

# **Addressing inequity in access to property for cultural and community organisations through innovative funding solutions**

**A policy brief for funders**

## **Key information**

Publication type: General

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## **1. London's cultural and community spaces are at risk**

The people and organisations that run community-led and cultural spaces play a fundamental role in creating cultural, social and economic value for Londoners and serve London's diverse communities.

Community-led and cultural spaces are often described as “cultural infrastructure” or “social infrastructure”. These categories exist to help policymakers understand the role that specific spaces play for different communities. In daily life spaces may blur the boundaries between these definitions and are hard to categorise in this way: A music venue, theatre, or artists' studio could offer training and skills-development opportunities, as well as opportunities to meet, create, and socialise. A local restaurant could be a place where people go to find out about support services available in their native language. In some neighbourhoods, a café, a barber, or a tailor's shop might hold significant cultural heritage value.

These spaces contribute positively to community cohesion and wellbeing; and provide opportunities for Londoners to represent their unique identities, and celebrate shared experiences. The ability of all Londoners to access spaces representing their communities is key to their agency in telling London's history, and shaping its future.

Worryingly, over the past decade and a half, London's community-led and cultural spaces have faced increasing risks. High land values, business rates, redevelopment pressures, funding reductions, the COVID-19 pandemic, and most recently, the cost-of-living crisis have challenged even the best-established spaces.?

## 2. Taking action to stop the loss of spaces Londoners love and value

Since 2016, the Mayor's Culture and Community Spaces at Risk programme has been providing information, advice, guidance, advocacy and policy work to help protect against threats to London's community-led and cultural spaces. Evidence from direct engagement with organisations operating spaces indicates that spaces run by and serving Londoners who are more likely to face inequalities are at particular risk. This is because these spaces face additional challenges when interacting with the funding system. While the Mayor's Culture and Community Spaces at Risk programme can support spaces at immediate risk, system change is needed to address the root causes.

We commissioned research to understand the disparities that organisations led by underrepresented groups face in their ability to secure and sustain spaces for cultural and community uses. The research process combined desk research with the lived experience and expertise of community-led and cultural organisations as active research participants. The full research report is available on our website.

## 3. Our research findings

### Five key conditions putting spaces at risk

The research identified five key conditions impacting the level of risk that community-led and cultural organisations face. This brief focuses on the two factors most relevant to funders: land value and increase in business rates, and funding reductions and funding design.

The five key conditions are:

- **Land value and increases in business rates** pose one of the biggest challenges facing all community-led and cultural spaces in London. They create a property market with high barriers to entry for renting and owning property, and put existing spaces at risk due to unsustainable rents.
- **The national planning system** shapes planning and development conditions for community led and cultural spaces. Permitted development rights within the National Planning Policy Framework put their assets at risk and the framework lacks specific protections for cultural and social infrastructure.
- **Licensing restrictions** threaten the sustainability of late-night venues. Development has brought more residents near licensed premises. Spaces have come under increased scrutiny for drawing late-night crowds and generating noise in mixed-use areas of London and can face stricter licensing controls.
- **Funding reductions and funding design** threaten community-led and cultural spaces. Austerity measures have limited funding and resources available through local authorities and other public-sector organisations and increased the financial precarity of organisations who are already struggling with cost

and rent increases. They now struggle to secure crucial long-term funding agreements and core funding.

- **Networks and relationships** with key stakeholders such as local authorities, property owners and funders, benefit community-led and cultural spaces by helping them gain traction in lease negotiations, secure future funding and more. Underdeveloped or tense relationships can create problems and put them at risk.

## **Spaces led by or serving underrepresented Londoners face additional challenges**

London has high levels of inequality, impacting Londoners' social and economic circumstances. Race and ethnicity, sex, income level and class, disability, religion or belief, age, sexual orientation, gender identity, and other identity factors, impact how Londoners experience inequality.??

London's inequalities are structural. This means they arise from historical situations and are deeply rooted in institutional systems that govern key factors in securing and sustaining cultural and community spaces – such as property ownership and finance. Historic factors increase the challenges in accessing, securing and sustaining space. Groups that, historically, have had less access to wealth creation and financial resources are less able to secure property in London, where land values are high. They are also more likely to lose access to property.

## **Land value and increases in business rates**

High land values make it harder for community-led and cultural organisations to compete in the property market against more lucrative land uses – such as housing or commercial office space. Even when they find premises, organisations report increasing difficulty agreeing long-term secure leases. Many property owners, including local authorities, are unwilling to sign long-term leases with cultural and community organisations.??

Underrepresented groups face additional barriers and higher risks due to factors such as, for Londoners of Black, Asian and minority ethnic backgrounds, discrimination in access to credit impacting their ability to secure space, and, for LGBTQ+ venues, needing a central, safe and accessible space, but those spaces being the most expensive. Underrepresented groups also have limited access to professional legal and property expertise and as a result often have short-term, insecure leases, limiting their eligibility to apply for capital funding and the ability to plan.?

## **Funding reductions and funding design**

Funding design and delivery can limit its success in reaching all communities. Funding must explicitly respond to the needs of underrepresented groups to address the barriers they face. Many funding applications use and require complex language and/or detailed evidence bases that privilege organisations that have bid-writing expertise. Underrepresented groups running community-led and cultural spaces often have less financial and staff capacity to invest in fundraising and to cover rising rents. They require funding for core costs to plan effectively - but often can only access restricted, short-term, project-based funding.?

Austerity measures over recent years have significantly impacted funding and resources for local authorities and other public-sector organisations. The impact of council funding cuts continues to threaten community-led and cultural spaces. Cuts to local authority budgets have lowered investment in the physical maintenance of council-owned assets. Many organisations in council-owned spaces are working within outdated buildings or are taking on the financial burden of carrying out repairs. Past central government funding reductions have also led to increased rents as local authorities are seeking to generate more income to deliver core and statutory services. As

London's land values increase, local authorities have also sold council-owned property to meet increasing financial pressures.

Past government policies redirected significant levels of funding away from the capital. This has severely weakened the funding landscape for cultural and community organisations.??

Restricted funding overall means there is increased competition for funds between organisations. This in turn increases the financial precarity of community-led and cultural organisations, on top of the burdens caused by cost and rent increases. In addition to these limitations, it has become more difficult for groups to secure long-term funding agreements and core funding.

## **Innovative approaches from funders to addressing historic inequalities**

In July 2023, charitable grant-making foundation **Lankelly Chase** announced its plan to redistribute all its assets and close within five years. Lankelly Chase will give £8m (around 6 per cent of its total endowment fund) to the Baobab Foundation, an organisation working to support, grow and strengthen the work of Black and global majority communities.

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In recognition of the intersectionality between race and poverty in the UK, **Trust for London** and **City Bridge Trust** launched a £4m racial justice fund aimed at increasing economic empowerment among London's Black and minoritised communities.

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Making the application process equitable was a key consideration when designing the **GLA's £1m Untold Stories fund**, part of the Commission for Diversity in the Public Realm. The fund helps communities test, develop, create and grow projects that share their community's stories with the city.

The GLA worked with inclusion partners Ubele Initiative, the Women's Resource Centre and LGBT Consortium, which extended the fund's reach. The inclusion partners helped the GLA by tapping into new networks and providing practical support on completing applications. You can read more about [Untold Stories](#) on our website.

## **4. Recommendations**

Our research has identified barriers to achieving equity in access to space. Imbalance of power is a common theme in these barriers. Overcoming the barriers requires all stakeholders to consider how they can shift power to the operators and users of space. This shift should mean involving communities as partners when shaping plans and making decisions that affect the assets they use and value.

London funders, trusts and foundations can:

- introduce funding streams that allow organisations led by underrepresented groups to access the legal and property expertise often required to apply for larger grants
- consider how they can use their investment to address long-standing barriers to accessing space faced by underrepresented groups, including the provision of longer-term, less restrictive funding or endowments

- recognise and address the potential impacts of systemic historic inequality, application process design, applicant capacity and unconscious bias by decision-makers on investment decisions?
- consider engaging with the London Funders network and resources to learn from, and share, best practice on grant-making.

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