

Working with the voluntary and community sector via local infrastructure organisations during local government reorganisation

February 2026

NAVCA and ACRE have produced this resource as part of a project supporting the VCFSE sector and forming unitary and strategic authorities to work together through devolution and local government reorganisation.

This short guidance has been prepared by NAVCA, the membership organisation for local VCFSE infrastructure support organisations (LIOs) in England. You can find more information and further resources on their [website](#).

Introduction

Working with the voluntary, community, faith and social enterprise sector (VCFSE) brings many benefits to councils. These include the direct delivery of services tailored to meet specific needs through use of local knowledge and expertise, the ability to reach and help build trust with groups and communities furthest from council services, the delivery of activities and events that would not be possible for the local authority, and as a core partner in developing and delivering council strategic priorities and outcomes. (More information on this is available in [Working with local infrastructure organisations to engage smaller VCFSE organisations: Good practice guide](#)).

The VCFSE sector can be a core partner for councils, bringing an ecosystem of voluntary, community and statutory activities and services into the wider system, to contribute significant social and economic value (more information on this is available in [The value of small: in-depth research into the distinctive contribution, value and experiences of small and medium-sized charities in England and Wales, 2018](#)). VCFSE organisations use their knowledge, the trust from local communities, and ability to act nimbly and innovatively, to deliver better outcomes for service users and taxpayers.

There are hundreds, if not thousands, of VCFSE organisations in each council area. 80 per cent of registered charities in England are either small (defined as having an income of £10,000–£100,000) or micro (with an income of less than £10,000). Some may be run entirely by volunteers, others with only a few paid members of staff.

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Faith communities have an important role across society and often provide core services to the most disadvantaged or excluded communities. There are also many community groups that are not formally registered as charitable bodies.

NAVCA estimates that these community groups account for 68% of the VCFSE sector, with 26% being charities and 6% social enterprises. The inherent diversity in the sector is of significant benefit to individuals, communities, councils and the statutory sector. This diversity can make it challenging to know how to engage with such a varied group of organisations, each with something unique and valuable to contribute to society as a whole.

Local infrastructure organisations (LIOs) work with the VCFSE sector, local councils, health systems and other statutory partners. Recent research by DCMS show that the role of local infrastructure comprises five distinct aspects: facilitating funding for VCFSE organisations, VCFSE organisational development, [support for] volunteering and community participation, advocacy and convening of the VCFSE sector with statutory partners. LIOs directly enable and develop the VCFSE sector and specifically: increase access to funding, improve connections and increase confidence, with benefits to local communities through stronger frontline organisations and increased volunteering activities.

Statutory bodies including local councils benefit from gaining a greater insight into local needs, improvements in commissioning processes and local policy decisions through LIOs acting as an effective bridge that can support open and honest communication between the VCFSE and public bodies, leading to stronger place-based systems.

Risks of the LGR process to the VCFSE sector

Many councils already have strong and productive relationships with LIOs and the wider VCFSE sector. Through effective partnerships, their geographies and strategies have come to align over time and it is therefore vital that these relationships, partnerships and shared knowledge are not lost through the LGR process.

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This loss would be detrimental to the needs of both the existing council and forming unitary authorities. A mutual investment of time to nurture and support relationships and partnerships with LIOs and the VCFSE sector will be important both during the process of LGR and once councils are vested.

The VCFSE sector is likely to feel unsettled and uncertain through the LGR process [as many other sectors and partners will]. The impact though differs by organisation size. For example, mid-sized VCFSE organisations that previously worked across a county will need to learn how to work with the new configuration of unitary authorities, requiring a significant investment of time to potentially reconfigure the breadth of their work, services and activities. Smaller VCFSE organisations used to working on the footprint of a district council may need help to broker communications, contacts and finances, with the new larger scale council. This is particularly pertinent to services delivered on behalf of a district council where questions then arise about how it would be provided during the transition phases and how post vesting, future procurement will operate. Considerations such as partnership working or how to scale up an existing operation then arise. The VCSE sector also has the ability to work at the hyperlocal level in a ward or a single street, this aspect of the sector's work is vital to retain as changes take place.

Experience of recent local government reorganisation has shown that there is a high risk of grant funding being lost during transitions to the new authorities. Unlike contracts which have consolidated administration and formal processes behind them, grant awards to VCFSE organisations may be from different sources, from several different parts of a council, sometimes with minimal supporting paperwork and rely on relationships between individuals. Grants can therefore easily be lost in the financial transition. The LIO can often help a council to identify existing grants and the budgets they are drawn from, to help retain vital funding for VCFSE organisations as transitions to new council structures take place. This is particularly important in areas where LGR is taking place at the same time as the creation of new strategic authorities, as there will be an added level of complexity.

LIOs are a key partner and ally in local government reorganisation. If you are not already working with your local infrastructure organisations, you can find the LIO that covers your area [here](#).

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What LIOs and the VCFSE sector can contribute to the LGR process

- A clear offer as to what LIOs and the VCFSE sector can bring to LGR and why it is important for its success to work in partnership.
- Use the expertise of LIOs and the VCFSE sector to inform your plans and how the VCFSE sector can contribute directly and indirectly to public service delivery.
- An introduction to the local VCFSE sector for new staff and forming teams, especially senior staff. This could include the VCFSE sector's strengths and challenges, with opportunities to learn from it and work together. LIOs can help council staff by signposting and connecting across the breadth of the local VCFSE sector enabling a rapid connection of communities and residents.
- Building on existing relationships or making new ones, there is an opportunity to create new partnerships and relationships with council staff and teams including with elected members, LIOs and the VCFSE sector, and repair previously difficult ones.
- Use the expertise of LIOs to help with relevant details of transition including budget and funding streams, procurement processes and contracts.

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What councils can offer to the VCFSE sector in partnership with LIOs

- Meet regularly with VCFSE sector representatives at a senior level and across relevant teams in the council, to share ideas and plans as soon as possible and share intelligence on changes in advance.
- Aim to keep the VCFSE well informed throughout the process of LGR.
- Hold online events to explain proposals / implementation to the wider VCFSE sector, with both council officers and elected members contributing and listen to the feedback and insights to inform your work.
- Consult the VCFSE sector on the plans for managing the LGR process. Ask how they can contribute to their implementation.
- Invite LIOs and key community anchor organisations from the VCFSE sector to attend meetings on planning and implementing and delivering LGR wherever possible. Recognise that this is likely be time consuming for the organisations but that they will be committed partners.
- A recognition that the process of LGR has cost implications for LIOs and the VCFSE sector. Consider how some transitional funding could be made available to support this work.