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How the third sector became the first line of support

*David Cameron's idea of the Big Society – a synergy between the voluntary sector and the state – might have been abandoned, but given the funding cuts to local government, the third sector continued to largely support many communities. **Ellie Benton** and **Joseph Usher** go over research from twelve low-income neighbourhoods, over the last fifteen years and find that, given the current limits in resources, the best way to support those communities is to keep bolstering local charities and groups.*

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Despite growing need in neighbourhoods across the country, a cash injection into the statutory and voluntary services seemed unlikely in the current political and economic climate. In September this year, the Government, responding to the rise of Reform, acknowledged social and political turmoil in deprived areas and **announced** up to £5bn to restore “Pride in Place”. Whether this funding will allow for systemic change or amount to a facelift is yet to be seen.

We know from our research that the charity and voluntary sector have expanded drastically since 2010, in an effort to meet the needs of their neighbourhoods. While the ability of the groups to do this, and the strength of the provision vary hugely, there are some important lessons from the voluntary sector about how to provide better targeted support. David Cameron first used the term “Big Society” in 2009 to herald this expansion as a win-win for communities and the state. Although Conservatives soon abandoned talk of the Big Society, communities adapted to the Conservative government’s shift from the universal safety net of the welfare state to individual responsibility and community initiatives.

The twelve areas

LSE Housing and Communities have been conducting research to understand how twelve low-income neighbourhoods in England have changed since 2010, and explore how disadvantaged neighbourhoods can become more socially, economically, and environmentally sustainable. The areas covered neighbourhoods in:

Sheffield, Birmingham, Nottingham, Newham, Hackney, Leeds, Knowsley, Newcastle, Redcar, Blackburn, Margate, Caerphilly.

We revisited the neighbourhoods in **CASE's Areas Study** that began in 1998. The areas vary hugely, in their geographical location and population. Our current research project, rich in longitudinal data, has involved over 180 interviews with residents and stakeholders from the areas, observational visits, and a two-day workshop bringing representatives from the twelve areas together.



Many participants at the recent workshop, felt the “third sector” label is misleading and outdated as in several areas, it is now the first line of support.



According to the **National Audit Office** central government funding for local authorities fell by an estimated 49.1 per cent in real terms from 2010-11 to 2017-18. This was felt most strongly in low-income areas, who were unable to offset this reduction with higher council taxes. The social policy landscape that followed was characterised by cuts to statutory services and reduction in welfare benefits. The later period then saw the COVID pandemic followed by the cost-of-living crisis. Across all the areas, people felt that life got harder and there was less support available.

Many participants at the recent workshop, felt the “third sector” label is misleading and outdated as in several areas, it is now the first line of support. Community stakeholders outlined how their position within the community enabled them to navigate challenges faced by statutory services, such as mistrust, fear of repercussions, and a lack of flexibility. Community groups are deeply local. They are trusted and responsive to need, in a way that statutory services can never be.

Even in areas with higher levels of community provision, funding is a constant struggle. Funders often demand new projects that divert from core activities leaving local organisations to “try and reinvent the wheel”, as one community stakeholder put it. The lack of funds for many groups did lead to short-term innovation in grant raising. However, the long-term sustainability of projects that rely on committed individuals is questionable and makes their operation vulnerable if those people

step down. This raises serious questions about the long-term sustainability of an overreliance on the community sector.

The advantages and challenges of the community sector

We know from our research that community groups are often more trusted in their communities and can drive engagement. Innovative councils and organisations are harnessing these community assets and anchor institutions. In the North East, the NHS is now working directly with community groups who cross pollinate, running engagement events instead of parallel sessions to engage community members in health interventions. One community cafe in an area started with no funding now has different council services running sessions through it, allowing the council to reach people they would otherwise struggle to engage with. These relationships aren't without their challenges. At our recent workshop, groups shared the need to be more accepting and understanding of the challenges statutory services are facing and work alongside rather than against them.



While we are not advocating for the community sector to take on the responsibility of the statutory sector, along the lines of a Big Society, in the current climate of growing need, we must look to the best provision with the limited resources available.



Another challenge the community sector faces is the replication of services across local areas and the subsequent competition for funding. When available funding is restricted, this becomes more apparent. Through our work we uncovered ways these challenges could be tackled. In Leeds, the local community and voluntary groups formed a trust, which receives funding from the council to cover staff salaries. The trust ensures the groups work together to complement each other's work, instead of working in direct competition, ensuring limited funds are being used effectively. While it does require funding from the council, this is minimal compared to other interventions and has a huge positive impact in the community.

While we are not advocating for the community sector to take on the responsibility of the statutory sector, along the lines of a Big Society, in the current climate of growing need, we must look to the best provision with the limited resources available. We hope the above ideas go some way to think about how this can be done.

The Prime Minister is right in his **assessment** that “for too long, people have watched their towns and streets decline – powerless to stop boarded-up shops and neglected parks”. Our study of the varied experiences of areas with limited internal resources and persistent problems, outlines how low-income areas inevitably require additional support beyond the cosmetic. We provide rich evidence of groups and local councils working together in areas with limited internal resources and persistent problems, but these incidents are isolated and unconnected. The period since 2010 has been one of community sector innovation, but one also marked by growing need and rampant inequality.

The first in the series of reports summarising our findings can be found [here](#).

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Ellie Benton is a Senior Research Assistant for LSE Housing and Communities. She leads on qualitative research across a range of topics impacting low-income communities these include housing management, the environmental upgrading of social housing estates, and the response of community groups in the pandemic and cost of living crisis.

Joseph Usher

Joseph Usher project support assistant, providing research assistance and support for LSE Housing and Communities at the LSE. He conducts qualitative research on social disadvantage and explores the impact of public policy on low-income areas over time.

Alongside his work at LSE, he is also a doctoral researcher in Urban Planning at the University of Manchester. His research examines the impacts of English devolution on housing delivery.

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