

BEST VALUE PROGRAMME REVIEW BOARD QUARTERLY MEETING SUPPLEMENT

Tuesday, 26 January 2016 at 6.00 p.m.
Town Hall, Mulberry Place, 5 Clove Crescent, London E14 2BG

This meeting is open to the public to attend.

Members:

Mayor John Biggs
Aisling Lyon

(Local Intervention and Europe Local
Government Policy, Department for
Communities and Local Government)

Alex Powell

(Deputy Director, Audit, Intervention &
Improvement, Department of Communities and
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Sir Ken Knight

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Alan Wood

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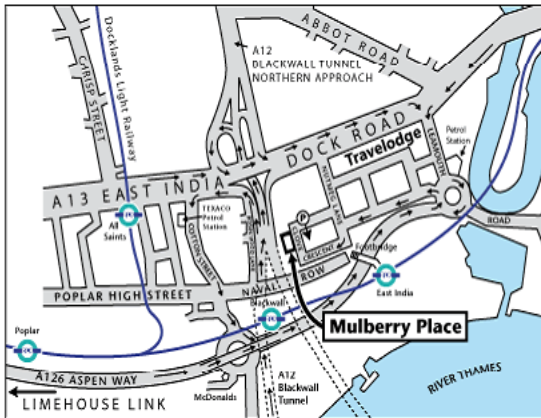
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BEST VALUE PROGRAMME REVIEW BOARD QUARTERLY MEETING

TUESDAY, 26 JANUARY 2016

6.00 p.m.

4 .1 Best Value Action Plan

1 - 50

Tabled document:- Voluntary and Community Sector Strategy which has also been circulated to the Third Sector for consultation.

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Voluntary and Community Sector Strategy 2016-2019

London Borough of Tower Hamlets



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Foreword

A diverse range of community organisations, voluntary bodies, faith groups and neighbourhood action groups make up the Voluntary and Community Sector (VCS) in Tower Hamlets, helping to build social capital, reduce inequalities, promote community leadership and foster cohesion, improving the quality of life for residents.

The council recognises and values the unique contribution the Voluntary and Community Sector (VCS) makes in supporting and delivering services that meet the needs of residents in Tower Hamlets. The council has a strong commitment to supporting the VCS in the borough. Respect for the VCS and the role that they play must be the first principle of the council's work with the sector.

The VCS strategy was developed with substantial input from local voluntary and community sector organisations. It aims to highlight examples of local good practice and set out the way that the council will work with the VCS improve service delivery over the next three years.

2016-2019 will be a challenging time. National policy and unprecedented cuts will increase pressure on the council's budgets. But it presents opportunities to review the way we provide services and support residents.

Developing a co-production model is key to our approach going forward. Now, more than ever, it is important to take the opportunity to work with the VCS to develop more innovative services; respond positively to a challenging environment and help deliver the best outcomes for local residents now and in the future.



John Biggs
Mayor of Tower Hamlets



Cllr Rachael Saunders
Deputy Mayor and Cabinet Lead
for the Third Sector

1. Introduction

Tower Hamlets Voluntary and Community Sector Strategy 2016-2019 is a cross-cutting strategy that impacts on a number of council and VCS activities. Starting from the premise of the council's commitment to respecting and supporting the sector, this strategy aims to establish a new council approach to the roles of the council, Tower Hamlets Council for Voluntary Service (THCVS) and the wider Voluntary and Community Sector (VCS) in meeting key council and Community Plan priorities. It provides a background of the VCS in the borough, addresses local and national drivers informing our work with the sector and sets out key areas of work we will be undertaking during the next three years.

Definitions

The term 'Voluntary and Community Sector' (VCS) applies to organisations that are not-for-profit, social value driven and that reinvest any financial profits into social, environmental or cultural objectives.

Tower Hamlets is host to a diverse VCS, and this strategy encompasses the full range of voluntary and community sector organisations that exist in the borough, not just those which currently receive grant funding from the council or provide commissioned services.

By 'voluntary and community' organisations, we are referring to:

- Registered charities
- Community groups
- Community associations
- Tenants and residents groups
- Green Spaces Friends Groups
- Co-operatives and social enterprises
- School/parent groups
- Faith organisations
- Sports, environmental, arts and heritage organisations
- Grant making trusts
- Housing associations
- Non-constituted groups of residents working together to make a difference in their local communities

Tower Hamlets Council for Voluntary Service (THCVS) supports the voluntary and community sector in Tower Hamlets. The council works with THCVS to help increase understanding of the local VCS and inform the council's procurement and commissioning approaches.

The Valuable Role of the VCS in Tower Hamlets

The VCS has made a valuable and distinctive contribution to the lives of local people. It has empowered people to be active citizens and developed a more

sustainable environment. It has also tackled deprivation and helped develop a more prosperous community.

It is quick to adapt and respond to research and innovation, even in very specialist fields. The “grass roots” nature of the sector’s work has been key to its longevity in the borough and will be key to its sustainability in the future.

A good understanding of local issues enables the sector to work with statutory providers to achieve common goals. It influences public policy, ensures that issues are addressed and helps to facilitate solutions.

Going forward, the strengths of the sector will enable the borough to respond to complex issues spanning a range of areas including welfare, unemployment and housing. As such, we will need to support, empower and build the future strength and capacity of the VCS. The council is committed to having an open and transparent relationship with the sector, which is based on respect. This means, not only continuing to fund the sector through grants and commissioning, but also strengthening the range of support that is available to the sector, and organisations in it with particular needs such as small and new organisations, and those wishing to develop their skills, policy and infrastructure.

2. Background

The vision of Tower Hamlets Partnership Community Plan 2015 is of the borough as a place where everyone has an equal stake and status, where people have the same opportunities as their neighbours and where people have a commitment and a responsibility to contribute to the well-being of their communities.

Five themes provide a framework to achieving this vision:

- A fair and prosperous community;
- A great place to live;
- A safe and cohesive community;
- A healthy and supportive community; and
- One Tower Hamlets.

The current Community Plan establishes 4 key collaborative action priorities for partner organisations: empowering residents and building resilience, promoting healthier lives, increasing employment and responding to population growth.

Within the Community Plan, there is a partnership commitment to “build strong community leadership and social capital through a thriving voluntary and community sector” and within this, the following specific objectives:

- VCS shape strategy and services and co-produce local services;
- VCS resilience and financial sustainability; and
- Monitor, evaluate and demonstrate impact

3. Vision

This VCS strategy sets out a change in the way that the council works with the sector. It sets out opportunities to harness local knowledge and partnership work to support better outcomes

An independent and sustainable voluntary and community sector, taking a place-based, collaborative approach to working with the council and partners to meet the needs of local people

4. Purpose of the strategy

The council has taken a traditional approach to supporting the VCS in the way it has grant funded and commissioned services to date. This strategy looks at ways to strengthen and redefine our relationship with the VCS and support communities in a way that is flexible, responsive and meets local needs whilst demonstrating value for money. This includes providing support to the sector in a range of practical ways, as well as through grants and commissioning.

The strategy aims to:

- Utilise council resources to support the VCS
- create resilient communities that are self-supporting. This will reduce demand on public services and improve the quality of life for local residents
- use the capacity and skills of the VCS and the council to co-produce services that meet community needs
- provide the conditions for infrastructure support
- develop an outcome and impact focussed approach to financial (and other) support to the sector

Objectives

There are four key objectives of this strategy:

1. **Promoting co-production and sustainability**
2. **Maximising the value from resources**
3. **Creating a step change in volunteering**
4. **Bringing together businesses and the voluntary and community sector**

Development of the Strategy

The strategy has been developed through close partnership working with the sector. An online survey and consultation workshops were completed with the VCS and elected members to inform the content of the strategy, including its key objectives. Research, policy and needs analysis were used to identify good practice and local examples of work to build on.

5. National Context

According to the National Council of Voluntary Organisations (NCVO)¹ Almanac, England has 160,000 charities. The sector is local and small-scale - almost eight in ten charities operate locally. However the sector is ever evolving due to political and economic change. For example, increased demand during the economic downturn increased the number of food banks.

Key facts about England's VCS from the NCVO Almanac

- Turnover in 2012/13 was £40.5 billion
- Total funds are worth £105 billion
- Grants and contracts from government to the VCS fell by £1.7 billion from 2010/11
- Income from grant-making foundations rose from just under £2 billion in 2007/08 to £2.5 billion in 2012/13
- It employs more than 820,000 people
- It has a higher proportion of part-time workers than for the public and private sectors (39% compared to 30% and 25% respectively) and more temporary contracts (11% compared to 5% for the private and 8% for the public sector)
- Around 21 million people across the UK volunteer every year.
- Volunteering has decreased slightly from previous years (44% to 41%)

'Better Together', a report by the Cabinet Office and the National Association for Voluntary and Community Action (NAVCA) states that councils should plan to manage any reductions in council funding for VCS organisations by working in partnership with them.

The current government's vision is to strengthen the sector to meet demand for services. It advocates a strategic commissioning role for councils, with the VCS delivering more (traditionally) public sector services.

Funding of the sector has been driven largely by national state investment and by contracting services out to VCS organisations.² However, the recent manifesto of the NCVO has said that many VCS organisations are being detrimentally impacted on by the government's introduction of larger contract sizes, payment by results, and a focus on the cheapest price.

¹ National Council of Voluntary Organisations Almanac. [2015].

² Third Sector Research Centre *Research Report (88): Partnership working*. [2012].

6. Local Context

Needs of the borough

Tower Hamlets faces many challenges ahead. To address these, the borough wide Community Plan, refreshed in 2015 identifies the following collaborative action priorities:

Empowering residents and building resilience

Resilient communities help residents to support themselves and each other, maximising the effectiveness of limited resources and reducing over dependency on services.

Promoting healthier lives

Life expectancy has been improving year on year. But, health inequalities between Tower Hamlets and the rest of the country remain high and much of the inequality is tied to socioeconomic deprivation.

Increasing employment

In the last 10 years Tower Hamlets has seen its employment rate increase by just under 15% compared to London and national increases of only 4.3% and 0.4% respectively. This growth has helped the borough to achieve the highest volume of people in jobs ever recorded here. However, this statistic cloaks some distinct inequalities where access to skills and opportunities remains more complex for some groups including women, young people and some ethnic minorities. Unemployment due to ill health, especially mental ill health, is an issue, as is long term worklessness. There is a significant number of residents without the basic employability skills such as English language, literacy and numeracy or the skillsets that employers are looking for in today's workforce. The culmination of different personal pressures and the effects of welfare reform changes on local people have isolated some groups and created a complex set of barriers to getting on the pathway toward a job and self-reliance. The availability of opportunities is high but it is essential that local residents are prepared for playing their part in a modern 21st century labour force.

Responding to population growth

The borough has the fastest growing population in the country which is expected to continue. The current population of 272,000 is expected to rise to 320,000 by 2022 and to over 350,000 by 2033. Much of this growth is driven by young working professionals. Tower Hamlets has the highest proportion of residents aged 21-28 in London, and the lowest proportion of residents aged 40 and over. The growth in the number of much older residents will put increasing pressure on services for that age group, particularly adult social care services.

Profile of the VCS in Tower Hamlets

The London Voluntary Service Council (LVSC) suggests that the VCS in the borough is strong and above average in terms of the number of organisations, income and expenditure³

	Local (Tower Hamlets)	National	National & Overseas	Overseas	Not Known	Total
Number	432	137	60	86	117	832
Income	£164.3m	£120.7m	£51.5m	£13.4m	£2.5m	£352.4m
Expenditure	£162.1m	£120.4m	£49m	£13.8m	£1.9m	£347.2m
Employees	1,922	2,432	787	55	23	5,219

The VCS is ever changing. The LVSC suggests that there are 1,461 charitable organisations in the borough that generate a combined income of £352.4m and employ 5,219 workers. These figures do not include unregistered voluntary and community groups operating in the borough.

A large proportion of the VCS is made up of small neighbourhood community organisations working at a micro local level. These are often interest groups with no staff or physical assets.

The council's Third Sector Team has a database of about 1100 local VCS organisations which include some that are not formally constituted. The type of organisation for a sample (500) of these is detailed below:⁴

The data suggests that many VCS organisations provide services to young people or offer employment support. This would be consistent with the needs of the borough, which suggests that 8.9% of residents are unemployed (higher than the 6.6% in London and 5.7% in Britain⁵) and the fact that the borough has a relatively young population (19.7% under 16 compared to England average of 18.9%).⁶ The high proportion of organisations working with young people is particularly notable.

³ Voluntary and Community Action for London. [2013].

⁴ LBTH Third Sector Database. [2015]

⁵ NOMIS June 14-June 15

⁶ Census. [2011].

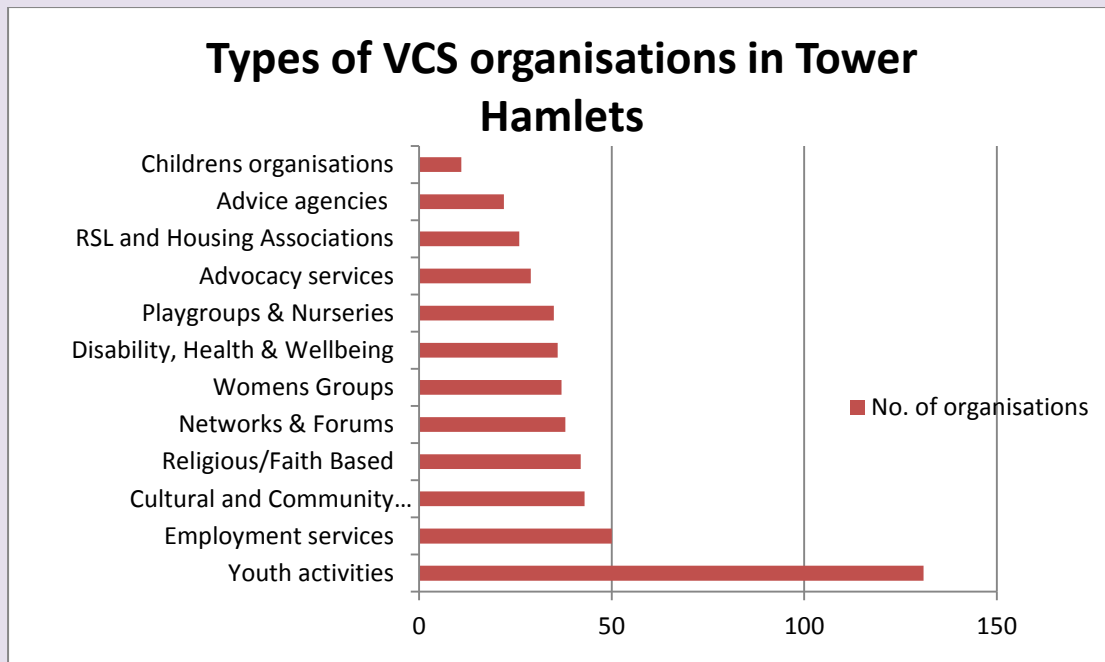


Figure 1:

A large number of organisations are unlikely to specialise in a single area. For example, an organisation may deliver services aimed at supporting young Somali women into employment – this would cover four types of areas in the graph above.

The key challenges facing the VCS in Tower Hamlets over the next three years include those arising from national public spending cuts and a consequent rise in demand for VCS services. Other and related challenges for the sector include:

- access to affordable premises
- availability of funding from grants and other sources
- continually finding ways of doing more with less
- remaining financially resilient
- continual changes to the local population's demography
- demonstrating outputs and outcomes
- the volume and range of other VCS organisations
- public and private scrutiny of VCS spending and the impact of this on fundraising

Progress to date

Key achievements from the 2012-15 Voluntary and Community Sector Strategy include:

- Volunteer Centre Tower Hamlets (VCTH) and Tower Hamlets council for Voluntary Services (THCVS) developed a governance programme to train local people and match them as trustees in VCS organisations
- THCVS is delivering a quality assurance and mentoring scheme. It has secured funding for a three year governance, finance and impact project to support VCS organisations
- East London Business Alliance (ELBA) together with the Financial Services Authority (FSA) delivered training for the VCS on accessing support from the corporate sector
- The independent VCS Consortium, TH3, was established in March 2014 to enable consortium bidding for public sector contracts by local VCS organisations
- VCS forums provide induction and training for representatives
- THCVS are mapping the health and wellbeing sector

The action plan for this strategy will build on these achievements and ensure that priorities are appropriately resourced.

Strategic Priorities

7. Promoting co-production and sustainability

What is co-production?

Co-production is a way for the VCS to be more involved in shaping what the council does as an equal partner with the council. Co-production means that the council, partners, VCS and service users will identify, assess and define local needs. Strategies, policies and services are then developed to meet needs. Examples of successful co-production in Tower Hamlets can be found in Appendix C. All participants bring particular skills and knowledge to the process; however community involvement is at the heart of service design and delivery.

When properly applied, the method provides an opportunity for all parties to engage in more open, frank and transparent dialogue, for example, about the constraints within which they must operate due to the financial climate. It also enables the experience of those receiving and delivering services to be properly reflected in the design of those services.

Analysis

We have a track record for empowering residents and communities to lead on and take ownership of services and improvements to their areas. The 'You Decide' programme gave residents the power to decide, through public voting sessions, where money was to be spent on services and improvements.

The Neighbourhood Agreement programme built on this by supporting local communities to identify and deliver services and improvements in their areas.

A number of service user groups are supported by the council to shape decision making. These include those for:

- community maintained open spaces
- parks and open space improvement projects such as the Derbyshire Street Pocket Park
- the Community Champions programme
- participatory community research on health issues.

There is potential to build on the skills and experience of VCS organisations and communities to embed a more collaborative approach to the development of policy and design of services. But this requires a culture change towards greater co-production with the VCS.

We can learn from Lambeth's experience (full example at Appendix E) by starting small, building on existing experiences and growing the model. Developing meaningful co-production within particular areas will be key. It will also be necessary to build on and better understand the existing community leadership and VCS in the borough, and how we can work together to champion the approach.

Aims

In a context of declining council resources and VCS funding, it is important to share effort, expertise, influence and resources. This strategy will be used to rebalance the council's relationship with the VCS, moving towards a model that focuses on co-production and a collaborative approach to designing and commissioning services.

The following objectives will help with this:

- Review strategies, policies, service specifications and action plans
- Develop place-based community leadership
- Move to collaborative commissioning
- Develop an evidence base together
- Build VCS and community capacity

What we are going to do

Review strategies, policies, service specifications and action plans

Key strategies, policies, service specifications and action plans will be reviewed, developed and updated to consider how they can enable greater co-production with the VCS and implement best practice in this area.

The approach will be tailored to each initiative. But all should demonstrate how the VCS were involved at different stages, including in the development of the strategy, policy or service specification.

Develop Place-Based Community Leadership

The council will look to strengthen joint working with partners, such as Tower Hamlets Clinical Commissioning Group (CCG), when commissioning services.

This will include consideration of the way that service providers can plan and deliver services together and we will have a joint approach to commissioning the VCS.

We will consider how we can bring together partners, VCS organisations and service users at a local neighbourhood level to develop more collaborative community leadership. The local structures to support this are being considered through a review of our Local Strategic Partnership and will be part of the council's Community Engagement Strategy.

Move to collaborative commissioning

The council will champion, support, and assist a collaborative commissioning approach. Camden council provides one example of how the VCS and council can collaborate in the Case Study at Appendix D. The council and THCVS will need to promote cultural change in order to bring this about.

In order to co-produce effectively, the council will need to review its commissioning and grant funding arrangements, processes and procedures. This will need to be managed carefully in order to ensure that any activity at

the service design stage does not compromise the ability to have a fair and open process at the tender stage. The aims will be to:

- enable greater collaboration with the VCS within the relevant legal frameworks;
- ensure commissioning is underpinned by service user need and evaluation of impact;
- ensure that VCS commissioned services address Community Plan and Strategic Plan priorities;
- encourage and support the development of innovative ways to deliver services;
- increase efficiency, value for money and reduce duplication in the VCS.

Develop an evidence base together

The council and VCS should share information, including service user consultation and experiences; community needs assessments; existing good practice and service and gap analysis. An example of where this has already been successful can be found in the Public Health case study at Appendix C.

Participatory approaches will need to be adopted to ensure that data on service user experience is part of any needs analysis. The VCS will play an active role in reviewing evidence and working with service users to ensure that their experience is reflected.

The council will work with THCVS to identify areas of research and information which could usefully be shared with the sector. It will publicise this offer and facilitate access to these resources through THCVS.

Build VCS and community capacity

To maximise the potential of co-production, THCVS will identify and develop the capacity, capability, skills and competencies of the VCS and the people within it to effectively participate in commissioning processes. This will empower the VCS to identify and respond to issues and help design a range of services that will tackle these. The council will be looking to commission organisations who can demonstrate that they involve and engage hard-to-reach communities so that they have an equal opportunity to influence decisions and help shape and design services.

Another key capacity issue which the council and the sector need to address together is the capacity of the VCS overall in the borough, in size and composition, to address the needs of the local area. For example, Figure 1 in the Profile of the VCS section above shows that the proportion of VCS organisations providing youth activities is three times as large as that providing employment services (the next largest grouping). The overall balance within the VCS therefore needs to be considered, taking into account, for example, that Tower Hamlets is a young borough with high levels of child poverty but also has high levels of unemployment.

Proposed objectives and outcomes to promote co-production and sustainability

Objective	Outcome
Review strategies, policies, service specifications and action plans	The council can demonstrate a number of co-produced services and policies
Develop Place-Based Community Leadership	There is strong community leadership in local areas of the borough
Pilot collaborative commissioning in services	The borough's services work on a collaborative commissioning model
Develop an evidence base together	Meaningful data is shared, analysed together and accessible to all
Build VCS and community capacity	VCS organisations and their service users are equipped to participate in co-production

8. Maximising the value from resources

Definition

This means that the delivery of key outcomes is central to the way the council supports the voluntary and community sector. Resources are considered in the broadest sense - funding through grants and commissioning; council owned community buildings; the use of commissioning power to generate greater social value; promotion of the sector locally and beyond; making available research, analysis and information; and providing community leadership opportunities.

Analysis

The council's financial contribution to the VCS

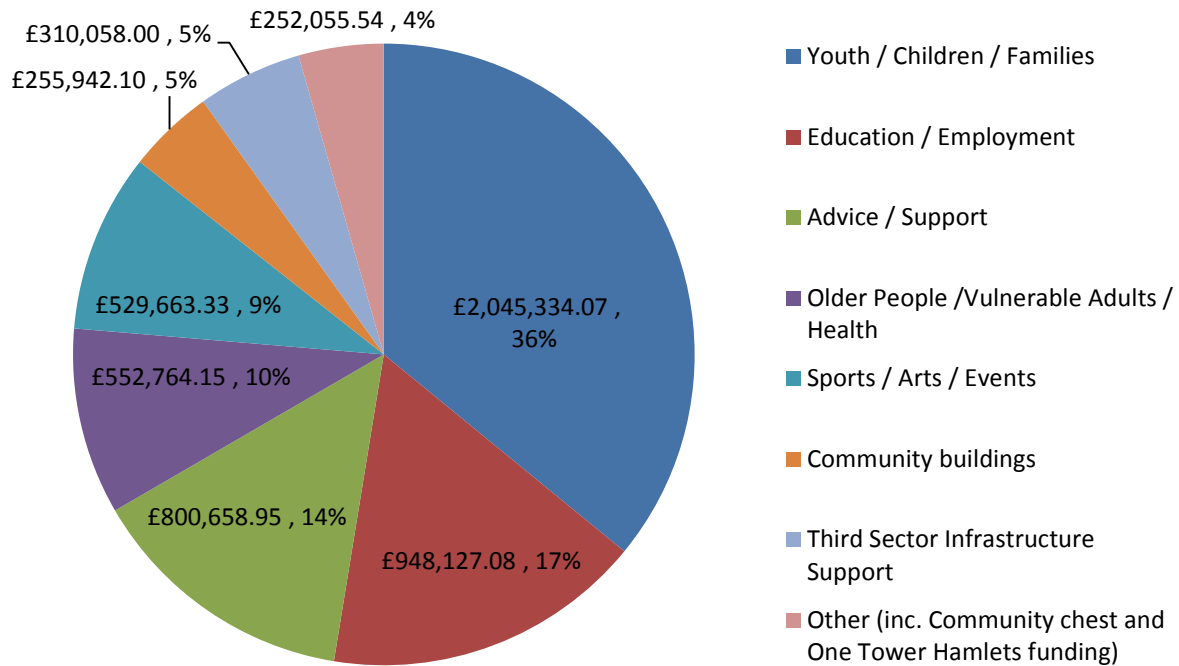
Historically, the council has been a key supporter of the VCS which it funds to deliver various projects and services which benefit the local community. In 2014/15, approximately £45,650,000 was released to at least 350 VCS organisations including housing associations, in the way of grants and commissioned services – this is detailed below:

Type of funding	Amount
Grants	£5,694,603.23
Commissioned Services	£39,959,405.83
Total to VCS in 2014-15	£45,654,009.06

Grants

In 2014/15, nearly £5.7m was provided to VCS organisations through various funding streams including mainstream grants and small grants to pensioners. The following graph details the types of services that were delivered in 2014/15 with the £5.7m. A large percentage of funds can be seen to be targeting children, youth and families followed by education, employment and welfare advice - all key priorities of the council.

Services Grant Funded in 2014/15

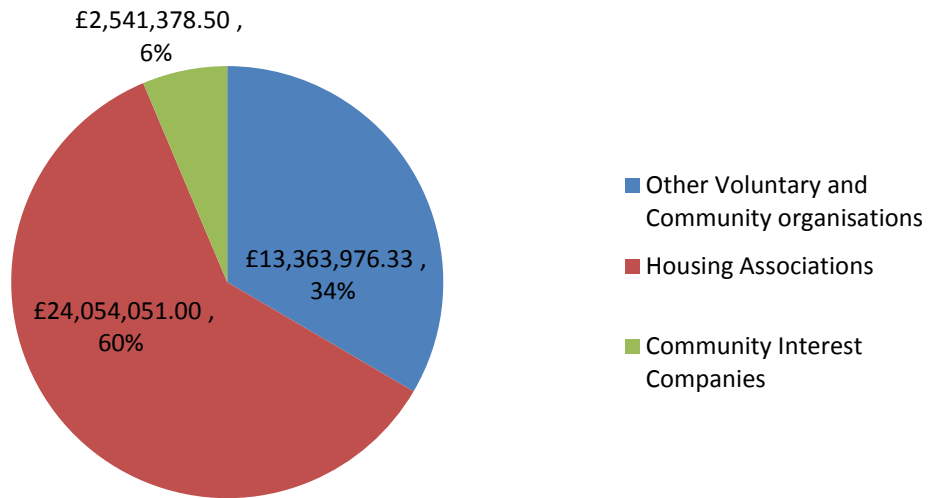


Services funded through the £5.7m of grants distributed to the VCS in 2014/15

Commissioning

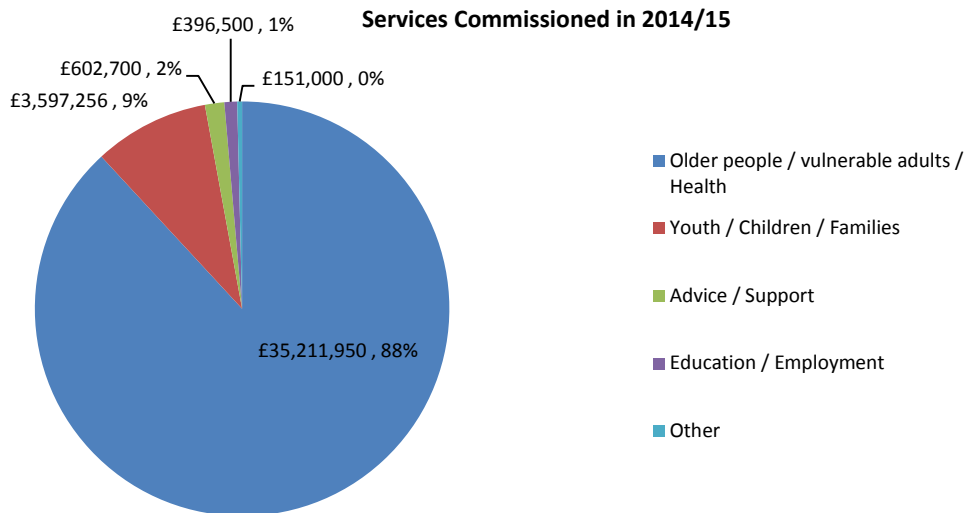
Approximately £40m was provided to VCS organisations in 2014/15 through the commissioning of services. Nearly two thirds of this was to Housing Associations to deliver services such as supported accommodation to local residents with about a third going to other VCS organisations. In addition, 6% was released to Community Interest Companies.

Distribution of Commissioned Services



How the £39.9m has been distributed in 2014/15

A very high percentage (88%) of commissioned funds to VCS was used to deliver services in areas such as supporting vulnerable adults, older people and health.



Services funded through the £39.9m of commissioned services to the VCS in 2014/15

Community Assets

The council also provides resources to the VCS through access to council owned community buildings, at a reduced or no cost. The council currently owns 79 community buildings. The total gross internal area of the community buildings portfolio is c13,000 sq. m. Amongst these, there is a wide variation in type, quality and condition of premises. There is also a variety of uses and lease types/terms (e.g. leases, tenancies-at-will etc.)

In December 2015 the council agreed a Community Buildings Policy which set out a new approach to the allocation of and charging for community buildings. The policy takes into consideration the community benefits being delivered. This is explored further in this strategy.

Getting Best Value

In September 2013, Tower Hamlets Fairness Commission proposed that the council could better allocate resources and support to avoid duplication.

In October 2014, Pricewaterhouse Coopers published their report into Best Value in Tower Hamlets. It identified a number of areas that needed strengthening in relation to grant allocation.

In December 2014, the government sent a team of commissioners into the council to take control of grant making. A Best Value Strategy and Action Plan were developed to set out how the council would comply with its duty to act openly and transparently, serving all of its communities fairly whilst securing value for money. Considerable progress has been made against the Best Value Plan agreed with the commissioners. The 2015-18 Mainstream Grants (MSG) programme moved towards a much clearer commissioning approach based around needs assessment, specification and delivery of outcomes. This work will be further complemented by

- greater transparency though grant decision making in public and the development of a Grants Information portal
- improved arrangements for monitoring and evaluation of the impact of grants

This strategy will seek to build further on the improvements already delivered.

Feedback from the VCS

A lack of clarity about funding processes and criteria can make it difficult for VCS organisations to access funding streams. The VCS has said the council's current grant and commissioning practices have led to:

- limited commissioning options that are constrained within organisational structures and procedures instead of focussing on outcomes sought by residents
- a lack of VCS involvement and restricted use of service user knowledge in assessing local need and design of services
- imbalance in the relationship between the VCS and the council, with the views of the sector not always fully valued
- approaches to procurement routes and specifications under EU procurement rules which are perceived as having a detrimental impact on VCS organisations. This includes a lack of experience, capacity or finance within the VCS to create tender documents and compete with the commercial sector
- complex and bureaucratic processes which it is felt impede VCS organisations from tendering for public services and may cause VCS

organisations to incur higher costs and absorb all the risks when acting as local sub-contractors for larger organisations

Whilst there are some restrictions on the way council procures in order to meet legal requirements, much of this feedback can be remedied by good procurement, and this is addressed further below.

Aims

The VCS will be supported in order to be strong and build its capacity. The VCS should develop resilience and independence from the council to help the sector to operate effectively and sustainably. In the context of pressure on local authority budgets, the council needs to create a relationship with the VCS that is:

- evidence based, including an understanding of what works
- linked to Community Plan and Strategic Plan priorities
- delivering clear outcomes
- meeting the needs of local people.

The following objectives will help with this:

- build the capacity of the VCS
- move to an outcome based and commissioned approach
- take a new approach to grant giving
- take a strategic approach to council resourcing across the VCS
- promote transparency and accountability of the VCS
- encourage resource sharing within the sector

What we are going to do

Build the capacity of the VCS

In an environment of increasing demand and diminishing resources, there should be a focus on the provision of support to the VCS to self-organise and develop their own infrastructure. This approach will give the VCS autonomy to determine what its own requirements are. There is a need for infrastructure support to the VCS, including:

- “skilling up” VCS organisations in bidding for and taking on commissioned services
- embedding business planning to ensure that VCS services are resilient and less reliant on funding from the council
- encouraging VCS organisations to innovate in how they generate income
- supporting the sector to retain premises and resources in a difficult financial climate, utilising mechanisms such as the ability to protect Assets of Community Value.
- providing training in a range of areas

- providing support to obtain non-council funding, and
- providing governance advice
- providing information and advice on mentoring
- ensuring VCS organisations are digitally engaged

There will be a need to regularly monitor the support to identify successes and areas for improvement. This will ensure that the support addresses the needs of the sector. It will also provide an opportunity to explore priorities, new ideas, research, resources, and feedback.

Move to an outcome based and commissioned approach

All council funding to the VCS will be reviewed to ensure it is contributing to priority outcomes and with a general preference for commissioning rather than grants. The model will ensure that funding processes are transparent and fair and clarity is provided on how provision is contributing to outcomes.

As far as possible, the commissioning approach will be a collaborative one, taking into account procurement and other legal requirements. The exact approach will be tailored to the service being commissioned.

Where appropriate, the council will look to commission VCS organisations to provide services. In many areas of the council this is already happening, for example see the Better Beginnings case study in Appendix C. In practice, this means encouraging organisations that already have the capacity to bid for contracts to do so. It also means encouraging, where appropriate, consortia and partnership arrangements which enable smaller as well as larger organisations to benefit from a commissioned approach. (See case study on Consortia in Appendix D). The opportunities for sub-contracting to be utilised in order to benefit smaller organisations will also be considered.

Alongside existing work to maximise economic and social benefits through procurement, it will be necessary to review council commissioning processes to ensure that:

- the advantages of commissioning the VCS are valued and understood
- the ability of the VCS to participate in the commissioning process is maximised
- processes minimise bureaucracy and are pragmatic
- requirements of tenderers and contractors are more proportionate to the levels of funding and complexity of the service
- small organisations are able to benefit from commissioning opportunities, including through consortia and sub-contracting
- processes promote a more sustainable VCS by using longer funding terms where appropriate and taking into account external income generation

Take a new approach to grant giving

With the move to commissioning, grant funding will only remain in a very narrow set of circumstances, for particular purposes, where there is a clear

necessity for funding to be provided by way of a grant rather than commissioning and a clear benefit of the service being funded. All council grant funding will be part of a single, streamlined small grants process which will be open and competitive and based on the needs and priorities articulated in the Community Plan and Strategic Plan. We will work with the sector to jointly identify the circumstances in which grant funding will still be required but it is considered that these might be:

- one-off pump-priming/seed-corn funding to encourage innovation or pilot something new, especially where there is a current gap
- capacity building to enable smaller organisations to participate in commissioning
- small, flexible grants to encourage community cohesion, resilience and local action
- reducing social isolation and providing events and cultural opportunities
- where delivery needs to be from the VCS specifically

The guiding principles, strategy and overall forward plan for any remaining grants programme will be formulated in order to be transparent. Cross-party decision making on grant allocations will be based on well-defined criteria that support clear outcomes. Grant monitoring will be more robust at defining outputs and outcomes and measuring and evaluating impact. The shape of the programme will be informed by an interim evaluation of the 2015/18 Mainstream Grants Programme, highlighting lessons to inform the new programme. It is likely that, as part of this, some services currently funded by grants - such as employment services, youth services, adult social care and welfare advice – will be commissioned rather than grant funded. In moving to this approach, the council will work closely with the sector to ensure that their particular experience and expertise is recognised.

It is envisaged that a Grants Review Group made up of council Officers together with VCS representatives will be set up to develop forward plan proposals for any new grants programme.

Take a strategic approach to council resourcing across the VCS

A strategic and well-managed approach to resourcing is important to help ensure that the voluntary and community sector can operate effectively and sustainably.

The council will review the way it currently resources the sector, ensuring future resources from any part of the council are clearly linked to identified community need, aligned to council services and demonstrate value for money. It will also ensure that there is strong quality assurance around the use of council resources, in particular around safeguarding and health and safety practices. This will include reviewing representation on VCS boards and forums to define the circumstances where this should occur, ensuring that this is appropriate; that council resources are used in the most effective way and that we support collaborative working, with clear boundaries that sustain an independent VCS.

The appropriate management of the new grants process will need to be considered, including the potential for sharing responsibilities and leveraging in wider social benefit. Grants and procurement will no longer be dealt with in isolation within the council, and forward planning for procurement and grants will be considered together.

There is also scope to share council “soft resources” such as research and information about the community to provide in-kind support to the VCS. The council will work with THCVS to identify these, publicise and facilitate access. Digital engagement will be an important way of accessing soft resources. council funding will encourage this and THCVS will support it.

Community Buildings

Following adoption of the Community Buildings policy, the council is currently reviewing the buildings that it owns that are currently under wider community use. All occupiers of council owned community buildings will in future be offered a standard form of lease, usually for three years with rental charges based on open market rental value. However, the lease may, depending on the tenant type, and the nature of the activities proposed for the property, recognise the value associated with the ‘community benefit’ of those activities, resulting in a reduction of the open market rent. The principles of community asset ownership and market pricing will be developed further by the council’s Asset Management Team through the Community Assets Strategy.

Some of the potential general approaches to assessing community benefit are:

- Case-by-case assessment of the specific community benefits of the proposed use/activities.
- Case-by-case assessment on how the occupier and proposed use will contribute to the Community Plan and/or council Strategic Plan priorities. This will be based on measurable, deliverable outcomes and the need to support the overall objectives. This could be points based, with the total number of points translating into abatement on the rent.
- An overall policy position, which sets out a standard rent abatement dependent on factors such as group type or the activity or service provided. These would need to be based on the Community and Strategic Plan objectives, and underpinned by a detailed assessment of the property in Tower Hamlets that is required to meet community need.

Within these approaches there are a number of options for assessing what constitutes Community Benefit and how that is valued and priced. These options will be explored in consultation with the VCS and informed by social return on investment models like those already developed in areas such as Camden and Hackney. The aim will be to have an approach which is clear, simple and transparent.

The council will also consider opportunities for utilising some properties as Community Hubs with either the council or VCS partners being responsible for managing allocation arrangements and ongoing facilities management. An example of where this has been successful in Cheshire can be found in Appendix D. Other options for maximising the most effective use of the portfolio of Community Buildings will also be considered.

Promote transparency and accountability of the VCS

The council will improve governance and scrutiny of its funding of the VCS by developing cross-party arrangements for grant decision making and scrutiny.

To support the VCS to innovate, accountability structures will have to allow flexibility and be outcomes driven where appropriate. This will mean enabling risks to be taken and accepting that inevitably some things may fail

There will also be opportunities for the VCS and council to challenge and scrutinise each other outside the framework of contract and grant monitoring and without prejudice to that process.

It will be crucial to the credibility of all of the council's work on resources that details of all contracts and grants are coordinated, updated and accessible to all via the council's website. Having appropriate searchable fields, such as geographical areas and nature of the service, will enable this to be a genuinely useful resource for the sector and the community.

Encourage resource sharing within the sector

A collaborative approach between VCS organisations will enable the borough to develop and build on the existing strengths and resources of the community. It also avoids duplication and maximises shared benefit. The council will use its resources and commissioning arrangements to promote and incentivise joint working between VCS organisations, in particular, bigger and stronger organisations "buddying" smaller organisations and those that need more help.

THCVS can have a role in promoting the benefits of these kinds of partnerships, supporting consortia and coalitions to come together. THCVS can encourage community facilities to be made available for VCS organisations and support better use of existing resources, particularly the sharing of back-office functions, equipment (such as ICT) and office space or meeting rooms.

THCVS could also be instrumental in establishing community hubs, where a variety of VCS organisations, council staff or partners can work together. The VCS have a key role in enabling wider access to computers, Wi-Fi and digital skills amongst other organisations and the community. In addition, sharing professional expertise in areas such as digital engagement, HR, finance and procurement will be key, particularly with VCS organisations that deliver council commissioned services.

Proposed objectives and outcomes to maximise the value from resources

Objective	Outcome
Move to an outcome based and commissioned approach	Council funding of the sector is more focused on outcome based commissioning
Take a new approach to grant giving	The council's funding arrangements are appropriate
Take a strategic approach to council resourcing across the VCS	Buildings and other assets are used effectively and demonstrate value for money
Promote transparency and accountability of the VCS	The VCS is open and accountable
Build the capacity of the VCS	There is infrastructure in place to support the VCS
Encourage resource sharing within the sector	The VCS shares resources between organisations

9. Creating a step change in volunteering

Value of Volunteering

Volunteering is recognised both nationally and locally as a means to help address public service challenges and to increase cohesion and social capital. It also provides an opportunity to develop services that are more inclusive, collaborative and accountable to communities and service users.

Volunteering enables individuals to develop skills, experience and networks and social isolation to be prevented. More broadly, volunteering strengthens community leadership, promotes cohesion and provides opportunities for people to give back to their community.

Analysis

Research undertaken by the RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) suggests a rise in local interest in volunteering, both in terms of personal and professional development and philanthropic intervention. People who are not in full time employment may be particularly open to volunteering in so far as welfare benefits enable this. It is believed most people in Tower Hamlets have the capacity and ability to volunteer in some way. Consultation feedback from the VCS reaffirms the importance of volunteering which can “multiply the impact which VCS funding can provide alone”.

Although the benefits of volunteering are recognised, it is important to ensure that it does not undermine paid employment and the quality of volunteering should be managed. The VCS have also stressed that volunteering should focus on giving local people choice over the outcome of their volunteering efforts, and an opportunity to exercise control over how volunteering meets their individual needs, such as personal and professional development.

Aims

Through this strategy, the council and VCS will work together to seek to build a step change in volunteering. The levels of formal and informal volunteering should be developed to enhance a sense of pride in place and in the local community. This would be directed not only at those living, working and studying in the borough, but also those brought up in the borough but living elsewhere. There is a particular need to develop highly skilled volunteering, and to use the power of those who have been successful in their careers. The following objectives will help with this:

- Audit and capacity building
- Council leading by example
- Developing and promoting new approaches
- Engaging with the business sector
- Co-ordination and brokerage

What we will do

Audit and capacity building

Creating a step change in volunteering will require an intensive programme of community capacity building. An audit, undertaken jointly with the community, to assess the potential for volunteering in the council, other public services and within voluntary organisations, is a good first step. The potential number, calibre and experience of volunteers also need reviewing. VCS organisations need support to develop policies and infrastructure to support volunteers, and volunteers need support to understand their rights and entitlements. The existence of community leaders and a range of community forums provide an important starting point for better understanding local social capital and levels of existing networks to engage with service providers. The council's Community Engagement Strategy will further develop this approach. A review of the Local Strategic Partnership will provide an opportunity to ensure the borough's Governance structures support and enhance this.

Council leading by example

The council can do more to lead by example by supporting a volunteering policy across its organisation. This includes building on the knowledge and expertise of its staff and creating a best practice model that gives council staff time off for volunteering in the local community. Flexible working arrangements, the development of recognition and reward schemes and varied volunteering opportunities provide opportunities to foster a culture of volunteering amongst council staff and help build on their understanding of the community they serve.

The council's Localisation Team has already identified volunteering and champion opportunities that exist in the council and the potential to develop them further. Where possible, the opportunities will be co-ordinated across the council, to create something that is distinct from employed positions in the council and adds extra value to what is already in place. This approach acknowledges that volunteers are not a replacement for existing jobs. Safeguarding and health and safety training is needed, and volunteers should not be used if there are risks that cannot be addressed by the council.

The role of volunteering will be developed alongside the council's work on employment and enterprise, facilitating a route into employment, particularly for those furthest from the labour market including those with disabilities.

Developing and promoting new approaches

The potential for new volunteering initiatives to be co-produced and delivered will be agreed by the council and VCS. Volunteering opportunities will be based on evidence of need as well as volunteers' abilities and interests.

There are successful 'Time Banks' in Bromley-by-Bow and Stepney, and these could be further developed. Time banking enables people to share their time and skills, in exchange for 'time credits'. A broker records and monitors

exchanges between participants, and ‘credits’ are used to redeem offers such as gym membership or entry to local attractions.

Engaging the business sector

There are opportunities for the council and the VCS to work more closely with the business sector and develop joint approaches to volunteering. Corporate social responsibility programmes help develop high skilled volunteering in the borough. An example of the VCS engaging with business around volunteering can be found in the Case Studies at Appendix C.

Co-ordination and brokerage

Linking volunteers to appropriate opportunities can be complex and challenging. Smarter sharing of information, co-ordinated communications and shared resources for volunteer recruitment are important components of volunteering management. A case study of a project where this is working well in Tower Hamlets can be found at Appendix C.

There is also potential to use digital engagement such as social media to identify and match volunteers. A co-ordinated approach will support the quality, quantity and impact of volunteering in the borough by enabling volunteers and volunteering opportunities to come together in a targeted way. Organisations, such as the Volunteer Centre Tower Hamlets (VCTH) will have a key role in supporting volunteers and volunteering opportunities.

Incentives, rewards and ‘nudge’ activity should be considered to encourage people to volunteer.

Proposed Objectives and outcomes to create a step change in volunteering

Objective	Outcome
Audit and capacity building	The options and potential for volunteering in the borough are clear
Council leading by example	Council employees are encouraged to volunteer and there are opportunities for the community to volunteer with the council
Developing and promoting new approaches	New ways of volunteering harness additional volunteering potential
Engaging with the business sector	Corporate Social Responsibility (CSR) activity is aligned with the needs of the borough
Co-ordination and brokerage	There is infrastructure and support for volunteering in the borough

10. Bringing together businesses and the sector

Analysis

Tower Hamlets benefits from a thriving business⁷ community of over 12,500 locally based businesses. It includes multi-national corporations, branches of national organisations, Small and Medium Enterprises (SMEs) and individual entrepreneurs.

The council has a relationship with businesses for a range of reasons, not only in relation to economic development but, for example, in relation to community safety, health, and planning. A number of existing strategic documents make reference to that relationship, such as the Community Safety Partnership plan, the Local Plan and needs assessments such as the statutory Pharmaceutical Needs Assessment.

Businesses can directly support the borough and the VCS as local employers, purchasers of goods and services, funders and through Corporate Social Responsibility (CSR) activity. CSR is a process which helps companies maximise positive environmental and social impacts through open and transparent business practices that are based on ethical values and respect for employees, communities, and the environment. It is designed to deliver sustainable value to society at large, as well as to shareholders.⁸ Research within the borough has identified that there are already many types of corporate social responsibility (CSR) activities taking place within the borough, for example corporate volunteering, pro bono services, sponsorship of schools, facilitation of digital coding clubs, improving parks and green spaces and allocated staff time for volunteering and mentoring initiatives.

There is good participation in volunteering schemes with schools, although the local Fairness Commission called for schools to ensure that all young people have access to a wide range of opportunities. The Commission said that aspirational work experience placements were needed and a more could be done to maximise the impact of corporate social responsibility (CSR).

Some companies' CSR activities are becoming more targeted, focusing on particular areas where measurable outcomes can be achieved and the impact clearly evaluated. Whilst there are a considerable number of CSR initiatives operating in Tower Hamlets, in many cases there is no current mechanism for tracking the effectiveness of these programmes or their distribution across the borough.

CSR incorporates a range of activities, some of which relate to the sector and others of which relate to functions of the council or the community generally. All of these activities also benefit business in numerous ways including:

⁷ This includes Small and Medium Enterprises (SMEs) as well as large corporate companies.

⁸ Doughty Centre, Cranfield School of Management, *Engaging Employees in Corporate Responsibility*.
<http://www.som.cranfield.ac.uk/som/dinamic-content/media/Engaging%20Employees%20in%20Corporate%20Responsibility.pdf>

- Recruitment of talented employees
- Opportunities for employee development
- Potential diversification of staff
- Fostering a 'responsible' corporate culture
- Improving client relations
- Promoting the position and brand of a business

Brokering is a process that involves agents acting as an intermediary in arranging or negotiating agreements. It can help companies to deliver large and small scale community projects and directly support and strengthen the capacity of the voluntary and community sector to regenerate the borough and help local communities to grow. Brokering organisations such as the East London Business Alliance (ELBA) and Education Business Partnership (EBP) already work in Tower Hamlets and broker a range of activity, related to the VCS and more widely.

Feedback from the VCS has indicated that despite engagement with businesses in the borough, there is no clear strategy or co-ordination on how local business interest can be harnessed or used for community activities. The VCS wishes to develop a relationship of mutual respect with business.

Internal and external consultation and research⁹ completed by the council found:

- business engagement in the borough included financial contributions (though these are still very limited) and allocated staff time for volunteering and mentoring
- companies in Canary Wharf are working with young people to improve educational attainment and employment prospects
- five main triggers for CSR were identified: organisational reputation and competitive advantage, managing risk, social and environmental factors, personal reasons and conviction
- the location of companies plays an important role – newer industries/businesses situated in the City Fringe area are not as engaged in funding or CSR as Canary Wharf. This suggests a role for more effective brokering of engagement between the council and VCS
- bigger opportunities lie with start-up companies and small and medium enterprises (SMEs) as they are unfamiliar with CSR
- the creation of apprenticeships and access to job opportunities for local people is increasing
- the council can encourage businesses to give financial contributions and deliver CSR

⁹ These findings were produced from a combination of desktop research and evidence collected directly from LBTH services. An external mapping exercise was also carried out by Queen Mary, University of London's QConsult student consultancy project to chart CSR provision in Canary Wharf and the City Fringe during the period 2009 to 2014.

Aims

There is a need to engage businesses in funding, volunteering, joint action and engagement with the VCS. The following objectives will help with this:

- Understand business drivers better
- Encourage and support businesses to give back to the local area
- Improve the effectiveness of businesses contribution to the borough

What we are going to do

Understand business drivers better

As part of developing communication and relationships with businesses we will ask what they want from the council and the VCS in relation to CSR activity and funding. Businesses are generally positive and want to deliver social benefits, see Case Study in Appendix C. Businesses will, however, require support from the council and VCS to link to business needs and aspirations. The council will work with the VCS and brokerage services such as ELBA and Education Business Partnership (EBP) and grant giving organisations such as East End Community Foundation, to build relationships with businesses, understand their drivers and ambitions in relation to CSR and funding, and create additional accessible opportunities and funding streams. This might include further mapping of CSR activity or the creation of an online portal or business/VCS directory.

Encourage and support businesses to give back to the local area

As part of existing agreements being made with businesses around economic development, such as the Business Charter, the council will develop agreements with businesses and business networks to provide support to the VCS and business-based volunteers. The agreement could set out a range of ways that corporate investment and CSR activity will be used to deliver against both business and social needs in the borough. The agreement can also set out the support that businesses need the VCS and the community to deliver in order to make the agreement work for them.

Community Benefit Clauses in council contracts are already used to leverage a range of economic, social or environmental offers from businesses. There is scope to use them to provide additional support for VCS organisations whilst maintaining the current opportunities being generated. The council will also assess the scope to incentivise CSR and community activity from businesses, through the powers proposed by the government regarding the setting and retention of business rates in the local area.

Improve the effectiveness of businesses contribution to the borough

The VCS will provide detailed information on the outcomes that they can deliver against business needs, which will demonstrate the value of this kind of partnership work to businesses. A toolkit will be developed to secure the maximum support for VCS services. It will be based on national good practice

and evidence about engaging with businesses to support the VCS and the community more widely. There will be a collaborative effort to map activity against need, to influence business spend and activity, avoid duplication and ensure as wide a range of community needs and VCS groups as possible benefit from the resources available.

Proposed objectives and outcomes to bring together businesses and the sector:

Objective	Outcome
Understand business drivers better	The VCS and wider community are able to fully benefit from the contributions businesses want to make
Encourage and support businesses to give back to the local area	Businesses contribute more to the VCS and the local area
Improve the effectiveness of businesses' contribution to the borough	Business contributions to the borough are better matched to need

Appendix A: Consultation feedback

This overview aims to highlight some of the key areas of feedback received by the council through consultation work undertaken as part of refreshing the Voluntary and Community Sector (VCS) Strategy. The comments received have been taken into account when drafting the strategy and will be used to inform the action plan.

As part of this process, consultation has been carried out with key stakeholders including voluntary and community sector organisations in order to better understand how the council can develop a more strategic relationship with the VCS to help deliver Community Plan and Strategic Plan priorities. Workshops were hosted with the VCS, elected Members and council officers who engage with the sector, and focused on the issue of roles and responsibilities and how we can improve commissioning practices and encourage closer collaboration with the VCS through co-production.

These workshops were just one of the mechanisms used to consult with the sector and local people. Discussions also took place with the Tower Hamlets Council for Voluntary Service (THCVS) and Third Sector Advisory Board (TSAB). An online survey was also conducted to allow organisations who could not attend the VCS workshop and the wider borough, including residents, to contribute their thoughts and ideas and help shape the draft strategy. 76 people responded to the survey, almost all of whom were from VCS organisations. It is not suggested that the views expressed will be an entirely representative sample of the wide range of voluntary sector organisations in the borough. In addition, as responses were dominated by the views of the sector, these may not necessarily accord with the views of others in the wider community. The survey did allow for very detailed comments to be given, however this analysis attempts to summarise the main issues that were consistently raised across a range of stakeholders.

The findings of the consultation undertaken by the council focused on specific areas relating to co-production and sustainability, resources, roles and responsibilities, volunteering and VCS and business. Responses have therefore been grouped under these headline areas. Whilst these headlines do not cover each and every point made by those who engaged in consultation, they do attempt to summarise the key issues raised.

Co-production and sustainability

Generally it was acknowledged that with reduced budgets across local government it is particularly important that the VCS is able to demonstrate impact, as the council considers where the sector is able to add value to public service delivery. However, respondents were keen to highlight that barriers do exist to involving the sector in the delivery of strategic priorities. It was noted that multi-year funding assists business planning within the sector and should be encouraged. One example was that VCS organisations did not feel fully equipped to participate in all aspects of the council's commissioning processes. Co-production needs the VCS to be able to meet the requirements of commissioners and compete with the private sector and national charities...

Respondents also wanted to do more to develop consortia and partnerships that enable VCS groups to tender for services, and provide the best outcomes for local people. Respondents also noted that whilst consortia and partnership arrangements for delivery can be very positive, they are often resource intensive and complex.

Two-way communication between the sector and the council was also highlighted as an area for improvement. Many people suggested horizon planning would enable the sector to develop a diverse provider market, to help it respond to new funding challenges.

Resources

People who took part in the consultation felt strongly that there was a need to build the capacity and connectivity of the sector, for it to be responsive and effective to meet the diverse needs of the borough. There was a recognition that the sector needs to identify more sustainable funding sources that provide the VCS with the stability to plan and deliver innovative services. Seed funding was given as an example of a mechanism which brings together a range of stakeholders including residents. The sector also felt that there were more opportunities to attract non-council funding and that often obtaining one type of funding made it easier to secure another. Respondents were also interested in business planning to aid income generation and build the expertise of the sector to monitor and evaluate their impact.

Comments from the VCS showed strong support for the sector to be more transparent - a "transparency protocol" was even suggested. It was felt that VCS organisations would benefit from information being shared between each other, for example on performance measures, income and expenditure. In addition to this, it was hoped that the strategy would enable THCVS and VCS organisations to feel empowered to work across the sector to reduce duplication of services between different organisations. The sector is also keen to see a range of council funding commissioned at a local level so that funding is directly injected into the local economy to stimulate employment opportunities. The sector noted however that there was a need to recognise the small scale nature of many VCS agencies who may feel disenfranchised

by large grant and procurement regimes. Recommendations from the sector to overcome this barrier included large VCS organisations working with small VCS organisations to support them and potentially to form consortia in applying for contracts.

Feedback from the VCS also highlighted the desire for greater transparency on the financial challenges facing the council and the sector. The sector firmly believes increased information sharing between the VCS and the council will not only make it easier for the sector to share in difficult decision making, but will help VCS organisations to understand and accept decisions – this feedback reflects the values underpinning a collaborative approach.

Volunteering

Throughout the consultation feedback it is clear that volunteering is regarded as “the lifeblood of the borough” and a benefit both to the community and those undertaking volunteering. However, it was noted that opportunities must be well managed with appropriate training provided to ensure consistency in order not to disrupt those being supported by volunteers. It was felt that a co-ordinated approach to volunteering needed to be developed to ensure that volunteering activity is clearly aligned to local priorities. Feedback also indicated that there was more that could be done to champion volunteering in the borough. There was also a need for the VCS to work with the council and other agencies to promote a shared approach to volunteering, including the use of recognition and reward schemes that give value to the individual.

Businesses and the sector

Overall, consultation respondents felt that Tower Hamlets has a lot of potential to maximise contribution and support from the growing business sector, particularly in Canary Wharf and the City Fringe. Most respondents felt that the business sector needs to play a more active role in developing and supporting the local community that it operates in, through social investment, particularly at a grass roots level. Understanding and identifying shared goals and priorities between the council, VCS and business sector is seen as vital to the engagement and strengthening of businesses supporting strategic priorities. Providing opportunities that are both needed by residents and meet corporate social responsibility (CSR) agendas is crucial to facilitating this relationship. Therefore, respondents see the need for more to be done to work with brokerage organisations such as East London Business Alliance (ELBA), Education Business Partnership (EBP) and Business in the Community (BITC) to improve learning in this area, and develop a model on how to harness company interest for the benefit of the wider community.

Roles and responsibilities

A recurrent theme across the feedback received was the desire for the VCS to remain independent from the council as public and voluntary sector provision is brought closer together but to work in partnership and maintain its strong relationship, including through the council and VCS playing a critical friend role to each other. This includes the right to challenge each other to ensure

that appropriate services are developed that are fit for purpose and offer best value in the short and long term. It was also suggested that there is a real need for an inclusive and flexible approach to partnership, that builds on successes and is able to work together effectively to meet the needs of local people, in a time of financial constraints and change. In general, feedback showed a positive approach to exploring new ways of working and developing the sector. There was an acceptance that money is not the only important factor and the value of soft resources such as advice, publicity, facilitation and education was recognised.

In relation to the role of THCVS, some respondents suggested that there was potential to develop its role in capacity building the sector. There was also a sense that THCVS could be more representative of the sector as a whole, for example, including residents' associations and faith organisations. Generally organisations accepted the need for an organisation like THCVS to exist in the borough, in order to show leadership and support the VCS in getting involved with public service delivery.

Appendix B: Clarifying roles and responsibilities

Consultation with the local sector has led to the conclusion that whilst the council, THCVS and VCS are separate entities that must continue to exist independently of each other, there is a need to define roles, and demarcate responsibilities, in order to deliver this strategy. In particular there is a desire to:

- understand and affirm the council, VCS and THCVS roles and the relationship and interactions between them
- determine who is best placed to support elements of the VCS infrastructure
- clarify which community needs the VCS is best placed to address
- respond to a changing market for public services, and
- clarify and meet expectations

Overarching role and relationships of the council

The council is a strategic partner of the sector. Where the council outsources its services, there is inevitably an indirect link between the council and community, with the contractor as a conduit. The council's link to the VCS, however, is often more direct, in particular in the council's role as an enabler, partner, commissioner, funder (including of the THCVS) and landlord.

Overarching role and relationships of the VCS

The direct link between the council and the VCS means the sector has an important role as a conduit between the council and the community. Underpinning the objective of clarifying roles and responsibilities is an overarching commitment from the VCS to supporting the council in the following areas:

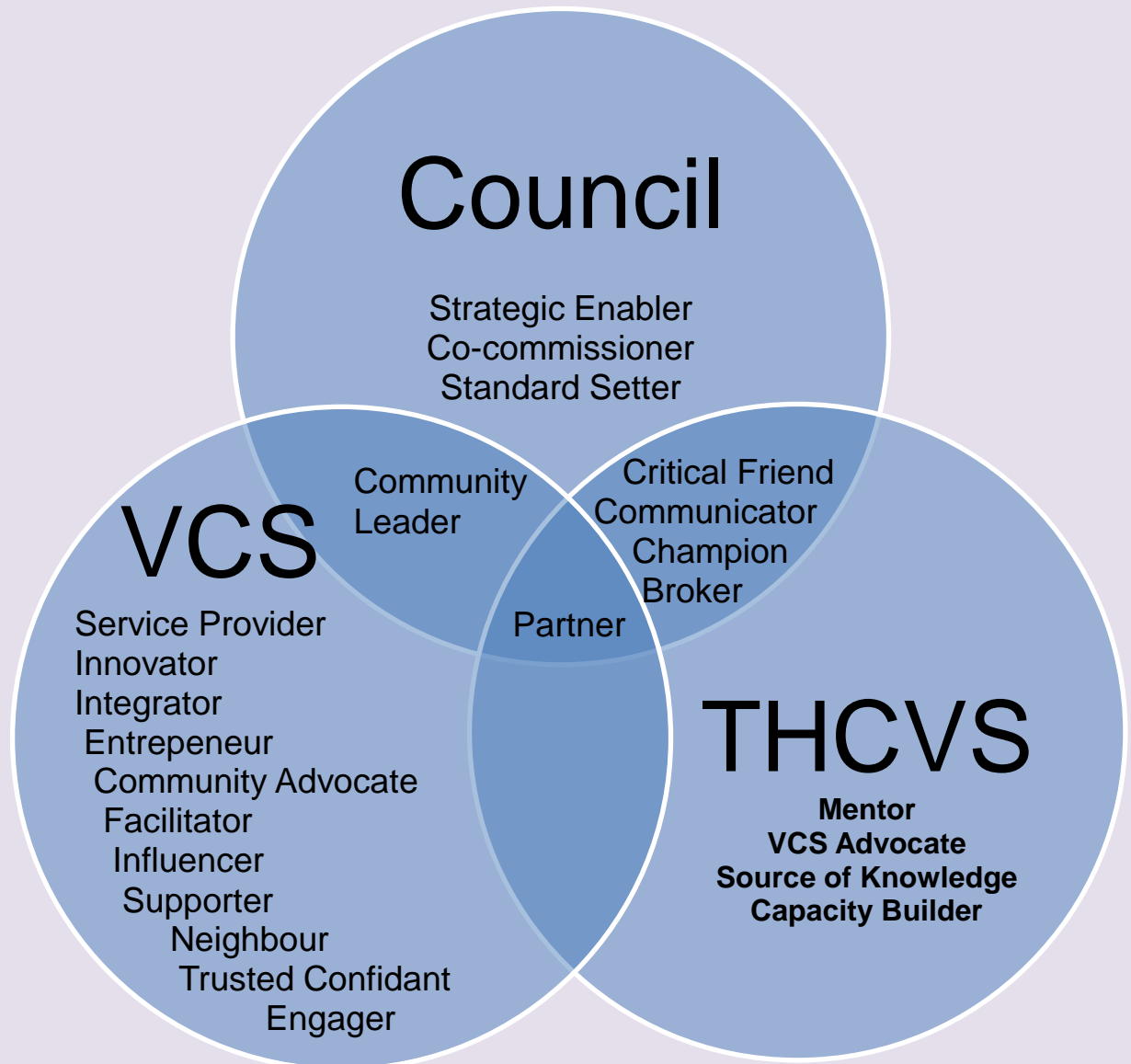
- Providing commissioned services to the local community;
- Testing innovation; and
- Promoting community cohesion, resilience and supporting new communities.

Overarching role and relationships of THCVS

THCVS is funded by the council (amongst others) to assist the sector to organise and function effectively. THCVS has said that it plans to broaden its funding mix in an effort to reduce long-term reliance on funding from the council and thus become more self-sustaining. It has also committed to expanding its membership by offering an attractive range of membership services.

Potential Roles and Responsibilities

Developed from dialogue with the sector about how to deliver the vision of this strategy, the following outlines potential roles and responsibilities of the council, VCS and THCVS



Proposed Objectives and Outcomes to clarify roles and responsibilities

A single, overarching outcome is proposed in order to bring roles and responsibilities into being in practice:

Objective	Outcome
Agree roles and responsibilities and put them into practice	Respective roles and responsibilities are clear, understood and undertaken

Appendix C: Tower Hamlets Case Studies

Promoting co-production and sustainability

Case Study: Pocket Parks

This scheme was delivered through a partnership between the council and Oxford House. Oxford House are a charitable foundation, located on Derbyshire Street for over 100 years, first as a mission building and now as a community hub.

The 'Pocket Park' project was shaped and informed by the strong VCS and community appetite for involvement and leadership in delivering local projects, combined with the pressing need to protect and bring into use pockets of green spaces. The project was based on the belief that collaborating with the VCS and residents could lead to:

- Greater ability to tailor services to the particular needs of a local area;
- Clearer criteria for prioritising services in the context of reduced spending;
- More services run by residents on behalf of residents, creating community ownership.

The vision for this project was to convert a dead end section of highway into Tower Hamlets first 'pocket park'. Parks and open spaces are a scarce resource in Tower Hamlets with many parts of the borough significantly below national access standards. The small scale nature of the project made it easy for local VCS organisations and communities to manage, particularly those who may not have previous experience of managing such projects, and the minimal amount of funding for each project also made it both practical and financially viable to roll out on a large scale across the borough, without the project being hampered by financial constraints.

This initiative has demonstrated that parks improvements can be sustained through a real partnership between the council, the VCS and residents. The basic principle of giving greater ownership to the VCS and community and enabling them to be involved in decisions regarding their local areas can help remove perennial problems that the council cannot tackle in isolation. The outcomes benefit the council and help support service needs at a time of unprecedented cuts. The community benefits from locally relevant open spaces which support a cohesive community, bring pleasure to local people, and provide a sustainable model for environmental improvements.

Case Study: Tower Hamlets Arts and Events Programme

The council's Arts and Events Team works with a wide range of VCS groups to promote the use of arts as a leisure activity, a source of employment and training, and as a tool for social cohesion and inclusion. It works together with local VCS organisations to develop programmes of arts and events collaboratively, in order to maximise the leadership from the VCS and the community themselves. The council's contributions to this collaboration include information and signposting, support with event planning, venue and equipment hire, promotion and publicity, and in some cases financial support and commissioning. The content of the cultural programme, however, is developed through continuous dialogue between the council and VCS groups. The result is that the borough benefits from a diverse range of hundreds of cultural activities each year which engage thousands of people in all parts of the borough.

Case Study: Raising Aspirations Pilot Project

Raising Aspirations is a pilot project which aims to develop a partnership approach to supporting unemployed residents of the Lansbury Ward, by addressing their personal barriers to employment in order to bring them closer to the labour market, with a view to reducing overall benefit dependency. The pilot targeted the East India & Lansbury ward which has the highest percentage of residents claiming out of work benefits (23.6%)¹⁰ and also the highest level of child poverty in the borough

The initiative is a co-produced partnership project, led by the council's Economic Programmes team within Economic Development, with the core partnership consisting of council departments/Commissioning (Skillsmatch and the Family Intervention Project), Job Centre Plus, Poplar HARCA and Poplar & Limehouse Health & Wellbeing Network. The services of numerous other VCS organisations are utilised in order to help address specific barriers to employment. Partners pool resources and expertise to offer support to service users. This innovative model not only provides an opportunity for joint working between sectors but adopts a holistic approach to tackling entrenched worklessness.

The project created a central hub at Trussler Hall (an accessible Poplar HARCA community centre) which is situated within the ward. The hub provided an integrated employment service to support residents furthest from the labour market overcome the multiple barriers which prevented them from gaining and sustaining employment.

Family Intervention Project - provided caseworker roles due to their

¹⁰ Poverty: Key Facts – Tower Hamlets Council, Feb 2012

experience and expertise in working with clients with multiple barriers.

Job Centre Plus (JCP) - over half the project's clients were referred by JCP and they provided dedicated resources to help 'troubleshoot' issues clients may be having with JCP and facilitate access to JCP opportunities

Poplar HARCA – have provided the venue (Trussler Hall) which has been a central and accessible location from which to deliver the project. They have also provided access to employment and training opportunities via their own Employment & Training team.

Poplar & Limehouse Health & Wellbeing Network - provided a Health Trainer, through their Health Trainers programme, to provide one-to-one health advice and advocacy for relevant clients (e.g. those claiming Employment and Support Allowance) to address health related barriers to employment.

Skillsmatch – Provided a dedicated broker as well as access to training, work placements, apprenticeships and employment opportunities.

Chrisp St Children's Centre - has also been involved in aspects of the project's delivery, particularly with respect to training and development.

The Limehouse Project - is commissioned to provide a dedicated advice service from the hub (1 day p/w)

Island Advice - provides an advice service from the same location (0.5 day p/w).

The success of the pilot is evident with 142 residents achieving an accredited qualification and 96 securing employment to date. The model's success has drawn significant attention via the Department for Work and Pensions and the Cabinet Office, with discussions ongoing about the potential of replicating the approach in other parts of the country. At a local level, the Raising Aspirations model is forming the foundation of a new integrated employment service that it is being rolled out across the borough.

Whilst led by the council, collaboration with the VCS was extensive. The programme offers an insight into a model which can be developed to include a wider partnership of public, private and voluntary partners and which could be adapted to meet the needs of a geographical area or a specific population group. The model is being expanded across the new information, advice and guidance work of an integrated employment service targeting inactive and long term unemployed residents and those with complex barriers to getting a job.

Case Study: Public Health and Community Researchers

As part of the council's approach to developing an evidence base together, in

2014, VCS organisations – Shortwork; and Milestones - were commissioned by the council to deliver participatory appraisal training which was the approach used in this project to conduct community based research to help reduce the incidence of Diabetes Type 2.

These VCS organisations worked with a small team of local people from the Aberfeldy Estate and trained them in participatory community research. These people then engaged with residents, health professionals and workers in the Aberfeldy Estate area and helped develop the programme of research. Their aim was to find out about community perspectives on Diabetes Type Two and health and wellbeing in order to evaluate and improve services. This neighbourhood was selected for the pilot project as there were assets and resources available that could be built upon. These included projects like Big Local, which offers £1million over ten years to improve the place and lives of local people, the Chrisp Street Market 'Mary Portas' initiatives, the Health Trainers programme, and the physical regeneration of the area including new housing schemes.

The quality of the evidence obtained by the community researchers has enabled this work to lead changes which could have significant impacts on people's health locally.

Maximising the value from resources

Case Study: Better Beginnings

Better Beginnings is a project commissioned by the council's Public Health team costing £320,000 over two years. Four clusters in Tower Hamlets were tendered with two VCS organisations initially envisaged to deliver the project in two clusters. However, the strength of the applications received from the VCS meant that three VCS organisations were appointed with the council's Parent Engagement Service covering the fourth cluster. There are 4 Locality Parent and Infant Wellbeing Coordinators each supporting a team of peer supporters / volunteers. The programme also includes a training programme for the peer supporters. The VCS providers are Island House, Toyhouse, Social Action for Health

The project provides support to parents during pregnancy and in the first year of a child's life. Primary focus is on promoting maternal mental health, supporting secure emotional attachment, parent/infant communication, sensitive attuned parenting and peer support. The programme also links to other key influences on parent and infant health (e.g. parental smoking and substance misuse, parental and infant nutrition, oral health and injury prevention) to ensure a holistic approach.

Case Study: LBTH and VCS Consortia

Procurement and competition law and the council's needs to find ongoing savings from its commissioned services, has necessarily led to the adoption of a more commercial approach to the commissioning of, and contracting for, social care services. In order to avoid a potentially negative affect on the local VCS sector and SME market, Tower Hamlets developed an approach to market shaping which included the promotion of consortia involving local VCS organisations that have the capability to bid competitively for social care tenders, and the development of a procurement landscape that enables and supports success. Key aspects included:

- Adding consortia specific content to our standard PQQ template (but leaving as much flexibility as possible regarding the arrangements for managing the consortium);
- Providing explicit guidance in procurement documentation on how consortia should submit tenders in order to minimise the risk of bids being disqualified as a result of incomplete submissions;
- Highlighting consortia as a bidding vehicle in market warming events, and creating space there for organisations to start partnership conversations;
- Structuring procurement exercises to support bidding by consortia where we can demonstrate how this brings end user benefits.

Some of the key successes of this approach include:

- Two of eight domiciliary care contracts were commissioned (on a Most Economically Advantageous Tender (MEAT) basis) from consortia involving local VCS organisations; Performance of the two consortia is at least equivalent to that of other providers in terms of quality and responsiveness;
- Major contracts for Information, Advice and Advocacy (£485k per annum) and Link Age Plus (£600k per annum) have been won competitively by consortia that are led by, and include as partners, local VCS organisations, at reduced cost to the council;
- All three of the above contracts have helped ensure that local VCS organisations continue to make a major contribution to the vibrancy and plurality of the local social care market;
- Additional benefits, including apprenticeships for local people and work experience opportunities are being delivered by the consortia.

The initiative has had wider impact over and above those for the specific commissioning exercises above. As a direct result of the local CVS's experience in engaging with the council to support the development of consortia arrangements, along with the experience of local organisations that have been involved in leading or being a partner in a consortium, the VCS locally has developed a Special Purpose Vehicle (SPV), known as TH3, consisting of multiple partners to participate in future tender exercises.

Creating a step change in volunteering

Case Study: Trustee Training and Matching Programme

Volunteer Centre Tower Hamlets, is currently working in partnership with THCVS to deliver a Trustee Training and Matching Programme. Volunteer Centre Tower Hamlets is a volunteering infrastructure organisation for Tower Hamlets. It provides a comprehensive volunteering infrastructure service to not-for-profit groups and communities in Tower Hamlets, with the aim of increasing the quality, quantity and impact of volunteering in the borough.

The programme aims to address the imbalance in the make-up of trustee boards (which are often predominantly white, male and older) by encouraging women, people under 40 and people from Black and Minority Ethnic (BAME) communities to become trustees. People who live, work or study in Tower Hamlets are recruited and attend a short training course on the essentials of good charity governance, including trustees' roles, responsibilities and liabilities. VCS organisations that need new trustees are recruited and health-checked. Trainee trustees and VCS organisations develop profiles, and then meet at Matching Events. In its first 9 months, 22 individuals have been trained and over 20 local VCS organisations have requested new trustees. The pilot programme was recognised as a beacon of good practice and innovation by BIG Lottery.

Case Study: Volunteering for Employment

City Gateway is a charity that offers pre-employment training, apprenticeships and support for disadvantaged and disengaged young people, vulnerable women and families in East London. Its partnerships with city firms and skilled professionals have helped open avenues of opportunity to the disadvantaged through apprenticeships and work placements. Volunteers enable City Gateway to deliver high-impact employability training and increase the organisation's capacity to help more people. Corporate volunteering also provides a mechanism for engagement and an opportunity to make a positive impact on the local community. Volunteering also facilitates the holistic progress of City Gateway trainees, by supporting the development of soft skills which trainees need to thrive in employment through activities such as mock interviews and CV workshops.

Bringing together businesses and the sector

Case Study: Beyond Boundary

Beyond Boundary is a collaborative community project in the heart of Bethnal Green, managed by the East London Business Alliance (ELBA) and principally funded by the Nomura Charitable Trust and State Street. The project started in November 2012 to enhance community cohesion and provide young people with access to opportunities through strategic use of the business skills, time and expertise of employee volunteers. The aims were to support young people in the area to increase their confidence, raise aspirations and facilitate access to opportunities for personal and professional development on their doorstep and beyond.

The ELBA project manager works directly with community and corporate partners, facilitating employee volunteering. The project is guided by a steering group of representatives from community partners, Nomura, State Street and ELBA. Volunteers from Nomura and State Street forged strong relationships with key community partners, using their professional expertise to support community organisations with a wide range of challenges. These included the creation of a HR handbook for Rich Mix, provision of facilities management advice for a number of community partners, and the production of communication materials, including a promotional video and leaflets for Oxford House. 144 volunteers from across the ELBA membership volunteered with young people from the project area. Volunteers supported young people directly on employment related programmes and provided opportunities to improve employability skills through career talks, CV and interview skills sessions and university personal statement workshops.

This project provided long term impact through its interventions and resulted in benefits to the borough from the high rates of corporate volunteering.

Appendix D: Wider Case Studies

Promoting co-production and sustainability

Case Study: Lambeth and co-production

Lambeth Council is one of the pioneers of the co-operative approach to local government. This innovative model involves local residents in co-production and co-commissioning of services and pooling resources to create mutuals at a micro-level. Its aims to rebalance the relationship between residents and the council, placing residents at the centre of council services and enabling them to have a more direct role in influencing, delivering and co-producing public services. Lambeth remains at the core of the commissioning process, adopting a facilitating role.

Lambeth have also used the co-production model when making major decisions around significant financial savings. This use of the co-production approach has been less successful and Lambeth has made cuts to services such as libraries which community volunteering have not been able to sustain.

In order to put the co-operative approach into practice, Lambeth launched a wave of 'early adopter' projects for implementing co-operative models of delivery. Based on previous learning and the broader experience of Lambeth's co-operative implementation it is now focussing on 'co-operative commissioning' as its core operating model. This process involves putting greater emphasis on the social costs and benefits of different types of service delivery.

Lambeth Resource Centre is one example of Lambeth Council's co-production projects being successful at bringing about new ownership models of delivery. It is a day centre providing services to people with physical disabilities and is in the process of spinning out of the Council to become an employee-led mutual.

Case Study: Camden and co-production with the VCS

Camden has identified co-production with the VCS as an important channel for delivering meaningful outcomes for the local community. Camden sees this approach as not about procuring a service and monitoring it but as an investment in the sector to provide a solution. Camden recognises the need to engage with the VCS at the outset of the commissioning process and not just at the procurement stage in order to support capacity building and capability, in turn generating more solutions to entrenched problems.

To enable this, Camden invested in a new 'equality and cohesion fund'. VCS organisations are invited to apply for discrete funds by identifying 1-3 year projects they want to deliver. Council officers then work with successful groups to mutually agree outcomes to be achieved based on an exchange of insight and ideas on community need, and outcomes and evaluation frameworks are co-designed. This is an alternative approach to the traditional grant or commissioning mechanism, attempting to engage the VCS with identifying outcomes as opposed to looking at outputs.

This process of early engagement has enabled Camden Council not only to utilise community insight from all sectors but helped inform the prioritisation and identification of outcomes before service design.

Maximising the value from resources

Case Study: Chester West and Cheshire Council, working in partnership with HHEET

The Housing, Health, Employment, Enterprise and Training Centre (HHEET) is a one-stop shop service addressing worklessness amongst residents in Chester West and Cheshire. The centre provides a hub for integrated services supporting residents to develop the skills and capability to tackle the multiple barriers preventing them from gaining employment. Chester West and Cheshire council work with over 16 partners from a range of sectors including the VCS to address these challenges together.

Partners pool resources and expertise to offer surgeries, appointments, training and support to the centre's service users. This also gives an opportunity for partners to develop links to make referrals to other services such as the job centre.

This innovative model has not only enhanced joint working between sectors but has had an impact on entrenched problems including increasing economic activity and growth in the local economy.

Appendix E: Action Plan

Since the delivery of this strategy demands a complete redesign in the way the council and the VCS operate, it will need a clear action plan which is resourced and is owned by those responsible for delivering it. The above strategic priority sections each outline the proposed objectives and outcomes against which actions and resources will be developed as part of the co-production approach which will be then be set in the final strategy.