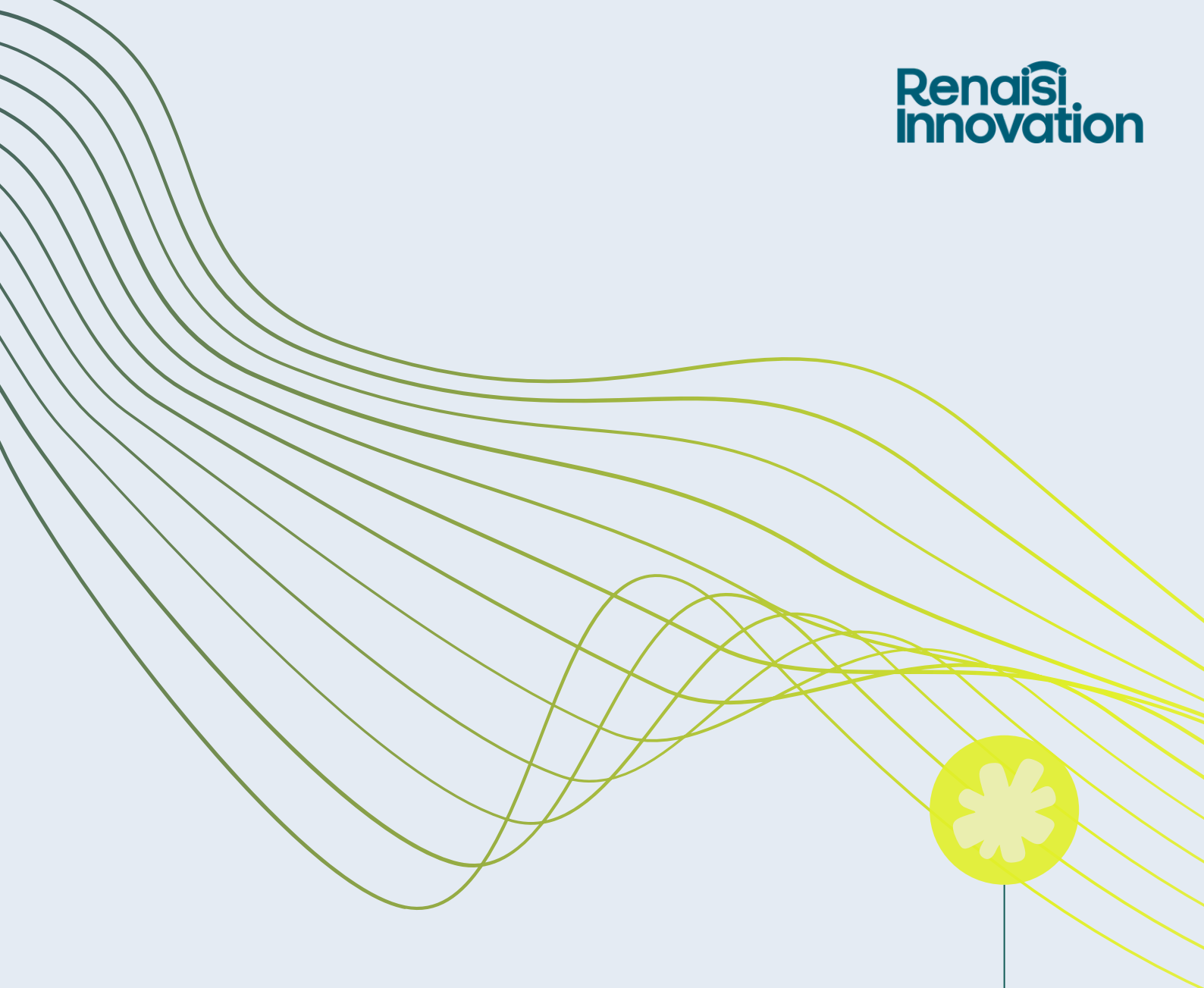


Contextualising Sustainability in Place Based Systems Change

April 2026

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The principal partners in this inquiry are:

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Alongside this we have worked with our Place-based Systems Change Community of Practice, a shifting group of funders and place-based practitioners that we convene quarterly, who we have leant on to test and develop findings throughout the inquiry.



homeshards



turn
2US



Contributors

With thanks to our Community of Practice and all survey participants. Additional thanks to our interviewees →

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Esmée Fairbairn Foundation
ETNA
Footwork Trust
Kindred
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North East Child Poverty
Commission
North East Combined Authority
Onion Collective

Pathway Fund
Plymouth Octopus
Right to Succeed
Rise:61
S&G Housing
Save the Children UK
Sedulous Collective SELFA
Social Spider
The Leap
The Social Investment
Consultancy
The Winch
Thrive at Five
Ubele Initiative
Volunteer Centre Hackney

Contextualising Sustainability in Place-based Systems Change

About the inquiry



Motivations

Place-based systems change is an approach, not an outcome. It is a process of social change that requires fundamentally different ways of working to those funded and incentivised in our current system. Sustaining place-based systems change requires ongoing work. It is never finished. So, our inquiry is not about understanding how the impact of these approaches can last, but instead understanding how finance and funding can better support and catalyse impact as local systems continue to shift over time.

Much of our work over the last 28 years has been aimed at better understanding how place-based change can be increasingly community-led, better evidenced and more effectively resourced. Our work with organisations driving this change has made it clear that place-based systems change is an ongoing process that requires cultivation of trusting relationships, deep understanding of a place and intentional efforts to shift and create new constituencies of power, narratives and structures. We have seen that place-based systems change will not come from designing the perfect programme. Instead, we should collectively turn towards redesigning the ecosystem in which this work exists, including the funding landscape that places draw on to continue working towards long-term transformation.

This inquiry into place-based systems change was motivated by a trend we have observed across the place-based systems change initiatives that we have been engaged in, alongside persistent challenges raised by members of our Community of Practice. As funding programmes come to an end, they are often asked to reflect on whether a place-based systems change initiative has become “sustainable”. However, this term often feels vague, and out of sync with the reality that many organisations and collaboratives are really navigating, which includes:

-  Local authorities increasingly only delivering statutory commitments and facing tough budgeting decisions, making them less likely to resource place-based systems change work
-  Delivery organisations drawing down on reserves and investments to bolster short-term operations, subsidise commissioned public service delivery, or manage working capital challenges.
-  A competitive funding landscape that overall disincentivises collaboration and long-term practice.
-  Systemic inequalities mirrored in the underfunding of organisations led by and for racialised communities, community-owned solutions such as cooperatives, and underinvestment and in Black-led social enterprises.¹
-  Organisations have shared that these dynamics alone – amongst a sea of others – create an environment in which organisations have less agility to devote resources to unfunded place-based work despite its transformational potential.

Furthermore, with flagship investments in national programmes in England and Wales such as the Ministry of Housing Communities and Local Government’s (MHCLG) Pride in Place Programme (PiPP) which will transfer £20 million over a decade to 280 communities, the 10 Year Health Plan prioritising neighbourhood health including £10 million to 43 sites in England, expansion of Family Hubs and a pilot Better Start Match Fund taking a place based collective impact approach to family and early years outcomes, we are currently seeing a renewed interest in place-based change. In that context, understanding how effective current funding mechanisms are, and the prevalence and adoption of them, is essential as places gear up to engage with these developments. Alongside these shifts, and outside of the political mainstream, there has been increasing advocacy and movement building around place-based regeneration that explicitly calls out the structural issues and limitations of the approaches to improving places propagated by the centre. This includes demonstration of community-led, community-owned, regenerative and reparative models for community development which challenge historic and present patterns of extraction. These approaches often are developed in response to urgent need to address issues around class, racial and environmental justice² – with the aim to demonstrate alternative futures. Community Asset Development is often part of these approaches.

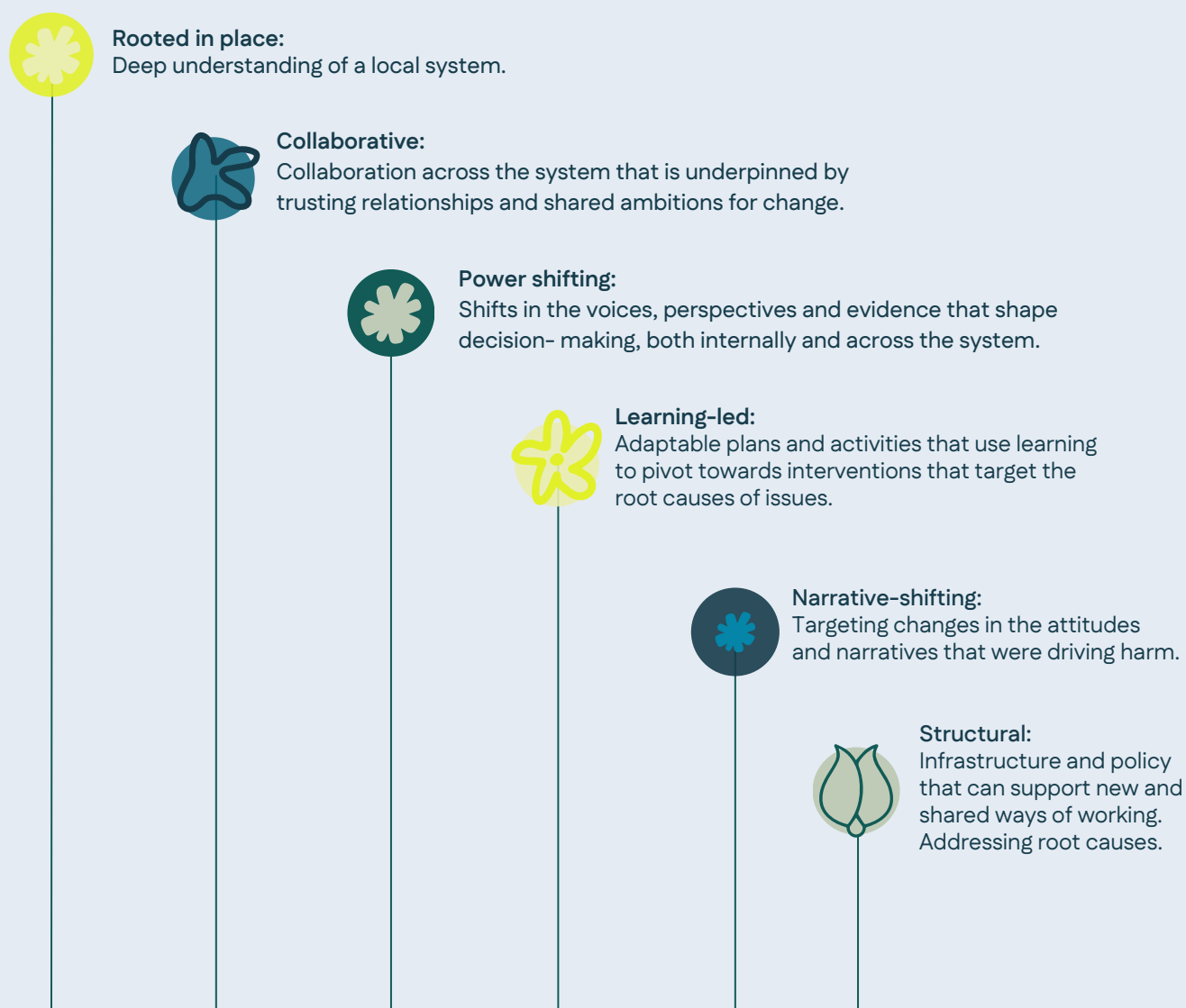
¹ Further detail on the historic underfunding of charities led by racially minoritised communities is available in Voice4Change’s report [here](#). The Pathway Fund also summarises key statistics on the marginalisation of black-led social enterprises from access to finance in its strategy [here](#).

² Community-led organisations such as [CIVIC SQUARE](#), grassroots campaigns, and collectives such as [Land in Our Names](#), [Sister Midnight](#), [Save Ridley Road](#) are examples of the range of action being taken to regain control of assets, steward land, develop resident agency, and influence justice-centred local transformation.

Democratising access to land and assets has been an effective way for place-based organisations to challenge the capture of capital and gentrification in urban centres, as well as in other geographies that have faced decades-long structural disinvestment (sometimes referred to as “doubly disadvantaged”), and in racialised communities who have been historically, or presently, negatively impacted by regeneration and community development initiatives led by the centre. Many of the growing movement of organisations using asset and land ownership as a platform are part of the Mycelial Network³.

This inquiry has mapped out the landscape of approaches for long-term resourcing of place-based work through a literature review. It has then assessed the systemic potential of these approaches to make recommendations around how the funding ecosystem could shift to support and enable place-based systems change work to become sustainable on its own terms. While this exploration focussed on financial and resourcing mechanisms, we were as interested in the conditions and behaviours that enable them to be effective. Our work to date building knowledge and tools around place-based systems change has largely focused on understanding the conditions and enablers of this work, much of which has been set out in our [2024 Guide to Systems Change](#). This inquiry has taken these past findings as a starting point to enable a lasered focus on how these conditions, behaviours and enablers of place-based systems change can be resourced and sustained in the long-term.

Our indicators: practices that enable place-based systems change



³ The Mycelial Network is a peer solidarity network for community-led organisations that are activating and stewarding land and buildings to transform their neighbourhoods. For more information on them check out their website [here](#).

Methodology

Our inquiry consisted of a literature review, survey and qualitative interviews with a cross section of actors who are either directly delivering place-based systems change initiatives, currently funding or financing such initiatives, or organisations supporting this work in places for example as anchor organisations. Throughout our inquiry, analysis followed the journey below:

- 1 **Codify models for long-term resourcing PBSC**
How is PBSC being resourced in the long term?
- 2 **Assess the impact of these models**
What enables/supports PBSC? Why?
- 3 **Recommendations for funding PBSC for sustainability**
How can we support the development of the most effective models?

Literature review: We began with exploring existing literature on funding for place-based systems change⁴. Much of this literature, unsurprisingly, was written from the perspective of national organisations, including philanthropic funders, national or international NGOs and government departments in the form of programme evaluations and learning reports. As a result, the literature review shaped our lines of inquiry and approach to analysis, which the principal way that it has informed the findings in the following sections. Findings from the literature review were summarised in our previous paper from this inquiry, available online [here](#).

Survey: The survey was distributed between November 2025 and February 2026 through our networks and received 49 responses, the majority from UK-based participants (with three non-UK responses). Findings reported here draw on the UK sample. Across all respondents, 63% reported more than 10 years' experience of place-based work. Participants represented a broad mix of organisational types, including local charities, CICs and community benefit societies (42%), national charities (18%), and a wider group of local and national organisations, including social enterprises, community businesses, infrastructure organisations and consultants. The responses reflected perspectives from a range of roles and thematic areas within place-based systems change (PBSC).

Interviews: Online interviews were conducted from December 2025–March 2026. Data was analysed thematically using an analysis framework structured by the lines of inquiry shaped with our Community of Practice in 2025, questions that emerged in the literature review and Renaisi-TSIP's indicators for place-based systems change practice. Three staff carried out separate analysis for interviews carried out with weekly co analysis and reflection meetings to collectively unpack findings. 57 individual representatives of a range of organisations were interviewed:

Social investors and wholesalers (including place-based)	4
Combined authorities	1
Local authorities	1
Civil servants	1
National charities	6
Philanthropic funders	6
Place based funders and trusts	5
Place based delivery organisations	19
Infrastructure organisations (national)	3
Intermediaries (social impact consultants)	7
Housing associations	2
International agency	1
Other (place-based newspaper)	1

⁴ Note that our search terms in this literature review included combinations of the following terms phrases: (sustaining/ financial models / funding/ long-term) (place-based/ neighbourhood-based/ local/ systems) change

Lines of inquiry

Our inquiry consisted of a literature review, survey and qualitative interviews with a cross section of actors who are either directly delivering place-based systems change initiatives, currently funding or financing such initiatives, or organisations supporting this work in places for example as anchor organisations.

Throughout our inquiry, analysis followed the journey below:



Long-term resourcing

How can we look beyond traditional funding models to ensure long-term resourcing for place-based systems change?



Transitioning well

When a funding period comes to an end, how can an external organisation providing funding, transition out of a place in a way that strengthens sustainability and maintains local momentum?



Accountability and ownership

How does the ownership of a place-based systems change initiative effect its sustainability?



Designing for sustainability

How can place-based systems change initiatives be designed to sustain impact while the system(s) they are working in rapidly change?



Evidence as a tool

What role does learning and evidence play in sustaining place-based systems change?

Contextualising Sustainability in Place-based Systems Change

An evolving policy environment



This government has materially strengthened its place-based and devolution agenda over 2025–2026, ostensibly creating a more favourable environment for neighbourhood-led change. The relationship between the state and people is changing, which signals potential for further redistribution of agency and power closer to communities and places. Over the past two years especially, government policy has increasingly positioned place and neighbourhoods as central organising principles, including:

- ✱ Creating broader devolution architecture through key legislative vehicles such as the English Devolution & Community Empowerment Bill.
- ✱ Increased emphasis on collaboration across public services, including the expansion of Family Hubs.⁵
- ✱ Growing recognition of civil society as an essential backbone delivery partner, reflected in the Civil Society Covenant.⁶

Alongside legislating more standardised devolved powers to mayoral and strategic authorities, the English Devolution and Community Empowerment Bill stresses the importance of neighbourhood level decision-making within England's devolution framework.⁷ This represents a once-in-a-generation opportunity to redistribute power across regions. Policy shifts are creating new openings for place-based and neighbourhood-led change, including devolution, community asset ownership, neighbourhood health reform, place-based budgeting, and a wider recognition that resident-led approaches are essential to long-term resilience and justice. But, these opportunities sit alongside serious challenges.

“ Structural change actually happens at neighbourhood level... through community organising... not in statutory silos. ”

– Sophie King, CLASS

“ It's got to be locally based. It's got to be locally driven and with long-term committed funding and support. ”

– Angie Wright, B inspired

⁵ More detail on the expansion of Family Hubs is available online [here](#).

⁶ The 2025 Civil Society Covenant is available online [here](#).

⁷ The English Devolution and Community Empowerment Bill will require all neighbourhoods to 'make appropriate arrangements to secure the effective governance of any area of a specified description that falls within the authority's area (a "neighbourhood area")'. The Bill is currently in its final stages of passing through the House of Lords. Information on its full passage is available [here](#) and detail on the bill itself is available [here](#).

“ Most of my conversations with local authorities: they have very real limits around the capacity and money to take this agenda forwards, even though most would like to. ”

– Matt Smith, The Key Fund

A sector under strain

As noted above, multiple government departments are advancing similar place-based agendas but there is some concern that without fiscal or delivery alignment, there is potential for duplication of local delivery partnerships and boards that places unnecessary burden on already exhausted local organisations. Where place-based funding is not aligned, this could drive increased competition between local organisations seeking to access funds and the emergence of short-term delivery models in response to these agendas. This puts at risk the potential for these opportunities to bring long-term collaborative, place-based infrastructure. This agenda is unfolding against a backdrop of interlocking challenges facing local and national government, civil society and critically communities themselves, including:

1

Sustained pressure on public services, reflected in an ongoing battle to reduce NHS waiting lists⁸ and local authorities' increasing uncertainty about whether their budgets will enable them to meet their statutory duties.⁹

2

Entrenched inequality and marginalisation particularly of racialised, working class, disabled, and gender-nonconforming groups, alongside a sharp polarisation in social and political discourse that has real impacts on the safety and connectedness of marginalised communities¹⁰ and continued underinvestment in hyper-local and by and-for organisations.¹¹

3

While many philanthropic funders are looking to return to pre-pandemic levels of charitable funding, for many in the social sector the sense of imminent crisis has not gone away, leading to ever increasing demand for grant funding.¹² We are seeing ongoing charity closures and consolidation across the voluntary sector through mergers and acquisitions primarily driven by VCSE sector organisations in financial distress.¹³

Many of the groups doing the most deeply rooted, systemic community-led work remain under resourced¹⁴, despite their central role in building thriving places and demonstrating alternatives that could shape future policy and practice.

A funding landscape that is not fit for purpose

Through our 28 years of supporting, evaluating and learning with organisations and partnerships working in place, we have seen a persistent tension between how place-based systems change unfolds and how that work is typically funded. The survey that we circulated as part of this inquiry indicated that around two thirds of organisations engaged in place-based work where in receipt of unrestricted funding (64%) and core funding (64%) as part of their grant funding. This is slightly higher than the 56% of organisations who reported in the 2025 Third Sector Trends Report¹⁵, suggesting that there may be an emerging, though uneven, shift towards core and unrestricted funding for place based organisations. However, as Third Sector Trends points out, grant makers have pulled back on providing unrestricted and core funding since the pandemic, with 56% representing a decrease from 60% in 2022. IVAR's analysis helps to explain this, arguing that the continued prevalence of restricted funding reflects funder habit and perceptions of risk rather than evidence of effectiveness, especially when unrestricted and core funding are more consistently associated with organisational resilience and stronger outcomes.¹⁶

8 Analysis of the ongoing attempts to reduce NHS waiting lists are available on the British Medical Association website [here](#).

9 In 2025 the Local Government Association reported that only 44 per cent of Local Authorities felt very or fairly confident that they would have enough funding to fulfil all their statutory duties in 2026/27. The full report on this is available [here](#).

10 This has been revealed in a sharp increase in hate crimes, reported by the Crown Prosecution Service as hitting record levels in an article [here](#).

11 Further detail on the historic underfunding of charities led by racially minoritised communities is available in Voice4Change's report [here](#), Baobab Foundation's Digging Deeper report [here](#), and Ubele Initiative's 2020 Booksa Paper [here](#). Pathway Fund also summarises key statistics on the marginalisation of black-led social enterprises from access to finance in its strategy [here](#).

12 In its October 2025 report, Foundations in Focus: a narrative summary of UK charitable foundations' grant-making in 2023–2024, ACF reported that its members often reported 100–400% increases in demand for grant funding.

13 Eastside People's latest Good Charity Merger Index 2024/25 is available online [here](#).

14 Community Asset Developers in the Mycelial Network have highlighted "a serious gap in revenue funding" for their work.

15 Third Sector Trends in England and Wales 2025, written by Tony Chapman and published by Community Foundation North East in January 2026, is available online [here](#).

16 IVAR, Making the Case for Unrestricted Funding, 2023

Many survey respondents described stitching together restricted, unrestricted and other income streams (including commissioned public service delivery contracts, earned or traded income, social investment, community donations) to resource their work, often involving unpaid time or internal cross-subsidy. This mirrors findings from NCVO's Power of Small research which reports that around 85% of small charities identify funding constraints as a key challenge, with limited access to unrestricted and multi-year funding driving ongoing instability. The report notes that short-term funding cycles force organisations to continuously seek new sources of financial support, contributing to instability and constraining small charities' long-term effectiveness and resilience.

Alongside this, evidence shows that **public sector funding is increasingly inaccessible to many VCSE organisations**. In our survey only 30% of respondents were accessing local authority or central government funding to resource place-based work. NVCO points out that in 2005 the proportion of government income to the voluntary sector comprised of 43% grants to 57% contracts, while by 2022 this was 19% grants to 81% contracts.¹⁷ This shift has made it challenging for smaller organisations to access government income, with organisations over £1m receiving the vast majority of this funding. The 2025 Third Sector Trends Report explained that there is "a hardening of opposition to contract working" from third sector organisations driven by contract values being too low to meet the costs of delivery.

While there has been much focus on the third sector embracing income generating and enterprise models over the last five years, this enthusiasm must be balanced with the recognition that **organisations in places and communities that have experienced long term economic marginalisation and divestment are unlikely to easily transition to income-based business models without significant fiscal stimulation**. It is important to question the practicality and ethics of the suggestion that place-based organisations working in communities where spending power is severely depleted will be able to earn income to sustain long term transformational change. As pointed out in the 2025 Third Sector Trends Report, the appeal of and reliance on trading is weakening with the overall percentage of trading organisations in the third sector decreasing from 68% in 2013 to 60% in 2025. In our survey only 12% of participants shared that they used earned income to resource their place-based work and 4% social investment, with 75% highlighting that they would value support around developing income generating services. Our research shows that places and organisations rely on a patchwork of sources to resource place-based systems change work – income generation and social investment is at times a part of this patchwork – but in the current context it remains on the edges.

A central finding in this research is that **the way social change is resourced is never neutral**. The funding and investment which resources social change has deep and lasting impacts on the potential for work to be both place-based and systemic – for it to cultivate trusting relationships, deep understanding of a place and centre intentional efforts to shift and create new constituencies of power, narratives and structures. However it is important to note that this funding landscape is not equally experienced by those working in this field. Social change that is driven by organisations led by communities that are systemically marginalised, including racialised, working class, Disabled and LGBTQI+ communities – which aims to place material power in the hands of local people with a clear and unapologetic redistributive justice lens – is systemically underfunded. Organisations shared that they are often pointed to as examples of ambitious and effective systemic practice while their work is simultaneously co-opted and delegitimised by the funding and finance systems' measures of success. The papers in this series, and the final set of principles that the inquiry has culminated in, all aim to recognise this dynamic by offering funders and investors ways to apply systems thinking to their practice in a way that benefits the field as a whole.¹⁷

¹⁷ This research is contained in NCVO's Civil Society Almanac 2024, available online [here](#).

What then do we
mean by “sustaining”
place-based
systems change?

Sustainability often refers to the potential for something to “continue at a certain rate or level over a period of time”. While this definition is moulded to suit different contexts across the sector, it is a concept that many find to be fundamentally incompatible with the dynamic nature of the systems that social change evolves within.

Throughout this inquiry, place-based organisations shared largely negative views on the word because they felt it implied that the slow, ongoing work of social, economic and environmental transformation could be completed within the course of a funding programme. It is important for us to be clear about what sustaining place-based systems change means in this context and how the word sustainability has been applied throughout the inquiry.

Based on the research in this inquiry and our understanding of place-based system change, which has been developed through ongoing work with practitioners, we have proposed a working definition that will guide the recommendations in this work. This definition is more aligned with nature, recognising that place-based systems change often mirrors the emergent and adaptive processes that we see in the natural world.¹⁸



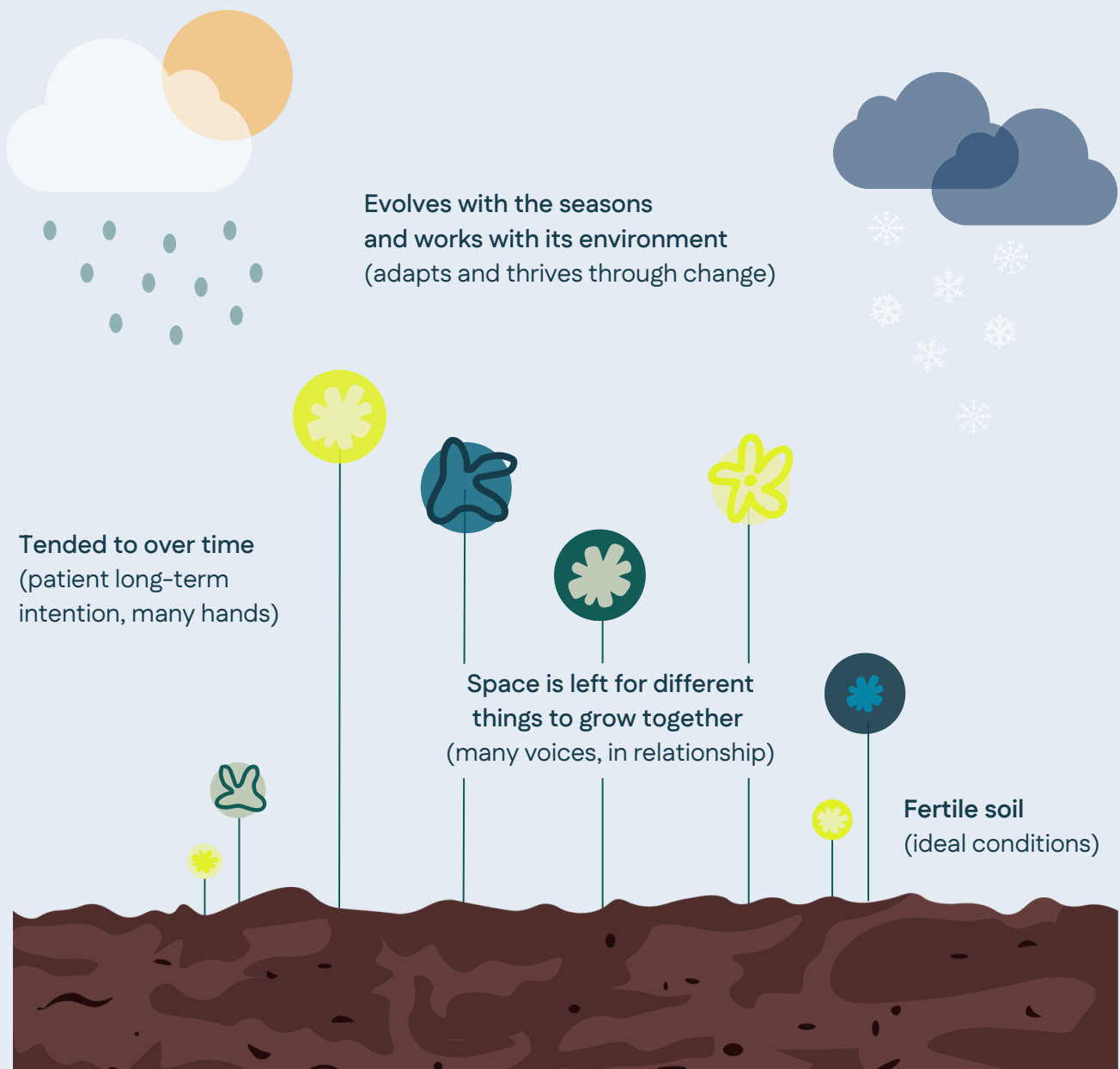
¹⁸ adrienne maree brown sets out the importance of “biomimicry”, the process of learning from nature’s patterns, in facilitating systems change in her 2017 book *Emergent Strategy*, which has been a guide, reference and source of inspiration for many in the Renaisi-TSIP team. More of adrienne’s work is available to buy and read on her website [here](https://www.adriennemareebrown.net/).

Using a garden as a metaphor

A sustainable garden is supported by fertile soil (ideal conditions), tended to over time (patient long-term intention, many hands), space is left for different things to grow together (many voices, in relationship), evolves with the seasons and works with its environment (adapts and thrives through change).

Sustainability for the garden therefore means meeting today's needs without exhausting the conditions that make future growth possible. It is about balance, regeneration, and patience. A gardener who strips the soil for a quick harvest may get short-term results, but over time the garden weakens. A gardener who composts, protects biodiversity, and plans for different seasons builds a garden that can endure over time with the right weeding, watering and responsive care. So, using the metaphor:

Becoming sustainable is not just keeping the garden alive today. A sustainable garden is not one that you can plant then abandon. A sustainable garden will be cared for in a way that means it can continue to flourish tomorrow, next year, and for many seasons after that.



Why a garden?

We have used the garden metaphor rather than a meadow or a forest, to denote the fact that it is still essentially a system designed and maintained in part by human intervention, contained within a larger environment. It is not wholly wild, but tended to, pruned, and nurtured into shape with intention working together with the ebb and flow of natural cycles. Finally, even the most skilled gardener cannot create a garden that continues to grow without input; this is work that takes ongoing cultivation and attention to support its flourishing. In the same way our inquiry has shown that sustaining place-based systems change requires ongoing work and strong foundations. It cannot be achieved through designing an initiative that will have unchanging impact after funding comes to an end but through building long-term resourcing streams that enable organisations and individuals to do work that is rooted in connection to place, trusting relationships and an intention to shift power, narratives and structures locally.

“ Sustainability is also about community trust, network capacity, continuous convening.

– Georgie Grant, Onion Collective

“ Sustainability is a dirty word in a funding application context... we talk about sustained impact. ”

– Eibhlís Fleming, Barnwood Trust

“ There are explicit conversations around sustainability... in principle. In practice, there's not really a shared understanding of what we mean by sustainability. ”

– Anonymous

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