

## **Inquiry: Sustaining Place-based Systems Change**

### **Interim paper**

**Perspectives in the Literature:**  
What do funding mechanisms reveal  
about how funders, investors and  
policymakers believe place-based  
systems change will be sustained?

Kezia del Carmen & Helen Duffy  
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# Introduction

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 your work can last but about understanding how that impact can develop as the local system continues to shift.

Renaisi's inquiry into place-based systems change was motivated by a trend we have seen across the place-based systems change initiatives that we've been engaged in. As funding programmes come to an end, we 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 are navigating:

- Local authorities are increasingly only funding statutory commitments so are less likely to take on funding for place-based systems change work that has been seed-funded by a philanthropic funder, regardless of how successful this work is.
- Delivery organisations are increasingly having to draw down from reserves and investments to deliver commissioned services, so have less agility to devote resource to unfunded place-based work.

Furthermore, with flagship investments in national programmes such as the Ministry of Housing Communities and Local Government's (MHCLG) Pride in Place Programme which will transfer £20 million over a decade to 244 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, understanding how effective current mechanisms are, and the prevalence and adoption of them, is essential as places gear up to engage with these developments. In this context, we want to build a clearer understanding of what sustainability really means to organisations and places delivering place-based systems change and how they are practically building towards it.

Our inquiry seeks to better understand the landscape of approaches for long-term resourcing of place-based work. It also aims to assess the systemic potential of these approaches to make recommendations for organisations on how to sustain place-based systems change work. While this exploration focusses on financial mechanisms and instruments, we are as interested in the conditions, behaviours, and enabling factors that are necessary for them to be effective and questions of equity, access and power that emerge in this arena.

We began with exploring existing literature on funding for place-based systems change. Much of this literature, unsurprisingly, is 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.

Our literature review surfaced a series of distinct approaches to resourcing place-based systems change<sup>1</sup>. We've categorised the approaches articulated by national or international organisations investing in place-based systems change below:

1. Support a community anchor
2. Developing a coalition
3. Embedding change in local statutory agencies
4. Devolving investments decisions to a place
5. Building a place-based endowment fund



<sup>1</sup> 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.

# **Approach 1: Supporting a community anchor**

**Hypothesis:** If you support a locally rooted community-led “anchor” organisation to develop methods to resource their place-based systems change work, this anchor will be able to sustain place-based systems change.

### **What does this look like?**

A community anchor is often a place-based organisation based in a known community asset like a community centre, former public space – such as a school, hospital, park or hall – or culturally significant local building. It is known by the community and viewed as a key part of the local infrastructure.

Philanthropy-led investment in place-based systems change, such as [Power to Change's Empowering Places Programme](#) and [The National Lottery Community Fund's Place-Based Social Action Programme](#), often take this approach. As examples, these programmes both made multi-year investments in community anchor organisations to support them to develop their capacity to deliver and sustain place-based systems change.

Through Empowering Places, which aimed to create thriving place-based economies through the development of clusters of community businesses, anchors like [Wigan and Leigh Community Charity](#) in Wigan and [B-inspired](#) in Leicester were supported to develop income generating activities which would ensure their sustainability, and enable them to continue supporting place-based systems change beyond the five-year programme. This included providing paid for goods and services for the community, managing assets and providing rental spaces and seeking public sector commissioning.

On the other hand, driven by an ambition to support communities to use social action to drive their own change, Place-based Social Action supported anchors such as [Volunteer Centre Hackney](#) and [Grapevine Coventry and Warwickshire](#), to build the practice of and infrastructure for ongoing social action. This approach aimed to ensure anchors could continue to resource place-based systems change work through ongoing community contributions of time and resource beyond the programme.

Place-based impact investment (PBII) can also take this approach. By investing in locally-rooted community-led organisations that can generate ongoing revenue to sustain their work, place-based impact investing can support the development of anchor organisations which can drive place-based systems change work. For example, [Kindred](#), which provides investment, networking and capacity building to social trading organisations across the Liverpool City Region, has intentionally adopted a place-based approach to support the development of social innovation clusters. This has included

investing in community anchor organisations who can support the development of local “communities of interest” who share a passion for social innovation, such as Street and a Half, [Make CIC](#) and BlaST (read more in Kindred’s 2024 impact report [here](#)).

### **What else do we need to know about this approach to assess its potential to sustain place-based systems change?**

- Which resourcing methods and capacity building are most impactful for anchor organisations in enabling them to have the flexibility, longevity and community-embeddedness needed to support place-based systems change work?
- How do anchor organisations collaborate with other local institutions, including the local authority, to sustain place-based systems change work?
- How do anchor organisations ensure their place-based systems change work is genuinely rooted in the lived experiences of those experiencing the deepest systemic harm?



Photo: Local Wealth Made Wigan, part of the Empowering Places programme, delivered by Co-operatives UK in partnership with [CLES](#) and [NEF](#), and funded by Power to Change. Image from [Co-operatives UK](#).

# **Approach 2: Developing a coalition**

**Hypothesis:** If a coalition of place-based organisations that are united by a shared ambition for systems change is developed, they will collectively sustain place-based systems change (PBSC).

### **What does this look like?**

The process of developing a coalition which could sustain place-based systems change work includes facilitating the codesign of shared goals and plans, creating networks and spaces for organisations to develop trusting relationships, and establishing the infrastructure and processes for joint working – such as data sharing agreements, communication platforms and regular decision-making meetings. Coalitions often begin by coordinating or integrating service delivery, particularly where organisations are supporting the same groups but working in fragmented ways. Bringing services together can create early wins, build trust between partners, and lay the groundwork for the deeper, long-term system change that PBSC initiatives seek to achieve.

There is a wealth of theory on how to develop effective coalitions for change, including [Collaborate's Guide to Collaboration](#), the coalition section of our own [Guide to Systems Change](#), [We're Right Here Campaign's](#) proposal for Community-Powered Neighbourhood Governance, and John Kania and Mark Kramer's [Collective Impact Model](#).

Within the literature, we saw several philanthropic funders and national NGOs take this approach to place-based systems change. Philanthropic funders and national NGOs generally invest in the development of a place-based coalition through resourcing a local organisation to engage in coalition building, resourcing the development of an already formed coalition or embedding themselves in place to develop a coalition themselves – some also use a combination these to develop a place-based coalition.

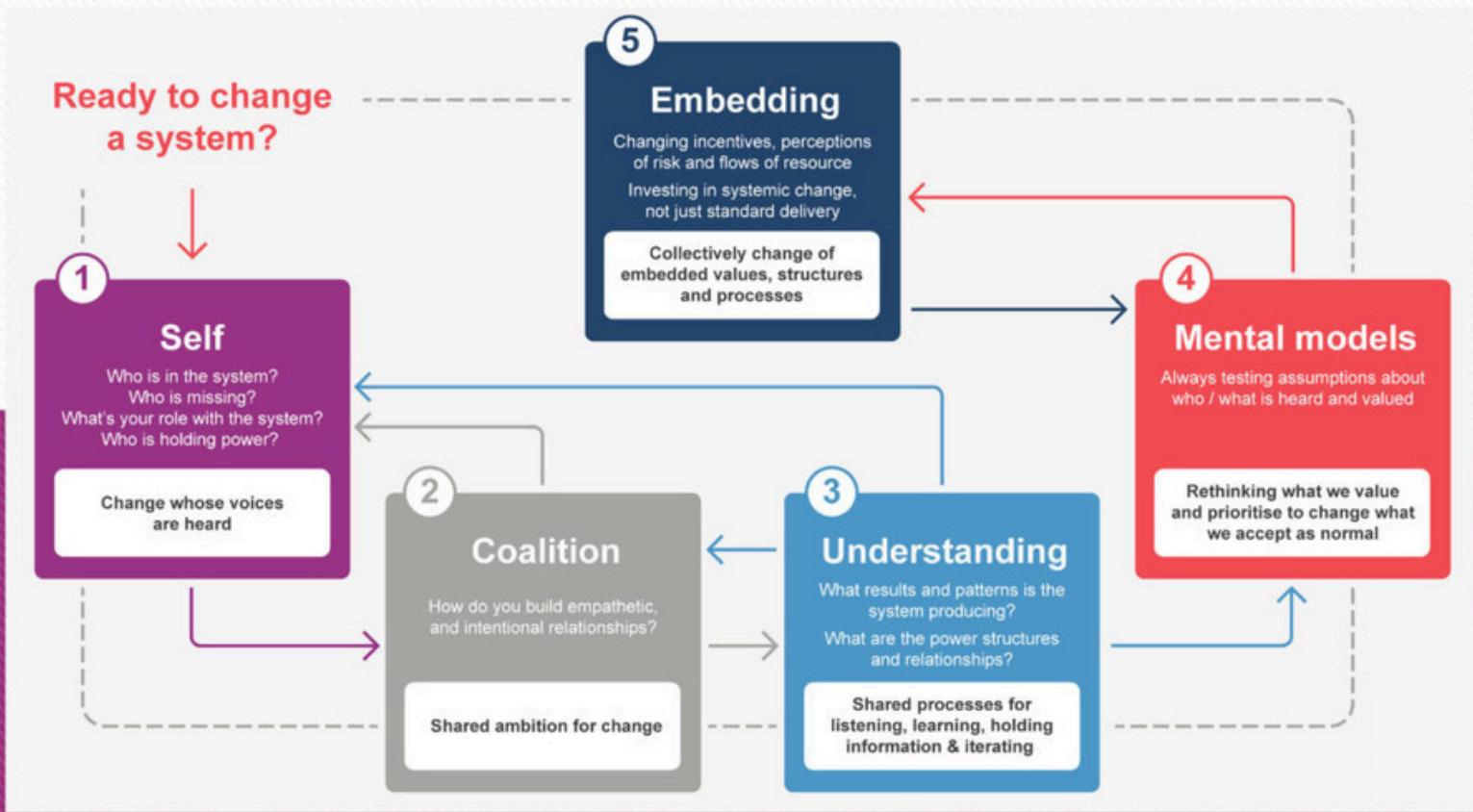
For example, the [Royal Foundation's Homewards Programme](#) is catalysing the development of local cross-sector coalitions that are united by a long-term commitment to end homelessness in their place. Over 5 years the programme is channelling staff capacity, external expertise and funding to coalitions in six locations. This investment will establish joint plans and ways of working needed to put local coalitions on a trajectory to collectively ending homelessness.

Philanthropic funders and national NGOs will often resource a partnership or network to collaborate around integrating service delivery, jointly delivering work or collective advocacy for a shared goal, with the hope that this period of collaboration will catalyse the development of a long-term coalition which can drive place-based systems change. For example, Smallwood Trust has funded the six organisations in the [Birmingham No Recourse to Public Funds \(NRPF\) Women's Support Network](#) to come together to integrate service delivery and advocacy, with the ambition that their joint work together will develop a lasting coalition that can drive systemic change for women with NRPF

who are at risk of domestic violence in Birmingham. Similarly, [Youth Futures Foundation's Connected Futures](#) programme has funded place-based partnerships to engage in youth-centred design of an intervention around youth employment, which ultimately aims to support the development of partnerships that can drive systems change.

### What else do we need to know about this approach to assess its potential to sustain place-based systems change?

- How can you shift from a partnership that is being funded to do work together for a period, towards a long-term coalition that is united by a shared vision for systemic change?
- How can the formation of coalitions act as a mechanism to challenge exclusion and existing power dynamics in a place?
- Can coalitions last without a resourced backbone or coordination function? If not, how can this be resourced once a national NGO or funder steps out of the place?
- How can coalitions engage local power holders in the creation of a shared vision for systems change without watering down their critiques of the current system and/or reproducing existing power hierarchies?
- How can coalitions create governance processes that centre lived experience and allow for ongoing adaptation?



# **Approach 3: Embedding change in local statutory agencies**

## **Hypothesis: If you can create lasting, embedded change in local statutory agencies, this has changed the system.**

### **What does this look like?**

Often with a focus on the local authority, and sometimes also local public health, employment and education services, this approach aims to create structural and behavioural change in statutory agencies which will lead to significant shifts in how local people experience statutory services. This can include leveraging policy, commissioning, funding, capacity building, coaching and staff training and restructuring to create lasting change that has meaningful impacts on service delivery.

Literature showed that this approach to creating sustained place-based systems change is often catalysed by national policy change that encourages or legislates for local statutory agencies to work differently. For example, in the early 2000s the government introduced the [Connexions service](#), a locally based service that aimed to support young people's transitions through education into employment through providing holistic advice on careers, education and training. The Connexions model, which ensured that every young person could have a dedicated adviser that would work relationally with them to support their ambitions, could be seen as driving systemic change at a local level.

The service built relationships across statutory agencies, the voluntary sector, and private sector businesses through creating place-based multi-agency partnership. As a universal service, it encouraged a narrative that every young person should have access to relational careers advice, which was a break from the idea that careers advice is a corrective intervention for those that are already not in education, employment and training. While Connexions was scrapped with the change from a Labour to Conservative government in 2010, it is a great example of place-based systems change can be driven and sustained through policy change that meaningfully shifts how services are delivered [locally](#) – if this policy lasts. Further insights on how this policy supported systems change can be found in the Institute for Employment Studies' review of [What works in systems change interventions](#).

We have also seen that change in local statutory agencies can also be supported by philanthropic funding or strong local leadership. For example, the Health Foundation-funded [Economies for Healthier Lives](#) programme supported local authority teams in Glasgow, Havant, Leeds, Liverpool and Salford to drive change from within, using place-based partnerships to strengthen the relationship between economic development and efforts to reduce health inequalities. Through its Connected Futures programme, Youth Futures Foundation has funded local authorities in Lewisham, Brent, Haringey, Hasting, Hull and East Midlands within partnerships aiming to drive place-based systems change. The inclusion of local authorities in these partnerships is a

deliberate strategy to strengthen the long-term sustainability of systems change. By embedding this work within the local public sector, the theory is that changes are more likely to be maintained and scaled. Further insights on this approach can be found in the [Connected Futures Insights Report](#).

The literature, particularly that around Community Wealth Building, also shows that strong leadership within a local authority can actively drive systemic change from within. [Community Wealth Building](#) (CWB) is an economic development strategy focused on harnessing and retaining wealth that already exists within a place to support that places' development. By channelling finance towards local organisations, it supports the development of stronger relationships between public sector anchors and community organisations, alongside building the structures that sustain financial investment in ways that prioritise community benefit rather than solely value for money. It is systemic in its targeting of a deficit narrative and a value for money narrative in local funding, commissioning and spending, encouraging organisations and individuals to see the power that can emerge from investing in your own place.

For example, Wigan's shift towards CWB has been driven by the Wigan Deal – a commitment from the local authority to work to build a different relationship with residents, as articulated by former Chief Executive Donna Hall in [an interview with Centre for Public Impact](#). Training staff in listening and ethnographic methods and using people's stories to shape public services, the council was able to move away from rigid service models towards an asset-based approach grounded in relationships and reciprocity. Cultural change was foundational to the development of CWB as a strategy to shift economic inequalities in Wigan.

Similarly in Preston, the local authority's decision to pursue CWB has enabled place-based systems change. Through bringing other public sector anchor institutions alongside including Community Gateway, Preston College, Cardinal Newman College and the University of Central Lancashire, they collectively repatriated £70 million back into the local economy within three years by switching service contracts to local suppliers, resulting in approximately 1,600 new jobs and 4,000 additional employees receiving the Real Living Wage. It meaningfully built wealth and power for local people, also leading to the development of a CLEVR Money, a credit union and worker cooperatives in the catering, tech and digital sector. To understand more about, lessons from how community wealth was built in Preston check out CLES' can be found in this [report](#).

## What else do we need to know about this approach to assess its potential to sustain place-based systems change?

- Can top-down change, whether driven by national or local policy, really shift power, narratives and attitudes?
- Can top-down change, whether driven by national or local policy, really centre the needs and ambitions of the most marginalised by the system?
- If change is driven by policy that is subject to political cycles, rather than legislation, can this really be viewed as systemic?
- How can we ensure that public sector-led system changes do not result in a mere reorganisation of the current system or system optimisation?



Image: Jan and Brian from SAFE Regeneration Bootle, part of the National Lottery Community Fund's Place-Based Social Action programme.

# **Approach 4: Devolving investment decisions to a place**

## **Hypothesis: If you ensure local decision-makers are directing investment, they can target it towards the right things.**

### **What does this look like?**

This emerges where central government or large national funders are willing to bring together funding from different areas (e.g. different government departments) and allow local areas to assume responsibility for decision-making around how that combined funding is spent.

From a public sector perspective, the idea of place-based budgeting argues that public sector spending should be pooled at a local authority level, with all spending decisions then made by local decision-makers. In 2009 the government-led Total Place pilot attempted to begin a shift towards place-based budgeting. For example, the Birmingham Total Place pilot mapped local public spending around children's services, drugs and alcohol support, and mental health to find that if they were able to direct more funding towards preventative support, public service would be more impactful and save money. Total Place demonstrated the potential of place-based budgeting as a way to ensure public funds could be used systemically to tackle a range of issues in a place, – rather than focusing on siloed symptoms. While the current Labour government aims to pilot place-based budgeting again at a Mayoral Authority level, we will have to wait to understand whether this can really ensure budgeting decisions are shaped by residents accessing services at a place-level.

Literature has also revealed initiatives where philanthropic funders devolve their investment decisions to a place. For example, in LocalMotion six major UK funders have brought together their funding to invest in six places over 10 years, setting up local coordination groups of community leaders that developed strategies for place-based systems change funding, which are now being funded through the programme. Similarly, in Southwark, funding from Wellcome Trust and Impact on Urban Health was devolved to local people through The Giving Lab. In this case, TSIP developed a participatory grant-making process to support residents living with long-term health conditions to define priorities around community health and distributed grants to local projects. Notably, Local Trust's Big Local Programme, which gave 150 neighbourhoods in the UK £1 million to spend over a 10-15 year period, also reflects how a national organisation can devolve investment decisions to community members. Big Local enabled residents to take on community assets, build lasting community anchor organisations and attract more investment into their neighbourhoods. This approach supported significant shifts in power locally, with residents developing skills through exercising control over the funding itself that allowed them. We'd recommend you check our Local Trust's new site, learning from Big Local, which showcases evidence around the programmes' impact and learning.

In the social investment space, Place-based Impact Investment (PBII) also offers a way to devolve investment decisions to a place. Investment decisions are shaped by locally identified needs and priorities that support wider social impact in that place, alongside generating a financial return. The literature on PBII highlights that it will be driven by: intentionality around impact, a clear definition of place, stakeholder engagement, impact measurement and reporting, and collaboration, which together require places to lead the framing of investment opportunities and to shape how capital flows. An example of this is the Local Access Programme, which is funded by Access – the Foundation for Social Investment and Better Society Capital. It has devolved social investment and grant funding to Local Access Partnerships in six places, who direct that investment to local charities and social enterprises that will strengthen the local social economy.

PBII depends on local actors to identify projects, develop business cases and ensure investment aligns with local priorities. Local authorities, community anchors, CDFIs and specialist asset managers all contribute to shaping these opportunities. For example, in the Wakefield PBII pilot, led by the Impact Investment Institute, local stakeholders from Wakefield Council, the social sector and CDFIs were brought together to explore opportunities in regeneration, clean energy and SME finance, and engaged the West Yorkshire Pension Fund to consider a local impact portfolio.

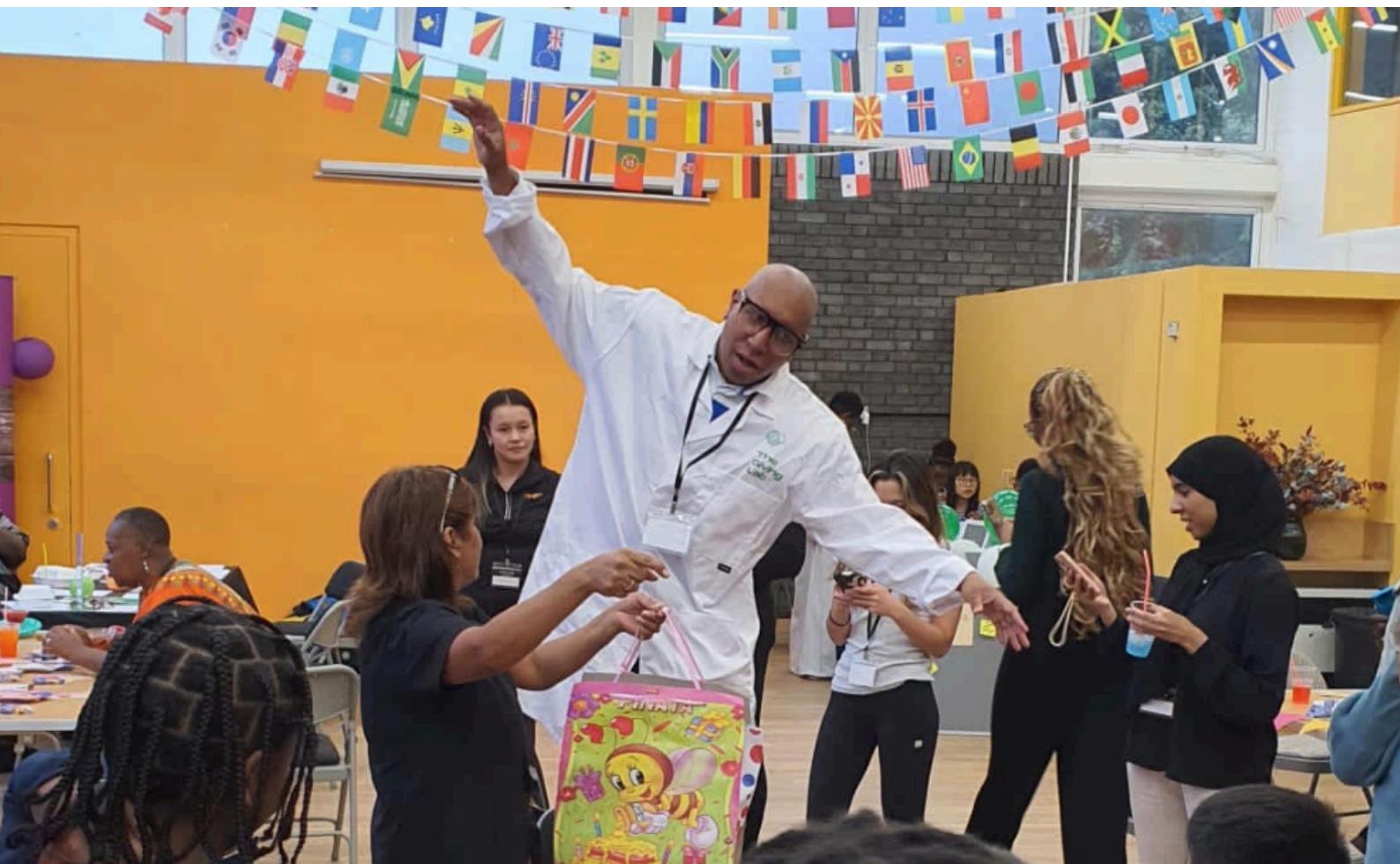


Image: Daniel Morris from The Social Innovation Partnership during a workshop for The Giving Lab

## What else do we need to know about this approach to assess its potential to sustain place-based systems change?

- If devolution of investment decisions is always time-limited and/or subject to national policy change, can it really sustain place-based systems change?
- What is the right type of decision-making forum to devolve investment decisions to for it to be able to support place-based systemic change?
- Who needs to be involved in those decisions to ensure it can target the root causes of systemic issues?



Photo: Nurtured, a community project that focuses on empowering Black community members with health confidence, promoting well-being, and addressing systemic disparities, funded through The Giving Lab. Image from [TSIP](#).

# **Approach 5: Building a place-based endowment fund**

**Hypothesis:** If you can create a lasting source of funding that is rooted in a place, with investment decisions made by local people, it will be targeted towards local priorities.

### What does this look like?

One mechanism for building a long-term place-based source of funding is to develop a place-based endowment. A place-based endowment can be built through bringing together funding contributions from businesses, trusts and foundations, individual philanthropists and community members. Many community foundations aim to build local endowments through ongoing fundraising from a combination of local and national sources. For example, in the UK the government-backed Community Trust Development Unit, which was set up in 1986, supported the establishment of community foundations in many local authority areas across the UK (detailed in [Wings-CF's report on the history of the Community Foundation Network](#)). Funding from DCMS, Charities Aid Foundation and the Charles Stewart Mott Foundation all supported the development of endowments that have continued to grow to now over [£800 million across places in the UK](#).

Place-based endowments can also be established through one off contributions from a local authority, as was the case in [Barking and Dagenham Giving](#), or through contributions from private developers using local resources to build large infrastructure projects, as is the case with the [community benefit funds hosted by Foundation Scotland](#), which are often established for local areas impacted by large renewable energy projects.

Similarly, Place-Based Impact Investing (PBII) can bring long-term capital, rather than grants, into a place. As described previously, PBII directs capital into specific towns, cities or neighbourhoods with the intention of generating positive local impact alongside a financial return for investors. Because PBII relies on a mix of public and private funding, where public money can reduce risk and private investors provide scale, it can help build the stable, flexible capital base required for a place-based fund to grow over time.

The literature places particular emphasis on the Local Government Pension Scheme (LGPS) as a source of PBII, given that they hold around £400 billion in assets and is organised locally. Because of this local structure, LGPS funds have a vested interest in the social and economic wellbeing of their regions. The [Impact Investing Institute](#) argues that allocating 5% of LGPS capital to local investment would unlock significantly more funding than most grant programmes can provide, creating the long-term capital flows that place-based funds need to be sustainable. For example, the Greater Manchester Pension Fund has begun to publish PBII impact reports showing how its local investments contribute to housing, infrastructure and local employment, demonstrating how local priorities into investable propositions and build longer term capital flows for places.

## What else do we need to know about this approach to assess its potential to sustain place-based systems change?

- Could this approach worsen inequalities between places, as those with less wealth in their area are less able to build endowments? And those with larger endowments will get higher returns?
- What governance and decision-making processes need to be put in place to ensure investment is directed towards systemic change?
- How can PBII avoid reinforcing inequalities by favouring organisations that are already “investment ready,” while excluding community led initiatives that may need support to become viable?



Image from the National Lottery Community Fund Place-Based Social Action programme.

# Conclusion

The approaches set out in this paper demonstrate how national organisations are resourcing place-based change. However, in reality we know that place-based systems change is often resourced through a combination of many of these approaches, with local organisations drawing on different sources to do work that rarely fits neatly into a funding programme. We have also seen that national organisations can also deploy different approaches at different stages of a programme's maturity, transitioning from one resourcing approach to another as place-based systems change work develops.

As our research has progressed, and we've been hearing more from place-based organisations doing this work, the picture of how place-based systems change is being resourced is becoming clearer. Within this, some of these insights shine a light on where historic programmes have not been able to support lasting impact, while others present exciting ideas around programme design that can transition between different forms of resource to support sustainability.

Over the next few months, we will bring this into a typology setting out different ways place-based organisations might resource their systems change work.

[Click here](#) to sign up to our launch event on April 21<sup>st</sup> to learn more about our findings.

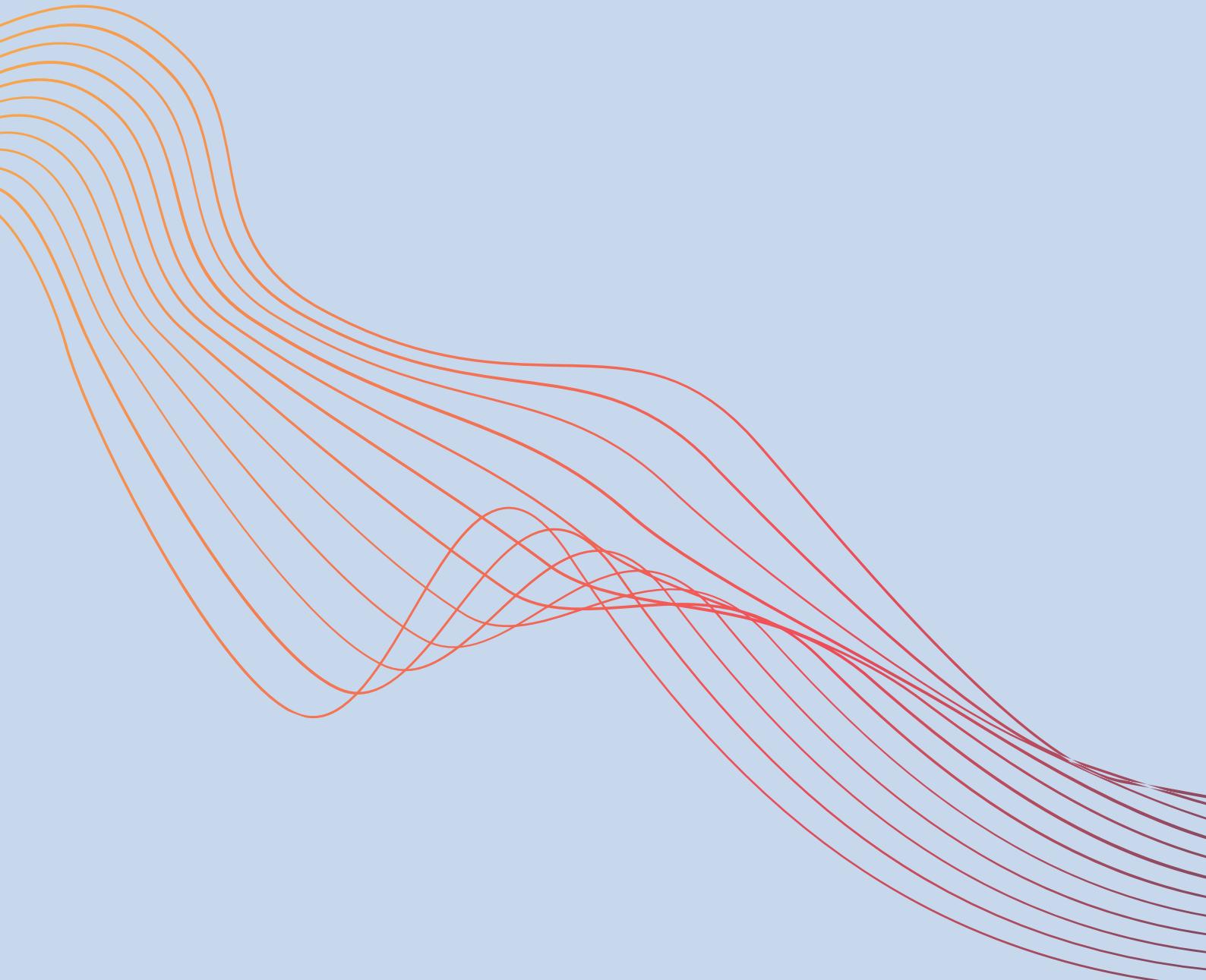
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Launch event

## What does it take to sustain place-based systems change?

April 21<sup>st</sup> 2026, 11am-3pm

Coin Street Neighbourhood Centre, 108 Stamford St, London SE1 9NH



RENAISI & THE SOCIAL INNOVATION PARTNERSHIP

February 2026

Written by Kezia del Carmen and Helen Duffy

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