

NAVCA Conference 16 May 2024: keynote address

It starts with Community:

The National Lottery Community Fund and the Future of Local Infrastructure

Good morning everyone.

I'm David Knott, Chief Executive at The National Lottery Community Fund.

I'm delighted to join you all today at the *NAVCA Conference: Future of Local Infrastructure* for an insightful day of sharing ideas

and learning from each other.

This morning, I want to discuss the importance of local infrastructure to thriving communities,

and outline The National Lottery Community Fund's role in supporting local infrastructure,

particularly through our four community-led missions.

Last year, in June of 2023, we launched a new strategy, *It Starts with Community*.

It sets out our direction to 2030 and reflects many thousands of ideas and contributions we heard from communities across the UK.

We heard loud and clear concerns about inequality, the climate crisis, the health of communities, and the future for

children and young people.

We also heard the hopes and dreams of communities and the extraordinary work going on in the places we together live, work,

and go about our daily lives.

Our strategy builds on what we've learned over the history of the National Lottery - but also the bigger difference and

bolder change we heard people want to see.

And this demands greater focus - and choices - about where we direct the limited 'good cause' proceeds of the National Lottery.

So, I want to speak today about that - and what that means for our plans now and in the months and years ahead, supporting local infrastructure.

Let me start with a personal story. It speaks to why I'm at The National Lottery Community Fund and why local infrastructure matters to me.

I'm from Nottingham. In many ways, it's a city where two halves of the country meet. People from Nottingham don't need

anyone outside to tell them the meaning of 'place' or 'local infrastructure'.

It's deeply ingrained in our identity - from Robin Hood, the world's oldest football club (as well as another slightly more

successful one), the Lace Market, Trent Bridge, the Left Lion, mining, D.H. Lawrence, cobs and jitties.

This year will mark 30 years since the National Lottery started. It was the 19th of November 1994 when the National Lottery had

its first night. At the top of the hill where I lived was Gedling Colliery. It had stopped mining and shut only a few years before.

Living near industrial heritage is a difficult thing to explain - a mix of nostalgia, pride, loss, and change. Infrastructure like this

can be a painful sore.

Halfway up that hill was the newsagent where I got a ticket. Noel Edmonds & Anthea Turner hosted live; the draw came after

Mystic Meg's predictions. Bruce Forsyth's Generation Game was on before, Casualty after. A results update followed the BBC

News. Twenty-two million people watched, itself a shared experience of a different era.

A few years after that 1994 evening, thanks to many partners - the National Lottery, the Borough Council, local businesses and groups, Gedling Colliery on the top of that hill was transformed into Gedling Country Park. It now has play areas, parks, nature trails - all that incorporate the mining heritage.

It's a wonderful space for the community, a vibrant hub of activity - local charities, community groups, informal networks.

A place that provided people with a lot of peace & tranquillity during Covid and continues to do so since.

This is local infrastructure in action - and as that story illustrates spaces like this facilitates more social infrastructure.

A virtuous cycle. A theme I'll return to.

You will all have stories like this - in your community.

This is just one story from me about the importance of local infrastructure and the role the National Lottery can play.

Since 1994 there have actually been 685,000 funded projects like this, growing every hour. Indeed, we are funding a community project somewhere in the UK - right now - every 7 minutes.

You are never far from one. They happen thanks to National Lottery players.

Our new strategy reflects lots of stories like this.

From now until 2030, our strategy, *It Starts with Community*, will guide how we'll support community-led projects in every

part of the UK, putting an equity-based approach to tackling inequality and focusing most where there is greatest need,

at the core of all we do. And the bold moves we will make in the years leading up to 2030 with an ambition to drive longer-term transformational change.

Thanks to National Lottery players, we'll distribute at least a further £4 billion by 2030,

supporting activities that create resilient communities that are more inclusive and environmentally sustainable - activities that

will strengthen society and improve lives across the UK.

We receive an idea every three minutes, so we will support what matters most to different communities

by targeting delivery across our four community-led missions which are supporting communities to:

- come together,
- to be environmentally sustainable,
- to help children and young people thrive
- and enable people to live healthier lives.

These community-led missions reflect where we will now focus our funding, learning and efforts to influence change.

And where we'll seek to develop new partnerships, rooted in purpose and in place.

We'll do so staying in the communities we serve, from the smallest funded projects to the largest strategic

investments.

And, as a funder, learning and working with others to do so.

Next Tuesday we will launch our corporate plan, which encapsulates the first three years of our strategy,

and coincides with a new chapter in The National Lottery story.

It's one that anticipates increasing returns to good causes, as this year we celebrate its 30th anniversary.

We have ambitious targets to innovate, learn and adapt.

So today I want to give you a sneak preview of what we will be committing.

Our three-year ambitions will focus on supporting what matters most to

communities across the UK.

I want to take a moment to share a video that reflects the new and bold commitments in our plan.

You will have seen there that we pledge to extend grassroots funding to communities, concentrating on places that have not previously sought funding.

We will broaden funding reach and target more than 80% of local communities apply for National Lottery funding.

And by local communities we really do mean local communities - to a grassroots level typically 7,500 in population.

Representing communities from Bude to Ballyclare, Brynmawr to Bannockburn, this is the largest expansion in National Lottery funding in its history.

A key objective for us is that 50% of all grants will go to communities experiencing poverty and disadvantage,

reinforcing our commitment to an equity-based approach and focusing most where there is greatest need.

We'll also embed support for environmental action across all funding, with at least 15% of projects supporting communities

to be more environmentally sustainable, even when the environment is not their main focus.

We are striving to be an exemplar in managing our own environmental impact too.

Walking the talk, and working towards net zero, sharing our practice along the way and inspiring others.

Our corporate plan emphasises the premium we will place on partnerships including governments, businesses, funders, and

foundations because we know the power in working with others.

And we've put our people, who will shape and deliver this, centre stage.

We will actively promote, embed and celebrate our values so that, as One Fund, all colleagues are empowered to live them

day to day.

This is crucial to ensuring we excel in our support for communities - as we are ourselves a community at the Fund.

I would like to recognise at this point NAVCA and the importance of other membership bodies in creating that sense of belonging and feeling part of something bigger.

Prioritising the needs of your own community to ensure you can serve your communities effectively.

That support network really is valuable especially in uncertain times.

And I want to acknowledge how difficult times are and have been in recent years.

A once-in-generation pandemic.

On top of a long period of funding strain in public and statutory services.

Alongside all the other changes happening in our society, environment, from technology to our national and local discourse.

I want you to know I get, and we get it at The National Lottery Community Fund - we understand the challenges everyone in this room is navigating day in day out - and we will work hard every day so every penny goes towards the biggest difference we can

make with the communities and partners we support and work alongside.

LOCAL INFRASTRUCTURE: OUR EXPERIENCE AND WHAT WE FUND IN THE SPACE

So let me come to local infrastructure.

At the Fund, we believe that social connections and community activities are at the heart of creating healthier, happier lives

and a flourishing society.

And local infrastructure makes this possible in all different shapes and sizes.

Of course, there are many perspectives on local infrastructure and I'm looking forward to listening to reflections on that today.

NAVCA highlight four aspects:

- leadership and advocacy,
- partnerships and collaboration,
- capacity building, and
- support for volunteering.

Membership bodies like NAVCA really help steer, steady, prep and influence change in the wider sector.

We recognise the integral role local infrastructure organisations play in bringing people together to make a positive impact across these areas.

At the Fund, we are in a unique and fortunate position where we have a local network in every area of the UK,

and from listening and learning to communities we understand the issues affecting them and local infrastructure.

Last year, 90% - nearly £550 million - of our funding was linked to grants involving one of NAVCA's four pillars.

We funded £33 million to grants specifically mentioning capacity building.

Over half of our current grants mention volunteering.

And £177 million of funding was given to grants supporting leadership and advocacy.

So, I hope you can see - The National Lottery Community Fund's commitment to local infrastructure is not mere words, it's backed by the financial commitments we make to communities every hour, every day.

Across our community-led missions, we know varying investment and opportunities increases variance in the quality, capacity,

and availability of local infrastructure delivery across the country.

We also recognise that often communities already tackling inequality are those who are the hardest hit by these challenges.

We want to see strong a community sector in the places that need it most, and often these can be the places with the least or insufficient infrastructure.

During our strategy development, we looked back on what we had learned. On what makes for a thriving community.

We looked at The National Lottery Community Fund's funding and work with grant partners.

On topics like health, the environment, support for young people.

We reflected on randomised experiments in grants, looked at lots of value for money

assessments, and applied natural language processing across the billions of grant-making activities we've been involved in.

Of course, we talked and listened a lot too!

We pulled much of this together in an 'Impact Report' examining social outcomes, individual outcomes, and community-level

outcomes. And the connections between them.

And time and time again we kept coming back to three themes.

One is 'social connection' and 'social capital'. People coming together in their community - whether a community of place or interest - for common purpose. That builds trust, belonging, understanding.

A second is 'social agency'. That often at the heart of something happening in a community is a person, movement, volunteer, social action leader, or advocate willing to step forward in the service of others. It has to start there.

And the third is 'social infrastructure'. The physical and organisational structures that facilitate these social interactions, and the wellbeing and cohesion across them.

And when you start to look at the thriving communities in this way, you can spot notable and distinct characteristics. That get to the heart of the issue we are talking about today - local infrastructure.

First up, social connection and capital, social agency and social infrastructure cannot be engineered from the 'outside'. They are created within communities - and that's why we say, *'It starts with community'*.

Next, they can all can be tangible and visible to see but also be intangible and harder to measure.

For example, communities that don't have established connections or access to different opportunities to create meaningful change. That's a form of social capital - bridging. And there are important equity and justice issues here.

Further, each of these are - and rely on - innately human characteristics. About how we live and work and support each other.

Critically, they are intertwined. Indeed virtuous: when you invest in social infrastructure you unlock the conditions for stronger social capital or social agency. A community building or community network may develop or support new volunteers and community actors. Or vice versa - a driven individual might create a volunteer movement that over time funds and creates a community space or network.

And that's a vitally important characteristic and quite unique.

Consider other types of infrastructure. Our water or energy network. Our roads or railway network. When we use these we draw down on them - they degrade - they depreciate.

But social - local - infrastructure isn't like that. When we participate and invest in it, it grows and builds: a virtuous circle.

And of course that comes to a final obvious characteristic: not all communities of place or interest have that same starting point. And that means all those who are interested in this need to redouble efforts to focus where foundations aren't already strong.

And that's really a central tenet of our strategy. We get that thriving communities

needs support and infrastructure. But we can't be everything for everyone.

I want to be candid about that.

We are not a sector development body. We heard some representation in our strategy from those who hoped or aspired we could be. But we were not set up to be. We are not resourced to be. To illustrate just one way - the formal charity sector in the UK has an economic output of more than £56 billion per year - for every £1 of that the funding that The National Lottery Community Fund has available is only one penny.

And of course, we all know that local infrastructure is much wider than the formal economic measure I've just given - the informal, the intangible, the valued but unmeasured - the volunteers, community groups and associations and networks.

So, our focus will be on communities that are missing access to opportunities.

As we consider how we implement our strategy we are looking at how we can do this well,

including our appetite to risk, our processes, and criteria.

Let me give some examples.

Through our Reaching Communities programme in England, the Fund is supporting NAVCA with a one-year project

designed to develop and enhance NAVCA's offer.

This work will develop an approach, working with communities and partners to ensure NAVCA's offer aligns with what they

need.

Research activity will explore key questions surrounding local infrastructure - in particular, the central question of what

conditions must exist for a local infrastructure offer to thrive in the future.

I also want to acknowledge how challenging a changeable external environment is for the sustainability of smaller

organisations in particular.

Last autumn, the Fund delivered our most significant change to our flagship

product - National Lottery Awards for All.

Since doubling the grant amount to £20,000 and duration up to two years in November,

new applications are up by 8% - from 37% to 45% - with £62 million going to grants receiving over £10,000. That's great as it means the National Lottery is reaching communities we might not have before.

We'll be prioritising improving the accessibility of how communities apply for and receive funding.

Through our Reaching Communities programme, we are also supporting NCVO and partners

through a one-year development project to build on conversations and collaboration to date.

The partnership is taking a structured, robust approach to map existing support for small charities

and highlight the gaps in support for these organisations.

This will help develop a sustainable support plan that will benefit small organisations across the country

and ultimately all the communities they serve.

I am pleased NAVCA put support for volunteering as one of their local infrastructure priorities.

I want to take a moment to recognise the value that volunteers bring, for organisations big and small.

Each year we run an annual survey called The National Lottery Community Fund's Community Research Index,

with over 8,000 UK adults to find out people's priorities and aspirations in their local community.

This year's results showed 50% of respondents said they intend to volunteer - formally or informally -

in their local community in 2024.

Interestingly, young people (aged 16-24) responded even more positively, with at least 70% in each case saying they intend to volunteer this year.

This presents an opportunity for community organisations to meaningfully increase engagement with children and young people.

This is a priority for us, and we'll share valuable learning on how to mobilise volunteers within the sector.

Last week I visited the Family Volunteering Club. At a lovely nature garden and space called Roots and Shoots.

The Family Volunteering Club are on a mission to make it really easy for kids aged 0 - 9 and their grown-ups to help at important causes on their doorstep.

Creating a society in which every child grows up feeling connected to their local community, and understands the positive role they can play in helping change issues that matter to them.

They've started in London, now onto Stevenage, Abergavenny and beyond. That's the kind of example that shows us what's possible.

THE FUTURE OF LOCAL INFRASTRUCTURE: OUR PERSPECTIVE AND FORTHCOMING PLANS

So, what does the future of local infrastructure look like?

Well, that's a big question to unpick and it certainly requires more ongoing debate - and those with the passion and expertise are in this room today.

What needs to change?

I'm sure there will be many thoughts and lively discussion on this question in the various workshops happening today.

As grant makers, it's important to consider what we're funding and learning and how we contribute to change.

At the Fund, we are keen to explore thematic as well as geographical ‘cold spots’.

Through the lens of our strategy and community-led missions,

we see real opportunities for local infrastructure to play a greater role.

Our environmentally sustainable mission, for example, is an area where need and opportunities

for local infrastructure support will only grow in the future.

There is a lot of learning already out there that can be signposted to and built on

for example, the Fund’s own Climate Action Hub or Going Green Together based in Cumbria and the North-East

to enable the sector to strengthen its environmental knowledge, understanding and future preparedness

to help generate practical and future-proof solutions.

And as I hope you’ve heard from me today - local infrastructure is both critical for equality and equity in our society and needs to be prioritised with an equity lens.

Recognising the different standpoints of community groups and organisations,

And the structural, social and regional inequalities they operate in.

New partnerships should consider understanding where leadership and advocacy is not present.

As well as organisational health such as capacity and skills to deliver, capacity to monitor progress and financial health.

Partnerships should be built from each other’s strengths for improvement to share knowledge and learning

that facilitates equitable growth and development between different community groups.

Ultimately, stronger organisations can build stronger communities.

The Fund’s equity-based approach will ensure fairness through this lens,

enabling us to be more transparent across our responsive and strategic funding programmes, in the future.

Today I've focused on The National Lottery Community Fund's strategy and what our perspective and vision is for local infrastructure, and the role we can play.

In July we'll launch a new funding portfolio in England - part of a renewal we're doing across our UK-wide work.

I'm afraid you'll have to wait a little longer for the full detail of that. But what I can say is you will see that absolutely rooted in the vision and strategic intent for local infrastructure that I've set out today.

I hope you all have an enjoyable day and look forward to participating in the themes being covered across the different workshops today.

What challenges have you encountered in supporting local infrastructure projects in your communities?

What aspect of local infrastructure do you believe needs most improvement in your area?

What are the types of support or resources lacking for local infrastructure?

How do you get ready for the year ahead and build resilience in local infrastructure?

I know we'll all have lots of views.

Just to recap, at The National Lottery Community Fund we view local infrastructure as core to what makes for thriving communities. We are - and will continue to - be proactive as a funder. With limited resources we will focus that in the four missions of our new strategy and with focus on equity to unlock the virtuous and self-sustaining paths I've discussed.

As we say, and firmly believe, *it starts with community*.