Meeting of the

OVERVIEW & SCRUTINY COMMITTEE

_____

Tuesday, 2 October 2012 at 7.00 p.m.

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AGENDA

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VENUE
Room C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

Members:	Deputies (if any):
Chair: Councillor Ann Jackson **Vice-Chair: Councillor Rachael Saunders, Scrutiny Lead, Adult, Health & Wellbeing**	
Councillor Tim Archer, Scrutiny Lead, Chief Executive's **Councillor Stephanie Eaton** **Councillor Sirajul Islam, Scrutiny Lead, Development & Renewal** **Councillor Fozol Miah** **Councillor Amy Whitelock, Scrutiny Lead, Children, Schools & Families** **Councillor Helal Uddin, Scrutiny Lead, Resources** **1 Vacancy**	Councillor Peter Golds, (Designated Deputy representing Councillor Tim Archer) Councillor Harun Miah, (Designated Deputy representing Councillor Fozol Miah) Councillor David Snowdon, (Designated Deputy representing Councillor Tim Archer) Councillor Khales Uddin Ahmed, (Designated Deputy representing Councillors Ann Jackson, Rachael Saunders, Sirajul Islam, Amy Whitelock and Helal Uddin) Councillor Marc Francis, (Designated Deputy representing Councillors Ann Jackson, Rachael Saunders, Sirajul Islam, Amy Whitelock and Helal Uddin) Councillor Motin Uz-Zaman, (Designated Deputy representing Councillors Ann Jackson, Rachael Saunders, Sirajul Islam, Amy Whitelock and Helal Uddin)
[Note: The quorum for this body is 3 voting Members].	

Co-opted Members:		
Memory Kampiyawo	–	(Parent Governor Representative)
Canon Michael Ainsworth	–	(Church of England Diocese Representative)
Mr Mushfique Uddin	–	(Muslim Community Representative)

| 2 Vacancies | – | (Parent Governor Representative) |
| 1 Vacancy | – | (Roman Catholic Diocese of Westminster Representative) |

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

Angus Taylor, Democratic Services,

Tel: 020 7364 4333 E-mail: angus.taylor@towerhamlets.gov.uk

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LONDON BOROUGH OF TOWER HAMLETS

OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 2 October 2012

7.00 p.m.

SECTION ONE

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

1 - 4

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.

3. UNRESTRICTED MINUTES

5 - 18

To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 4th September 2012.

4. REQUESTS TO SUBMIT PETITIONS

To receive any petitions (to be notified at the meeting).

5. UNRESTRICTED REPORTS 'CALLED IN'

No decisions of the Mayor in Cabinet (5th September 2012) in respect of unrestricted reports on the agenda were 'called in'.

6. REPORTS FOR CONSIDERATION

6 .1 Future Sourcing - Update on the First Six Months

To receive an oral report and presentation on progress since commencing the Future Sourcing Contract.

7.   VERBAL UPDATES FROM SCRUTINY LEADS

(Time allocated – 5 minutes each)

8.   PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

To consider and agree pre-decision scrutiny
questions/comments to be presented to Cabinet.

(Time allocated – 30 minutes).

9.   ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

To consider any other unrestricted business that the Chair
considers to be urgent.

10.   EXCLUSION OF THE PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda the Committee is
recommended to adopt the following motion:

"That, under the provisions of Section 100A of the Local Government Act 1972, as
amended by the Local Government (Access to Information) Act 1985, the press and
public be excluded from the remainder of the meeting for the consideration of the Section

Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972."

EXEMPT/CONFIDENTIAL SECTION (Pink Papers)

The exempt committee papers in the agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

SECTION TWO

11. EXEMPT/ CONFIDENTIAL MINUTES

Nil items.

12. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

No decisions of the Mayor in Cabinet (5th September 2012) in respect of exempt/ confidential reports on the agenda were 'called in'.

13. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL CABINET PAPERS

To consider and agree pre-decision scrutiny questions/comments to be presented to Cabinet.

(Time allocated 15 minutes).

14. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT

To consider any other exempt/ confidential business that the Chair considers to be urgent.

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DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-
-   not seek to improperly influence a decision about that business; and
-   not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-
-   Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
-   Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

Isabella Freeman, Assistant Chief Executive (Legal Services), 020 7364 4801; or
John Williams, Service Head, Democratic Services, 020 7364 4204

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to the Member's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 7.03 P.M. ON TUESDAY, 4 SEPTEMBER 2012

ROOM C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT, LONDON, E14 2BG

Members Present:

Councillor Ann Jackson (Chair)
Councillor Rachael Saunders (Vice-Chair)

Councillor Tim Archer
Councillor Sirajul Islam
Councillor Fozol Miah
Councillor Helal Uddin
Councillor Amy Whitelock

Co-opted Members Present:

Memory Kampiyawo   –   (Parent Governor Representative)

Other Councillors Present:

Councillor Khales Uddin Ahmed
Councillor Alibor Choudhury
Councillor Peter Golds
Councillor David Snowdon

Guests Present:

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Officers Present:

Sarah Barr	–	(Senior Strategy Policy and Performance Officer, One Tower Hamlets, Chief Executive's)
David Courcoux	–	(Political Adviser to the Labour Group, Chief Executive's)
Alan Finch	–	(Service Head Financial Services, Risk & Accountability, Resources)
David Galpin	–	(Head of Legal Services (Community), Legal Services, Chief Executive's)
Frances Jones	–	(Service Manager One Tower Hamlets, Chief Executive's)
Kevin Kewin	–	(Service Manager, Strategy & Performance, Chief

    1

	Executive's)
Robert Wingate	– (Complaints & Information Officer, Legal Services, Chief Executive's)
Angus Taylor	– (Principal Committee Officer, Democratic Services, Chief Executive's)

COUNCILLOR ANN JACKSON (CHAIR) IN THE CHAIR

1.   APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:
*   Councillor Stephanie Eaton.
*   Canon Michael Ainsworth (Church of England Diocese Representative)
*   Louise Russell, Service Head Corporate Strategy and Equalities for whom Frances Jones, One Tower Hamlets Service Manager was deputising

Apologies for lateness were received on behalf of Councillor Fozol Miah.

Noted

2.   DECLARATIONS OF INTEREST

No declarations of interest were made.

3.   UNRESTRICTED MINUTES

The Chair **Moved** and it was: -

Resolved

That the unrestricted minutes of the ordinary meetings of the Overview and Scrutiny Committee, held on 3rd and 24th July 2012, be agreed as a correct record of the proceedings, and the Chair be authorised to sign them accordingly.

4.   REQUESTS TO SUBMIT PETITIONS

There were no petitions.

5.   UNRESTRICTED REPORTS 'CALLED IN'

No decisions of the Mayor in Cabinet on 25th July 2012 had been "called in".

6.   UNRESTRICTED REPORTS FOR CONSIDERATION

6.1   Enforcement

David Galpin, Head of Legal Services - Community, introduced, and highlighted key points, in the report which provided:

- A summary of enforcement activity for the 2011/2012 financial year.
- An analysis of whether or not such action was consistent with the five key principles of the Council's Enforcement Policy and whether the policy required consequent revision.
- Details of new developments with implications for policy revision.

A discussion followed which focused on the following points:-

- The report detailed much hard work, but did not contain clear measures for success and an examination of the value of the work undertaken was needed. The Committee considered that a dashboard or headline analysis would be helpful. Mr Galpin responded that each directorate had its own enforcement policy/ criteria for success, and more information could be provided in future.
- The Council's approach to enforcement must be proportional and its approach to enforcement for prostitution was welcomed. The approach also needed tailoring to take account of individual needs, and assurance was sought and given on enforcement for those with mental capacity issues.
- Clarification was sought and given regarding criminal enforcement activity in relation to illegal sub-letting of Council owned housing. Further information to be provided.
- The number of noise abatement notices issued by THEOs appeared low compared to the number of Fixed Penalty Notices, when controlling noise pollution was important. Mr Galpin responded that THEOs had only recently assumed responsibility for noise and this enforcement activity was expected to grow.
- Further information requested in relation to the health and safety enforcement activity detailed at paras 4.27 to 4.30 of the report.
- An explanation was lacking as to why warning letters were sent to landlords on housing safety or enforcement notices issued for statutory nuisances. Further information to be provided on what the Council was targeting.
- The number of prosecutions for elections appeared low given the extent of media coverage on reportedly significant levels of electoral fraud in Tower Hamlets. Mr Galpin responded that such cases were referred to the Police for investigation. Further information on referral numbers and Police process requested.
- It would be helpful if the social impact of enforcement activity was analysed/ summarised.

- More proactive work was needed with the London Muslim Centre to raise awareness of the law on unlawful street trading.
- Magistrates should be included in any initiatives to raise awareness given a communications breakdown on prostitution.
- Thought needed on how to raise the awareness of drunks of the impact of their behaviour on the community.
- Further information on Police enforcement activity in relation to prostitute customers requested, as significant change could be achieved by tackling those buying.

The Chair **Moved** and it was :-

Resolved

That the contents of the report be noted.

Action by:
David Galpin, Head of Legal Services - Community

6.2   **Complaints and Information Annual Report**

Tabled papers, copies of which would be interleaved with the minutes: The Annual Review Letter' of the Local Government Ombudsman and An addendum sheet to Appendix 1 of the report.

David Galpin, Head of Legal Services - Community, introduced, and highlighted key points, in the report which provided details of the volume of complaints and information requests received by the Council in the period 1 April 2011 to 31 March 2012, the outcomes of those cases and the standard of performance in dealing with them.

A discussion followed which focused on the following points:-
- Increased numbers of assessment requests due to the launch of the new "Customer Journey" in Adult Social Care had been predictable. The assessment of support plans often involved difficult decisions, and it was concerning that there was insufficient capacity to deliver these without delay, given the impact on individuals. Further information requested on why effective planning for change was not done.
- A significant rise in volumes of Adult Social Care complaints, particularly amongst elders and the explanation that this was due to a Local Government Ombudsman campaign targeting elders. It was important for the Council to identify how well it was performing in relation to the provision of domiciliary care, by examining complaints. A determination was needed to identify if the rise in complaints was a national or local issue. Mr Galpin to look into what was done to examine the cause of complaints.
- Concern that 8 Stage 3 repairs-based complaints had been upheld, as complaints about THH had gone down the previous year. Also the number of Stage 3 complaints warranting compensation had dropped

but the value of compensation had risen significantly. Attention was needed on this if THH was underperforming in terms of repairs.

- Concern that Stage 3 complaints related to young people/ learning and CLC recycling/ refuse collection had increased with complaints for other services down. This was also at odds with the customer satisfaction index and needed explanation. Mr Galpin responded that if reasons for increases/ decreases could be determined, this was detailed, and it was part of ongoing work to spot and mitigate trends.

- Complaint response times for Children Schools & Families seemed very poor with average response times of 71 and 52 days. Two children's social care complaints had been answered outside the timescale and the delay could be critical for those children. Mr Galpin responded that the lengthy response times were due to the statutory process and requirement for the Council to use a non-Council person people to oversee the investigation. However, there was room for improvement.

- Concern over a 33% increase in stage 1 complaints, with 25% upheld, for Children Looked After, also the increase in complaints at stage 2 and at Review Panel. The increase was substantial and an explanation lacking, when it was known that the Council had made significant efforts over recent years to improve in this area. Nor were mitigating steps outlined. Childrens Social Care to be requested to examine this.

- Clarification sought if the significant rise in Stage 1 complaints relating to Council Tax was due to the new collection regime required of local authorities by Government. Mr Galpin responded that the increase in numbers was low, but it would be examined and reported back.

- Clarification sought as to why there had been a 100% increase in Stage 1 Children Social Care Complaints among the Asian community, and what the Council was doing to address it. Mr Galpin responded that the increase in number terms was small and therefore probably not significant, however the rise would be looked at but there might be no clear explanation to report back.

The Chair **Moved** and it was:-

Resolved

That the contents of the report, including Appendix 1, be noted.

Action by:
David Galpin, Head of Legal Services - Community

6.3   Strategic Performance and Corporate Revenue and Capital Budget Monitoring Q1 2012/13 (Month 3)

The Chair welcomed Councillor Alibor Choudhury, Cabinet Member for Resources. He, together with Alan Finch, Service Head Financial Services Risk and Accountability, introduced and highlighted key points in the monitoring report which detailed the financial position of the Council at the

end of Quarter 1 2012/13 compared to budget, and service performance against targets. Kevin Kewin, Service Manager Strategy Policy & Performance was also in attendance for this item.

A discussion followed which focused on the following points:-

- Clarification sought and given with reference to delays in delivery of Decent Homes/ associated slippage in the Capital Programme and the explanation that this was due to changes in the procurement process.
- Noted that the target for the percentage of senior staff that were women had been missed and an explanation and indication of mitigating steps was lacking. Progress on WRC appeared not to extend to women. Councillor Choudhury responded that work was underway to address this. Mr Kewin added that as staff turnover was low it was difficult to make quick progress, but HR initiatives were now in place to support improvement.
- Concern that performance was lower than expected for carers receiving a needs assessment/ review, as this would affect the resilience of the community, and no mitigating steps were outlined. Mr Kewin responded that a number of commissioned providers had yet to submit their datasets, which deflated the outturn; better figures were expected in Quarter 2.
- Written clarification requested on the comment that it was anticipated that resources allocated for the Learning Disability Service would not be required. Would the resources remain available for future contractors? Mr Finch responded that the directorate was indicating here that it would retain the resources until it knew the needs of new providers.
- Concern expressed that targets on the Council's work programme, particularly relating to NEETs had been missed. Clarification was sought as to the overall target and how much had been achieved. Councillor Choudhury responded that the position was unclear due to Government review of its contractor. Requested that further information be provided at the next OSC.
- If a significant variance against budget or performance targets was reported it would be helpful to Members if there was an associated explanation. Also that standard explanations were not helpful. Mr Finch to action.
- Clarification was sought and given regarding the purpose of the reported virement in the 2012/13 Control Budget relating to Future Sourcing and where the substantial saving associated with Future Sourcing was reported.
- Clarification was sought regarding the reported risk in achieving the income target for Communications. Communications to be asked for an explanation of the variance and this to be reported to the next OSC.
- Clarification was sought, with reference to the programme of works in place to reduce the amount of non-decent housing stock by 2015, as to the cost of maintaining DH standard stock after 2015. Councillor Choudhury responded that it was hoped that expenditure would be less

than previously forecast given limited HRA resources. Exact figures to be provided in writing.

- Was the downward direction of travel for collection of housing rent a temporary phenomena or a continuing issue? Mr Finch responded that the reduction was within acceptable tolerance and early in the financial year. However he undertook to request more information from THH.

- Clarification sought as to the contribution to revenue from asset sales. What the difference was between the independent valuation and the value the property sold for, if there was a variance did the Council ensure it achieved the best price. What monitoring arrangements were in place for this. Mr Finch responded that, with the exception of RTB sales which were governed by statutory regulations, Council policy was to obtain market price for asset sales. Councillor Choudhury added that a range of high street surveyors were used to ensure best price. Further information to be provided.

- Clarification sought as to the number of pupils that did not secure their first choice place at primary and secondary school, as this information was required to inform plans for additional provision and any request to Government regarding the lack of school places. Councillor Choudhury responded that a programme was in place to provide more school places, and it was expected that the impact of Government welfare reforms on families would reduce demand. Information to be provided in writing.

- Consideration that in the context of welfare reform and the displacement of families because they could no longer pay rent, there should be a related corporate performance target. Clarification sought if the Council had made an assessment of families potentially affected by welfare reform and what measures it was taking to address their dilemma. Councillor Choudhury responded that a database of those on housing benefit was being examined and work was underway with Job Centre Plus to track those on low income. All those on housing benefit would receive a letter advising of the reforms and that the Council would endeavour to assist them.

The Chair **Moved** and it was:-

Resolved

That Quarter 1 performance for 2012/13 be noted; and

That the Council's financial position as detailed in sections 3 and 4 and Appendices 1-4 of the report, be noted.

Action by:
Alan Finch, Service Head Financial Services Risk and Accountability

6.4   **Scrutiny Review Update: Supporting New Communities, Case Study of the Somali Community**

Frances Jones, One Tower Hamlets Service Manager, and Sarah Barr, Senior SPP Officer, gave a detailed Powerpoint presentation in addition to the written report. The slides were also **Tabled**, a copy of which would be interleaved with the minutes.

The new methodology of a presentation and discussion provided an update on implementation of the original review recommendations, as with previous tracking reports; but also set out changes in context, looked at learning from the review, and gave a mechanism for observations to contribute to ongoing policy work through the refresh of the Race Equality Scheme and for capture in the end of year review.

Understanding Needs: Data
Key points
- Much work done since the review to use existing data better: Published briefings, Census data and anecdotal data from Praxis and local councillors.
- Analysis of NI number data from the DWP reinforced early Census returns showing that immigration was an ongoing challenge for the borough, although less so for the Somali community. Also there was great population churn particularly amongst single people of working age. This was likely to increase given Government welfare reforms.
- It would be important to be nimble in using the learning to improve service delivery.

Discussion focused on the following points:
- Consideration that partnership working was important in this area and there should be a corporate target for sharing data with RSLs other than THH, advocacy providers and other voluntary sector organisations who had significant amounts of data.

Employment
Key points
- Work was continuing to identify and address specific inequalities for different groups, gaps in services and barriers to work in accord with 2011 Employment Strategy commitment.
- Research commissioned by the Council had led the Women and Worklessness programme, done in partnership with Skillsmatch, to set up a project targeting worklessness amongst Somali and Bangladeshi women. Skillsmatch placed 600 local people into sustained employment 46% of whom were Bangladeshi.
- Some employers/ roles introduced unnecessary barriers to employment and work with the Employment Board to challenge employers to be as flexible as possible was continuing.

Discussion focused on the following points:
- Recommendation 5 of the Review: welcome packs for new communities should include reference to the role of ward councillors

and how to access them. More widely distributed information on how to access the decision makers and influence change was needed.

- With reference to reported success of Skillsmatch in securing work for BME residents a breakdown by age, gender, ethnicity showing which groups had been more or less successful and their relationship to the labour market (long term residents/ recent arrivals to UK) was requested.
- To succeed in placing unemployed people in work employers needed to be willing to provide training but instead sought trained/ skilled staff. Ms Jones agreed that employers had not been included fully in the discussion; this would be fed back to the Enterprise Board, comprised mostly of employers, as it could play a more proactive role.

Advocacy Services
Key points

The mapping of advocacy services in 2011 had identified that as well as general advocacy services a range of services met the needs of small and new communities, and examples were highlighted. This would inform the current Adults Health and Wellbeing commissioning process for advocacy services.

Discussion focused on the following points:
- Clarification sought and given as to whether independent mental health advocacy had formed part of the mapping. Also whether there was an integrated approach including non-statutory services for users.

Voice and Representation
Key points
- Key elements of the new structures for voice and representation were outlined.
- In developing the new structures a balance between borough-wide and local engagement was important, because some groups were too small to be represented at ward level: small and new communities, disabled and LGBT residents.
- The New Resident and Refugee Forum, delivered by Praxis, would be a key forum, bringing together a range of organisations to ensure their voice was heard across the partnership.

Discussion focused on the following points:
- Clarification sought and given as to ongoing dialogue on the value of borough-wide engagement mechanisms for small groups of residents such as LGBT. Also on the timescale for implementation of the new structures such as the forums.

Supporting the third sector
Key points
- Whilst community and voluntary sector groups were represented on various partnership structures, it was important to hear specifically from

small and new communities, so their experience and needs could be reflected in policy making.

- Consequently representation on all Community Plan Delivery Groups and other boards had been agreed. The CVS also facilitated thematic forums which contributed to the Community Plan delivery discussion.
- A piece of work was underway on ways new Neighbourhood Agreements could support grass roots projects run by community groups to improve service delivery and expand their reach to small and new communities; and this would be reported to the OSC in December.

Discussion focused on the following points:
- The approach to community engagement and supporting the third sector seemed complex and it was difficult to see how local residents would connect this with volunteering. Further information on encouragement of volunteering requested.
- A more strategic approach which analysed the Council's objectives in relation to community engagement/ supporting the CVS and targeting organisations accordingly was needed.
- Clarification was sought regarding the relationship of the Council of Somali Organisations with other Somali groups. If it was an umbrella group it should have a direct role in the engagement of this community. Report back requested.

Areas for more attention
Discussion focused on the following points:
- The development of a communications strategy for new communities at citizenship ceremonies, including welcome packs.
- The need for thought on engagement of professional people resident on private developments, who might want to contribute more actively to their local community if there was a mechanism for it.
- More attention to be paid to the welfare of children and child protection in relation to new communities in the context of recent cases highlighted.
- An examination of how transition from being a migrant to a resident of Tower Hamlets could be facilitated and accelerated using the findings to inform the Council's provision of services.
- The need for thought on targeting faith communities and gathering places such as mosques and school gates, as a way to overcome population churn and engage with new communities. Specific thought should be given to the introduction of ward councillors to key members of community mosques with a view to forming links with new communities. The methodology of a recent community budgeting exercise in LAP 6 would provide useful learning. Ms Jones indicated this would be fed into the refresh of the Race Equality Scheme.

The Chair **Moved** and it was:-

Resolved

That the contents of the report and presentation be noted.

Action by:
France Jones, One Tower Hamlets Service Manager

6.5   Overview & Scrutiny Committee Membership, Appointment of Scrutiny Lead Members, Co-options to Overview and Scrutiny Committee, Health Scrutiny Panel Membership & Appointments Update

Angus Taylor, Principal Committee Officer, introduced the report and summarised the key points it contained.

Councillor Fozol Miah advised that, in view of his councillor surgery commitments, he needed more time to consider taking up the appointment as Scrutiny Lead Member for Communities Localities & Culture, given that the OSC was likely to make such an offer because he remained the only member of the OSC without a Scrutiny Lead portfolio. He also clarified that Councillor Harun Miah, the other member of the Respect Group, had indicated that he was also unable to take up the portfolio.

The Chair commented that if members of the Respect Group were unable to take up the appointment by the date of the next OSC meeting, a general invitation for nominations would be made.

Councillor Rachael Saunders, Chair of the Health Scrutiny Panel, informed the OSC that the HSP had briefly discussed the potential for co-options to its membership, and was continuing to review the position and examine suitable candidates.

The Chair **Moved** and it was: -

Resolved

1.   That the revised Membership of the OSC, as set out in Appendix 1 to the report, be noted;

2.   That consideration of an appointment, from amongst its membership, of a Lead Scrutiny Member for the Communities, Localities & Culture portfolio for the remainder of the Municipal Year 2012/13 be deferred to the next OSC meeting;

3.   That the current position in relation to the co-option of representatives in respect of education matters, as set out at paragraphs 4.1 to 4.3 and Appendix 1 of the report, be noted; and

4.   That the requested revision to Labour Group representation on the HSP for the remainder of the Municipal Year 2012/13 be noted and endorsed. That the subsequent final current membership of the HSP, as set out in Appendix 4 to the report, be noted.

Action by:
Angus Taylor, Principal Committee Officer

7. VERBAL UPDATES FROM SCRUTINY LEADS

The Chair commented that work was underway to scope out the main elements of the OSC Scrutiny Work Programme and appointments with Officers to take this work forward were being made.

Councillor Tim Archer, commented that he had undertaken a desktop review of publicly available information on new regulations which he understood would provide councillors with strengthened powers to scrutinise documents associated with decisions under Executive powers, and consequently sought clarification of this.

David Galpin, Head of Legal Services - Community, responded that new regulations governing public access to meetings, and information relating to executive decisions would come into effect on 10 September 2012. These were unexpected and had not been the subject of any consultation. Senior Officers were to meet on 5 September to examine the implications for Executive decision making at LB Tower Hamlets.

The Chair **Moved** and it was: -

Resolved

!.   That the verbal update be noted; and

2.   That a briefing on new regulations governing public access to meetings/ information relating to executive decisions and their implications for Executive decision making at LB Tower Hamlets be presented to the next meeting of the OSC.

Action by:
David Galpin, Head of Legal Services - Community

8. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

No pre-decision questions submitted to Mayor in Cabinet [5 September 2012].

9. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

Sarah Barr informed the OSC of forthcoming Centre for Public Scrutiny training sessions, including one on 17 October at the LB of Westminster (those wishing to attending asked to contact Sarah). An in-house briefing for all councillors on Government welfare reforms on 23 October.

10.   EXCLUSION OF THE PRESS AND PUBLIC

The agenda circulated contained no exempt/ confidential business and there was therefore no requirement to exclude the press and public to allow for its consideration.

The meeting ended at 9.07 p.m.

Chair, Councillor Ann Jackson
Overview & Scrutiny Committee

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Committee: Overview and Scrutiny	Date: 2nd October 2012	Classification: Unrestricted	Report No.	Agenda Item No.
Report of: Aman Dalvi, Corporate Director Development and Renewal **Originating Officers:** Nasim Ahmed and Ali Ahmed Third Sector Team, Development and Renewal		**Title:** Voluntary and Community Sector Strategy: Consultation Document **Wards:** All		

1. SUMMARY

1.1 This report is to inform the Overview and Scrutiny Committee of the current work to refresh the Tower Hamlets Third Sector Strategy, which ran from 2009-2011. The new document takes into account the change in language at a national level – and adopts the preferred local term – the Voluntary and Community Sector. It is also proposed that this be adopted as a Partnership Strategy. The draft strategy is currently out for consultation.

2. RECOMMENDATIONS

2.1 The Overview and Scrutiny Committee are asked to consider and comment on the draft strategy and the consultation questions:
- Do you agree with the aim and strategic objectives of the strategy?
- To what extent do you think the steps identified will meet the challenges faced by the voluntary and community sector?
- What other steps do you think can be taken to deliver these strategic objectives?

3. COMMENTS OF THE CHIEF FINANCIAL OFFICER

3.1 This report asks Overview and Scrutiny Committee to consider the draft refresh of the Voluntary and Community Sector Strategy for the period 2012-2015. The draft is currently being consulted on with organisations which comprise the sector and the Tower Hamlets Partnership.

3.2 Future funding of the Voluntary and Community sector as part of this strategy will have to be considered as part of the Council's Medium term Financial Plan (MTFP) against a background of expected further reductions to the Council's funding and the need for savings from 2014-15 onwards as part of the next financial settlement with government.

3.3   There are no financial implications arising from this report. However In the event that the Council agrees further action in response to this report then officers will be obliged to seek the appropriate financial approval before further financial commitments are made.

4.   CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

4.1   The Tower Hamlets Community Plan sets out the vision and priorities for the borough which have been set by the Council and its partners. From the Council's perspective, the Community Plan includes its sustainable community strategy for the purposes of section 4 of the Local Government Act 2000. The Community Plan makes clear that individuals and organisations from the third sector are delivery partners in relation to a number of key objectives. This is particularly the case in respect of achieving A Prosperous Community, in respect of which the third sector strategy is recognised as part of the delivery framework that informs partnership working.

4.2   Having regard to the Community Plan, it seems that further developing the VCS strategy may be supportable as being necessary to deliver a variety of Council functions. Section 111 of the Local Government Act 1972 permits the Council to do things (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) calculated to facilitate, or conducive or incidental to, the discharge of any of its functions. The Council also has power under section 1 of the Localism Act 2011 to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. It may be considered that development of a strategy to support the VCS is something an individual may do and thus also something that the Council may do.

4.3   When working to develop the VCS strategy the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Some form of equality analysis will be required and officers will have to decide how extensive this should be.

5.   ONE TOWER HAMLETS CONSIDERATIONS

5.1   The voluntary and community sector strategy play an integral role in reducing inequality, building community cohesion and promoting community leadership, the three principles of One Tower Hamlets. A new voluntary and community sector strategy should be clear about the ways in which it will support those principles.

6.   SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

6.1 There are no specific SAGE implications arising from the recommendations in the cover report.

7. RISK MANAGEMENT IMPLICATIONS

7.1 There are no specific risk management implications arising from the recommendations in the cover report.

8. CRIME AND DISORDER REDUCTION IMPLICATIONS

8.1 There are no specific Crime and Disorder Reduction implications arising from the recommendations in the cover report.

9. EFFICIENCY STATEMENT

9.1 There are no specific efficiency implications arising from the recommendations in the cover report.

10. APPENDICES

Appendix 1: Tower Hamlets Voluntary and Community Sector Strategy: Consultation Document

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Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report

Brief description of "background papers"	Name and telephone number of holder and address where open to inspection.
None	**n/a**

Tower Hamlets

Voluntary and Community Sector Strategy

Consultation Document

September 2012

Tower Hamlets Partnership

MAYOR OF
TOWER HAMLETS

TOWER HAMLETS

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Foreword

By Lutfur Rahman, Executive Mayor of Tower Hamlets and Chair of Tower Hamlets Partnership

As Mayor of LBTH and Chair of THP, I am pleased to present this initial draft of the VCS strategy and launch the public consultation process which invites stakeholders to comment and improve it.

The Voluntary and Community Sector (VCS) brings richness and diversity to the borough. Generating much of its own funding, many committed organisations and their volunteers work for the benefit of others. In the borough, charities bring people together, campaigning, supporting and enabling them to promote their rights and wellbeing.

The Council previously had its own Third Sector Strategy, which focused on creating the conditions for a thriving third sector. Much has changed since that strategy was written, including the election of the coalition government with new policies, and challenges in terms of funding for the sector.

I therefore welcome this new strategy which is written for and on behalf of the Tower Hamlets Partnership. This recognises the vital contribution of the voluntary and community sector. Its work cuts across almost every aspect of life in Tower Hamlets and it is right that this is recognised at the level of the Partnership.

My hope is that the strategy will bring focus to the joint work of the public, private and voluntary and community sectors, so that we can better meet the needs of local people at a time of great change and continuing need. The consultation process presents an opportunity for all of the organisations involved in these issues to offer their views to improve the strategy and help the Tower Hamlets Partnership to shape and agree priorities for member organisations.

Although work remains to be done, I am committed to making sure that this Strategy delivers real changes. Promising areas include:

- Shaping public services – making the most of VCS voice and expertise
- Facilitating access to public sector contracts – including by supporting consortium working and looking at how the local authority tenders contracts
- Social finance and social enterprise – developing stronger links between financiers to support enterprising solutions with social benefit

All partners will join together to make these results tangible.

We need to ask some probing questions of ourselves to make sure that we have this strategy sets the right direction. I look forward to the feedback from the different organisations with a stake in this strategy, particularly the sector itself, so that we can work together better for everyone in Tower Hamlets.

MAYOR OF
TOWER HAMLETS
Lutfur Rahman

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Executive Summary

The Council is pleased to present this draft of the new Voluntary and Community Sector (VCS) Strategy for consultation. Running from 2012 to 2015, it is proposed as a strategy for adoption by the Tower Hamlets Partnership, which includes local public agencies and the Council for Voluntary Services. Besides building on the progress made under the LBTH 2009-11 Third Sector Strategy, which focused on the conditions needed for the sector to thrive, there is an added focus on improving quality of life for people in Tower Hamlets. The overall aim is therefore to improve the quality of life of local people by supporting the development of a healthy Voluntary and Community Sector. This is strongly related to the aspirations of the Tower Hamlets Community Plan and it is intended that the VCS strategy supports its intended outcomes.

Tower Hamlets enjoys a vibrant VCS with a rich history, which has played a significant role in shaping the borough. Local VCS organisations make a valuable and unique contribution to the life of the borough and its people, which includes engaging and empowering local people, providing services to those in need, offering a voice for particular groups and campaigning on their behalf; and strengthening the social fabric of the borough. It uses a wide range of funding sources to do this, including but not primarily from the public sector, and mobilises thousands of volunteers who give their time for free. The sector is diverse, with different types of organisation, different approaches and different emphases: recognising this is important to understanding its strengths and the way it interacts with the public and private sectors. Where the sector has come from and its current shape are explored in the second chapter. This also sets out the ongoing needs faced by local people, which are likely to increase in view of the economic climate and policy changes. The need for a resilient VCS is as great as ever.

An analysis of challenges and changes is provided in Chapter 3. Some of these are already affecting the sector and others are forthcoming: all have implications for local people. This includes political and financial drivers, as well as more general trends. Funding, public sector contracting, social capital, premises and governance are covered here.

Familiar funding streams, notably grants from the public sector and major trusts, are threatened or reducing. Although the Council is maintaining the funding within its direct control, other sources are showing signs of being affected, including central government initiatives. Infrastructure funding is also being cut by government and the Big Lottery. However, the VCS is looking at other ways to generate income, including through social enterprise, and reducing costs. Creativity and flexibility mean that resources can be made to go further.

Large "super sized" contracts, such as the sub-regional ones for welfare to work, mean that VCS organisations risk exclusion where they could be invaluable. In some cases, high levels of turnover and cashflow are essential to gain access to contracting opportunities. The VCS may need to collaborate internally and with partners to ensure that local people get the best mix of provision, drawing on the benefits of smaller and often more specialist organisations from the VCS. On the

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other hand, there is also a trend towards giving service users more control, for instance through personal budgets, and empowering communities. The Right to Challenge legislation in the Localism Bill will enable the VCS to make requests to the local authority to provide services. There are opportunities here to draw on the diversity of the sector at all scales.

Social capital is a key resource for the sector as well as an output. Volunteers contribute many hours to the VCS which add significantly to what it can accomplish. Volunteering can strengthen social cohesion, bringing new energy and skills to VCS organisations. At the same time, volunteering can be a route to get into or progress in work. Voluntary activity can take other forms too, for instance through peer-to-peer exchange mechanisms. Contributing time is one of several ways in which business can support local people and the VCS, and the social capital that this develops can have broader implications. Relationships between the private sector and the VCS are an area which could be built on to advantage.

Suitable new and existing premises are a key asset which the VCS requires if it is to function effectively. Significant population growth within the borough will necessitate more provision, something which needs to be worked out in the light of changes to how physical infrastructure is funded, as Section 106 money is largely replaced by the Community Infrastructure Levy. At the same time, using existing assets well, whether by upgrading them and/or by facilitating the sharing of spaces between organisations will mean that utilisation improves.

Governance mechanisms related to the interfaces between citizens, the VCS, public sector and partnership structures are changing. A mixture of national legislation, local Council decisions and developments within the VCS will alter these structures during the course of this Strategy, with implications for the Tower Hamlets Partnership. This is an opportunity to improve information sharing and communication between all parties, which will require further discussion. Making sure that the voice of the VCS is heard and carries influence in decision making is important here. New forums can also support greater transparency. This relates to increasing demands for evidence of impact: it is not just how money is spent, it is the difference it makes which is important to citizens. Demonstrating the positive impact that the sector is having more thoroughly is to everyone's benefit.

Preparing for and responding to all of these challenges and changes – funding, contracting, social capital, premises and governance – will enable the VCS to continue its good work sustainably and effectively. Adaptation by organisations and support from partners are necessary to ensure that local people experience greater benefits, overcoming resource constraints and capitalising on opportunities. Focusing the work that is already going on in this regard and setting objectives for the future is the penultimate part of the strategy (Chapter 4).

The strategic objectives proposed are:

1. Ensure that the sector can shape strategy – recognising the importance of voice and representation, co-production and commissioning.

2. Ensure that the sector is resilient and financially sustainable and encourage entrepreneurial approaches, including by exploring social finance, shared savings and consortium working, as well as trying to level the playing field and include smaller organisations.

3. Strengthen social capital by increasing the quantity and quality of participation in the VCS – volunteering, cross sector partnership and local leadership.

4. Enhance communication, information sharing and shared accountability – including developing the structures that will support this and improving measurement, monitoring and evaluation processes.

The local authority is conscious that this Strategy and these objectives are a starting point for discussion and improvement as others contribute and further shape the strategy. Formal consultation is the next stage in this process, there will be a three months consultation period with a number events and online survey. The local authority looks forward to engaging with the sector and partners.

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Introduction

This new Voluntary and Community Sector (VCS) Strategy for Tower Hamlets will cover a three-year period, from 2012 to 2015, and supersedes the 2009-2011 Third Sector Strategy. It sets out the context, changes and challenges facing the London Borough of Tower Hamlets (LBTH), other statutory partners, and the Voluntary and Community Sector itself, as they all seek to achieve positive social outcomes for local people. Although drafted by the Council, this strategy is proposed as the basis for a Partnership strategy, as partners identify and prioritise the main issues and key possibilities for the Voluntary and Community Sector over the next three years. All partners with a stake in these issues are invited to contribute to this draft, there will be a three months consultation period with a number events and online survey. The local authority looks forward to engaging with the sector and partners.

Aim and scope of the Strategy

The aim of this strategy is to:

> **Improve the quality of life of local people by supporting the development of a healthy Voluntary and Community Sector**

This builds on the aim of the 2009-2011 Third Sector Strategy – to create the environment for a healthy VCS in Tower Hamlets. Whilst significant progress has already been made in building the capacity and infrastructure of the sector, there is still work to be done. The new Strategy focuses on one of the key strengths of the VCS: the benefits it brings to local people, acting with and alongside local people as well as for them. It recognises the depth, breadth and importance of the role played by the Voluntary and Community Sector in providing services and activities, supporting cohesion, representing particular people-groups, challenging the status quo and engaging and empowering local communities so that they can help themselves. These activities cut across practically every aspect of life in the borough, relate to every service provided by the public sector, and indeed go beyond what the public sector can do – the VCS has a unique contribution to make.

This Strategy intentionally emphasises the impact of the sector on local people and focuses on Voluntary and Community Sector organisations, which are active in the borough and working with its residents. The emphasis here is not on the good work of charities which are not locally focused, such as those with a predominantly national or international remit, although Tower Hamlets continues to welcome organisations operating across London, the UK and more widely.`

The meaning of the 'Voluntary and Community Sector' is expanded in the next chapter.

Purpose and context and of the Strategy

Why a Strategy for the VCS? The sector is of vital importance to local people. It works with and on behalf of residents, both in the borough and more widely, to secure multiple benefits for local communities and for the environment. Although some organisations deliver services on behalf of the public sector, most organisations have additional sources of funding and many receive no public money at all. The sector has independent means which are actively employed in meeting

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social and environmental challenges. Besides the work of professionals in the VCS, organisations tap into and mobilise a large number of volunteers which increase the reach of the sector and the outcomes it can achieve. It is a source of significant expertise. Always valuable, this is particularly important at a time of reduced financial resources.

Government funding is experiencing constraints and welfare policy is changing significantly, at national and local level, with consequences for the VCS and the people it supports. A co-ordinated response from the sector is important, particularly when it has to attract a significant proportion of its own funding.

It is in the interests of the public sector to work jointly with the VCS to maximise the effectiveness of work which supports local people. In a diverse borough, there is a risk that scarcity can lead to tensions; however, the sector brings people together. Common action for the social good can form a bridge across differences in ethnicity, language, age, religion, sexuality and other factors. Furthermore, from the perspective of public bodies, the sector is a valuable partner and collaborator. It often has privileged access to particular people-groups and can represent their opinions, shaping local service provision and meeting local needs. A new strategy for the sector is timely.

This strategy therefore seeks to set out the current needs and context, combining local knowledge with the national picture to create objectives that outline how the VCS can work with governmental organisations and businesses to secure enduring improvements for local people. Unless the sector is healthy, it will not be able to make this contribution effectively.

The Tower Hamlets Community Plan is the overarching document that sets out the vision for the borough until 2020 and forms the context for this strategy as well as the basis for the Tower Hamlets Partnership. It has four themes, to which the Voluntary and Community Sector contributes:

- A Great Place to Live
- A Prosperous Community
- A Safe and Cohesive Community
- A Healthy and Supportive Community

The Voluntary and Community Sector Strategy similarly emphasises partnership-working and it is proposed that it be adopted as a Partnership document. Different organisations have different roles to play, and the best results often arise from collaboration. In this spirit, the strategy is offered to stakeholders as a consultation draft, with questions which invite a response. This will enable improvement of the Strategy and ensure that the aspirations of all partners are represented. The consultation will be open until the end of November 2012 and it will be possible to comment online.

Alongside this strategy and the Community Plan, the other key document relevant to the VCS and partners is the Compact. The Compact, "Working Together", sets out the shared principles of how the public sector works closely with the Voluntary and

Community Sector. This includes: mutual respect, quality services, the independence of the VCS; responsibility; and joint working. This was signed off by the Mayor in April 2011 and underpins this strategy and its implementation.

Whilst this strategy offers an overview or "big picture" for the VCS in the borough, the forthcoming Voluntary and Community Sector Strategy Action Plan will give details as to how the strategy is to be implemented and will be informed by the responses to this document. It will be reviewed and refreshed annually by partners, taking account of changes that may arise. It will be specific about the tasks, responsibilities and milestones that will realise the objectives of the Strategy.

Structure of the strategy

This Strategy paints a picture of the shape of the VCS today and highlights its invaluable role in Tower Hamlets. It starts with an analysis of the present-day context and establishes the evidence base, then looks ahead and identifies key objectives. It has five main chapters:

1. *Introduction* – sets the scene and outlines the purpose
2. *Local context and shape of the sector* – history of the sector, its shape today, and issues facing local people and the borough
3. *Changes and challenges* – the main trends which will shape the environment in which the sector operates
4. *Objectives* – primary and secondary objectives, developed in response to the changes and challenges identified
5. *Process and next steps* – includes the consultation and likely governance arrangements for the Strategy
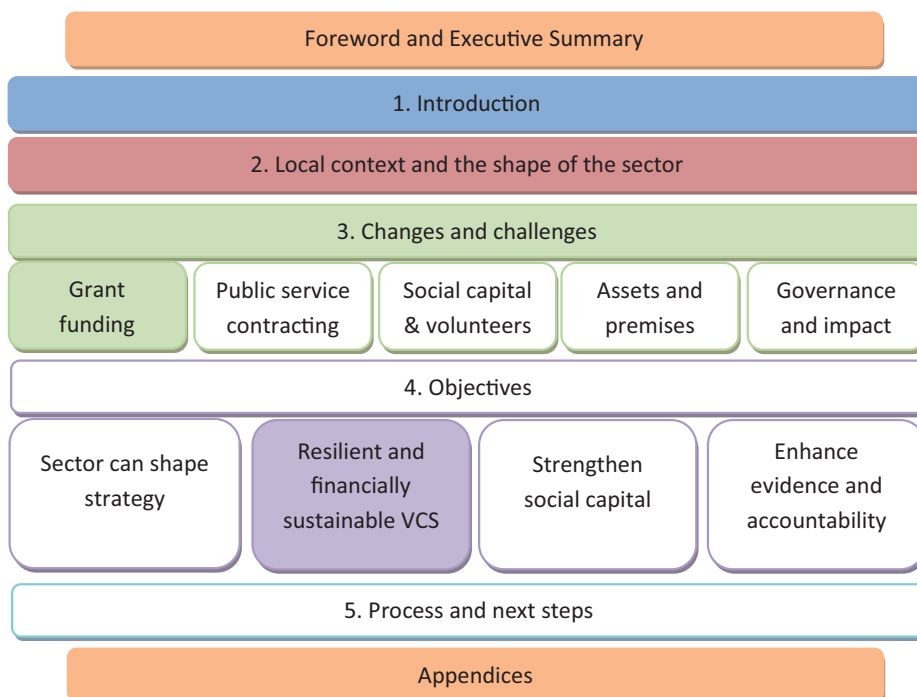
The structure is shown in the diagram below:

Figure 1: Structure of the strategy

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Key points:

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The new Voluntary and Community Sector Strategy supersedes the previous Third Sector Strategy (which finished in 2011) and sets out key issues and objectives for 2012-2015.

The aim of the Strategy is: to support the development of a healthy VCS which will improve the quality of life of local people. It is intended to be the basis for a working partnership between the VCS and partners.

This is a consultation draft which has been prepared for comment and includes questions for stakeholders. Comments from the VCS, or other groups such as funders or enablers, are particularly valuable at this stage and will help to shape the final draft.

Local context and the shape of the sector

The Voluntary and Community Sector has a vital role to play in improving the wellbeing of local people. Charities, social enterprises and other similar organisations provide invaluable functions – helping vulnerable groups, representing those at risk of exclusion, campaigning and championing people and issues, improving public services, strengthening community cohesion and providing volunteering opportunities. How did the VCS become so diverse? What is the range and scale of the organisations at work in the borough? And what are some of the challenges faced by Tower Hamlets that are being tackled by VCS organisations? Answering these questions will provide a basis for understanding the shape of the sector and the context in which it is operating.

History of the VCS

Below is a brief history of the voluntary sector. Some of the key milestones in the development of the voluntary sector are highlighted, including its changing role over time. The development of the voluntary sector has therefore been split into three key phases:

1. The Industrial Revolution: 1850 -1940

Society was transformed during the Industrial Revolution. Wealth was created, living standards rose ten-fold and the population grew rapidly: up to 600,000 in Tower Hamlets in the heyday of the docks. Philanthropy and a concern for the poor and vulnerable emerged in parallel with these changes. Philanthropic institutions, such as Toynbee Hall and the Peabody Estates, were established by wealthy individuals in the heart of the most deprived part of London – the East End.

The settlement movement developed as students from Oxford came to live and work in Tower Hamlets, providing practical support for the local communities and learning first-hand about disadvantaged areas. Ordinary working class people also came together to form groups to tackle problems affecting them. Groups were set up then that still exist today, such as friendly societies, co-operative stores and building societies.

However, by the end of the nineteenth century, philanthropy was in decline and the state adopted a growing role in tackling social problems. The reforming liberal Government of 1905-1914 introduced a programme of welfare reform and social legislation. A culture of partnership began to emerge with a mixed economy of provision in the public, private and voluntary sectors.

2. 1945 -1979

After World War II, Tower Hamlets struggled to recover from the damage done during the Blitz. The social impact of war had a negative impact on families and entire communities. A large number of voluntary organisations were established during this period, including the Women's Voluntary Society. The post-war Labour Government gave birth to the welfare state and a massive programme of social legislation, initiating a shift from voluntarism to statism. However, within a number of years, there was an increasing disillusionment with the welfare state; it had failed to live up to expectations.

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During the 1960s, the prevalence of poverty despite the welfare state was 'rediscovered' and funding for the voluntary sector was generous. It was during this period that the Citizens Advice Bureau was started in Tower Hamlets.

The **1960s** and **1970s** give rise to a number of pressure groups that campaigned on social justice issues, e.g. Child Poverty Action Group (CPAG), Shelter, Gingerbread, MIND, National Association for the Care and Rehabilitation of Offenders (NACRO), National Council for Civil Liberties, Disability Alliance, etc. A new role for volunteers emerges. This is seen through new organisations such as Community Services Volunteers and Voluntary Services overseas.

This period also saw the development of local action groups with specific interest, such as tenants groups, consumer co-ops, community arts groups, playgroups, advice groups, citizen's action groups and environmental projects. However, limits to social expenditure on welfare in the 1970s led to a reliance once again on the voluntary sector as a means of replacing and subsidising state provision.

3. 1980s to the present

A 'new' voluntary sector evolved in the 1980s, largely due to Greater London Council (GLC) funding, as well as area approaches like City Challenge. This was comprised of community organisations, self-help groups, co-operatives and educational, religious, artistic and cultural associations. A number of these organisations were radically different in character from previous organisations.

These groups emerged to meet the needs of a different clientele from that of the 'old' voluntary sector and to fill the gaps in service provision that were not met by them. These new and often radical organisations, such as black self-help groups and gay and lesbian groups, fundamentally questioned the status, paternalism and control of the welfare state.

Today, the voluntary sector – both within Tower Hamlets and nationally – is large, active, innovative and continually renewing itself. Significant amounts of funding during the 1990s and early 2000s have recently been significantly scaled back, requiring adaptation to a more austere economic climate. However, creativity and innovation remain vital components within a resilient sector.

There are a wide range of services provided by the voluntary and community sector in Tower Hamlets today – ranging from financial inclusion services to housing assistance to parenting support. The VCS is as vitally important in Tower Hamlets in the 21st century as it has been over the previous two centuries.

The historic division whereby the VCS dealt with social needs which the state was not addressing is no longer clear cut. Compassion and campaigning now co-exist with contracting – much VCS income comes from public sector, as charities and social enterprises provide services on behalf of central and local government, including the health service.

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4. Summary and trends

Aside from the evolving diversity of the VCS in Tower Hamlets, the other notable trend is the changing relationship between the VCS and the public and private sectors. Victorian philanthropy was characterised by charity intervening where there was no public provision and the market did not reach. This could be expressed thus:
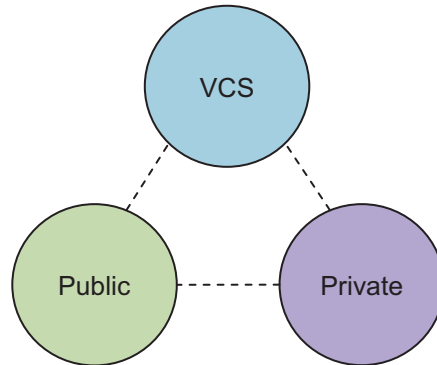

Figure 2: Historic relationship between sectors

However, relationships have tended to become more collaborative over time, although this does not exclude the campaigning and challenging roles of the VCS. The relationships are looking increasingly like this:
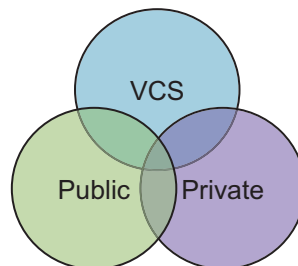

Figure 3: Current relationship showing overlap between sectors

Some areas remain quite separate but there are significant overlaps. Those where the VCS touches the public and private sector are of particular interest here. For instance:

- *VCS*/*private* – social enterprise, corporate engagement and Corporate Social responsibility
- *VCS*/*public* – commissioning and contracting, public sector grant funding, influencing service delivery
- *VCS, public and private* – multi-agency partnerships, webs of contracting and subcontracting, some types of social finance (e.g. where a public service is delivered by the VCS with risk capital from the private sector)

These linkages are worth bearing in mind because they illustrate the connectedness of the sectors. Organisations have different roles and identities which can make interactions more complex.

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The needs of the borough today

Philanthropy and charitable endeavours, along with the rise of the welfare state, have led to huge progress within the borough, particularly in education and health. Today, Tower Hamlets is a better and healthier place to live compared to the circumstances of industrialisation. However, the needs of the borough are still profound.

Deprivation is improving but enduring

Tower Hamlets remains one of the most deprived areas in the country; it is ranked as seventh most deprived (out of 326 local authority areas – LAAs) nationally on the Indices of Multiple Deprivation score measure, and is third (out of 326 LAAs) on extent of deprivation (how widespread deprivation is).

- 44% of households are estimated to live in income poverty,[1] the highest rate of income poverty across all local authorities in England and Wales and double the national average (22%).

- 16 per cent of the working age population were in receipt of out-of-work benefits as at May 2011.

- Tower Hamlets has the highest percentage of both children and older people living in income deprived families in England[2].

- More than half of children in Tower Hamlets live in poverty[3]. The borough's child poverty rate is more than double the rate nationally (21 per cent), and well above the London average of 30 per cent.

- Despite the fact that proportionately fewer pensioners live in the borough, those that do face unusually high levels of income poverty. Almost 50% of pensioners in receipt of the guarantee element of Pension Credit.

It should also be noted that the distribution of poverty is very uneven within the borough. For instance, Council Tax Benefit, a good proxy for the presence of low income households as it is means tested, ranges from only 3 per cent in the riverside part of Millwall up to 66 per cent in part of Bromley by Bow. 29,680 children in Tower Hamlets live in poverty – this represents 53 per cent of all children in the borough and is the highest rate in the UK.

The needs of local residents are increasing as a result of several, interlinked factors: a growing population, the adverse economic context, and changing social policy and welfare entitlements.

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1 *Defined as those living below 60% of the median (or 'middle') UK household income, after housing costs*

2 *LBTH, Poverty Research Briefing, March 2012*

3 *LBTH, Poverty Research Briefing, February 2012 and End Child Poverty*

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The growing population of Tower Hamlets

Tower Hamlets is the third most densely populated borough and is growing at a faster rate than anywhere else in the country[4]. During 2001-2010, an 18% rise in population equated to 36,800 new residents. With an estimated 2011 population of 254,200, the GLA has forecast that this will increase to 326,100 by 2026. This will lead to a significantly greater demand for VCS services. This growth is also combined with a high degree of population turnover, the fourth highest in London.

The 2011 Employment Strategy points out that there is net inward migration to the Borough of people under 30, whereas there is net outward migration of the 30-45 age group, many of whom are economically active. This churn of people means that the numbers requiring support from the VCS will be even higher than the growth figures suggest.

Adverse economic situation

It may seem as though Tower Hamlets enjoys an enviable position. The Enterprise Strategy outlines how financial institutions have helped to power an economic cluster within the borough. Despite the economic shocks of recent years, jobs have remained plentiful within Tower Hamlets, with almost three jobs available for every two residents of working age. However, the jobs available do not always match the skills of local people. Both the Enterprise and Employment Strategies make clear that the opportunities and wealth that have been created are unequally distributed; poverty persists.

Macro-economic shocks always have the greatest impact on the most vulnerable. 97% of London Voluntary and Community Sector organisations responding to the Big Squeeze survey in 2011 said that the economic climate has had a negative impact on the clients they work with[5]. Furthermore, the median amount of household savings is £776 in Tower Hamlets, compared to a UK figure of £3,225, giving it the fifth lowest savings levels in England and Wales[6].

This leaves poorer and more vulnerable residents with very little leeway to absorb financial stresses that are beyond the control of residents and of the Council. The ongoing effects of inflation are particularly noticeable on food and fuel costs, which form a large part of spending within poorer households. Combined with the risk of further financial shocks from the Eurozone, this may leave many residents in a state of heightened vulnerability.

Changing policy and entitlements

Significant changes in the welfare system create uncertainty for those on the receiving end. Managing transition is not easy for stretched individuals and families, regardless of the case for reform. Objective 2 of the Tower Hamlets' Community Plan and part of the Prosperous Communities theme is "Supporting residents through

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4 With the exception of Westminster and the City of London – see Tower Hamlets, August 2011, "Population – key facts: research briefing 2011-06"

5 LVSC, July 2011, The Big Squeeze: the squeeze tightens

6 ING Direct, Consumer Savings Monitor, Q3 2011 quoted in LB Tower Hamlets "Poverty: key facts, Research Briefing 2012-01", February 2012

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national welfare reform". This is particularly pertinent at present as the recent and planned reforms of the welfare system mean that major changes are affecting welfare entitlements[7]. This affects the income of many local residents substantially and is likely to increase the demand for support services in the borough.

Universal Credit is the most sweeping change. Due to be introduced from 2013, it aims to provide a single streamlined benefit for those of working age, which sets out to ensure that 'work always pays'. The Department of Work and Pensions' (DWP) cap on benefits will restrict the total benefits that workless working age households can receive to the level of average earnings of working households[8]. The DWP names Tower Hamlets as one of the 18 local authorities where more than 1,000 households are affected. Initial estimates from LB Tower Hamlets indicate that the number of households impacted will be in the several thousands.

Changes to both income and housing have significant implications for levels of child poverty. The welfare cap will have a greater impact on larger families, and changes to housing policy increase the likelihood of overcrowding. The recent changes to working tax credits will also impact on in-work poverty. In particular, reductions in disregards, the increase in minimum working hours for couples and reductions in support with childcare, will cause financial hardship to those in low paid work.

The Council is working with partners to soften some of these changes. For instance, the Education Maintenance Allowance (EMA) for young people has been replaced nationally with a much lower 16-19 bursary. Tower Hamlets has introduced the Mayor's Education Award to top up the bursary to the average level previously received under the EMA. The Council is also working with the community legal advice sector through Tower Hamlets Community Advice Network (THCAN) to look at how agencies can best manage the increase in demand for advice due the impacts of the welfare reform changes and the removal of welfare and debt advice from the scope of legal aid. Furthermore, the February 2012 Council budget protects front line services and grants to voluntary and community sector organisations, whilst freezing council tax. This is being implemented in spite of reductions in central government funding.

It is likely that there will be an increasing scale of needs and additional demands will be made on services. The need for partnership within and across sectors to meet these challenges therefore becomes even more pressing. When considering the breadth of VCS activity, and the way in which it contributes to all of the strands of the Community Plan, it becomes evident that the VCS continues to play a vital role in Tower Hamlets.

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7   *Including local housing allowance, the under 35 shared room rate, Employment Support Allowance and the replacement of Disability Living Allowance with Personal Independence Payments.*

8   *Technically, this is the national median household take home pay. It equates to a cap on benefits of £350 per week for a single-person household and £500 per week for a family, the equivalent of £26,000 per year.*

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The state and shape of the sector

This section provides a snapshot of the voluntary and community sector today. Some of the issues raised here (such as funding) are explored in more detail in the third chapter.

Scale and breadth

There are over 1100 registered organisations that can be counted as part of the Voluntary and Community Sector in Tower Hamlets, although the actual number is likely to be higher. These organisations are non-profit and non-governmental. The previous Third Sector Strategy also included the idea that such organisations are "value-driven" and "principally invest their surpluses to further social, environmental or cultural objectives." In other words, they exist for the benefit of communities and/or the environment.

For its 2010 survey, IpsosMORI identified 1,084 charities, voluntary groups and social enterprises within the borough, based on organisational type. The Tower Hamlets Council database held by the Third Sector Team has 1150 records. However, these tend to be "professional" VCS organisations, with paid staff and a higher level of visibility. As well as community groups that are not included in this number, there are also many micro VCS organisations which exist with different degrees of formality that can be hard to track. They tend to be less visible for the purposes of surveys but are nonetheless an important part of Tower Hamlets. There is also a degree of churn as new organisations are set up and others move or close; the sector is far from static. The total for Tower Hamlets may therefore be in the region of 2000-plus organisations, as estimated in the previous strategy.

The VCS comprises:

- *Charities* – Council research has identified 625 registered charities in Tower Hamlets.

- *Community organisations* – includes a range of diverse organisations – from sports and social clubs, to Tenants and Residents Associations, to Parents and Teachers Associations (PTAs) and religious organisations. Whilst Tower Hamlets Sports Council, which promotes participation and achievement in sport, has 59 active members, there are probably hundreds of other sports groups in the borough[9]. Similarly, there are almost 100 schools in the borough, most of which will have a PTA. Many voluntary organisations are unincorporated which means that they are not registered and so can be hard to count. The Charity Commission estimates that there are over 500,000 voluntary organisations in the UK and only 180,000 are registered charities. Many religious organisations, which do not have to register, are active in providing services which are of social benefit to local communities. This is therefore one of the most diverse and numerous categories.

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9   These are not included in the estimates, which put the number of VCS organisations at about 1,100.

- **Social enterprises** – use business solutions to tackle social problems and reinvest the profits to meet social objectives. They can be set up as (although are not limited to) Community Interest Companies (CICs) and Companies Limited by Guarantee. Both of these forms restrict the distribution of profits or surplus.

- **Co-operatives** – the IpsosMORI poll included Industrial and Provident Societies and Companies Limited by Guarantee, but did not include Companies Limited by Shares. These have become relatively common structures for co-operatives to adopt, so there may be some under-counting of their presence in the borough.

It is important to note the different types of organisation within the VCS (see the Segmentation appendix). The VCS is not homogenous and should not be treated as such.

The diverse range of activities undertaken by the VCS was analysed in a national poll conducted by IpsosMORI in 2010. The graph below shows the main areas of work of these organisations for Tower Hamlets[10].
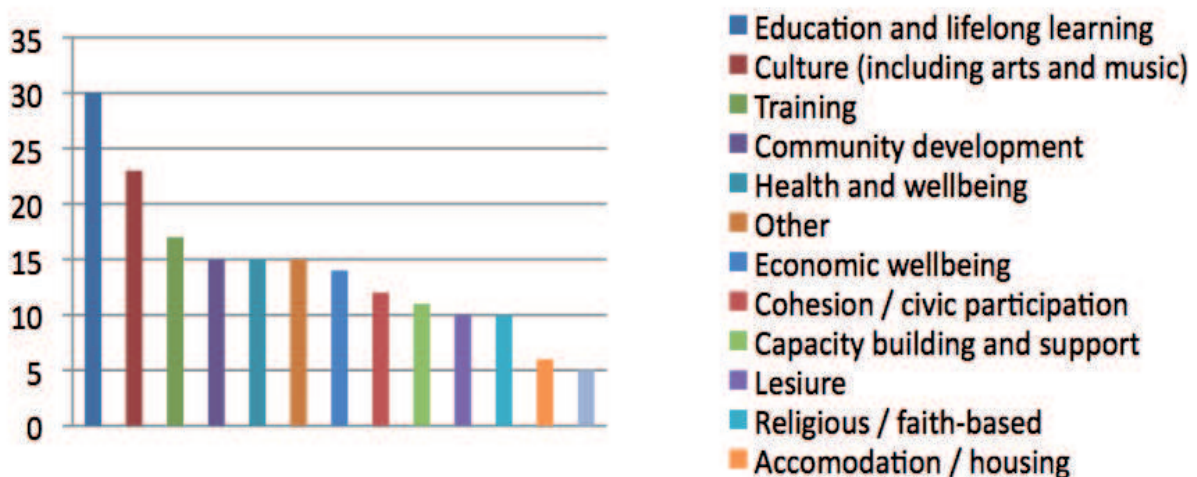

Figure 4: Percentage of VCS organisations involved in different activities

The "other" category includes organisations that did not fit into the prescribed categories, such as organisations working in environment/sustainability, equalities/civil rights, international development, criminal justice and animal welfare – all of which accounted for less than 5% of total activities.

An alternative classification is available from the Council's Third Sector Team's database. Besides denoting organisations by the services they provide, it also shows the extent of provision for particular groups, by the number of organisations working for or with them. This shows 37 women's organisations, 43 Somali organisations, 11 children's organisations, 131 youth organisations and clubs, and 36 disability organisations.

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10   *Since many organisations have more than one purpose, the total of all the categories adds up to more than 100%.*

18

Geography

VCS organisations are spread across the borough. The LB Tower Hamlets Third Sector Team's database of organisations shows the following distribution across the eight Local Area Partnerships (LAPs), each of which covers several wards.
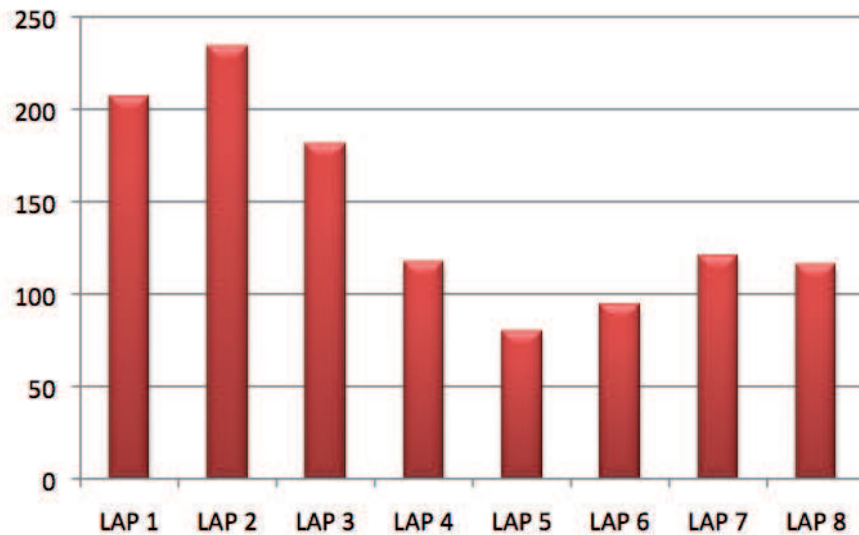
Figure 5: Geographical distribution of VCS organisations by LAP

Most LAPs have between 100 and 200 VCS organisations present. However, when located on a map of the borough, it becomes obvious that they are concentrated towards the western side of the borough, as LAP 1, LAP 2 and LAP 3 all lie towards the City of London (see below).

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Figure 6: Map of LAPs in Tower Hamlets   Page 41

This lean towards the west may be a result of a combination of factors, including proximity to Central London, distance to transport hubs (such as Liverpool Street and Whitechapel), historical factors and funding patterns[11], as well as concentrations of population. The last of these may explain why the lowest number of charities per LAP is in LAP 5, to the north east of the borough. This area is predominantly housing and includes Fish Island, which borders the Lea River and on the edge of the Olympics site, and is undergoing major regeneration.

Whilst this distribution highlights the relative location of VCS organisations, it does not reflect their needs for premises (an issue addressed in the next chapter), nor does it necessarily reveal where they operate. In geographical terms, half of the charities focus their activities exclusively on the borough. 50% of VCS organisations work mainly at local authority or neighbourhood level, whereas 36% work regionally or nationally[12]. There are, of course, VCS organisations that operate within the borough but are based outside it. The possibilities are summarised in the table below:

	Based in borough	**Based outside**
Operating in borough	**Fully local** Easier to identify High relevance to this Strategy – most likely to be working with residents	**Local operation** Could be a charity with a sub-regional, regional or national remit. Possibly a larger organisation in receipt of government funding for certain services, e.g. Mencap
Operating outside borough	**Local base** Could be a charity with a sub-regional, regional or national remit. Possibly a larger organisation with a registered or head office in the borough (e.g. Crisis).	**Not active in Tower Hamlets** Less relevant to this strategy, although such organisations may in future be based in, and/or begin operating in, the borough. Some are located in adjacent boroughs and may be more likely to engage locally. Other roles include local employers, partners or sources of knowledge.

This strategy has a particular focus on VCS organisations operating within the borough and for the benefit of residents.

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11 *For instance, the City Challenge regeneration programme originally had a focus on Spitalfields, to the west of the borough.*

12 *IpsosMORI, 2010*

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20

People resources

People are one of the greatest assets of the sector – both staff and volunteers enable the VCS to do its work. The recent Tower Hamlets VCS survey (completed in March 2011) indicated that 1305 people were working (in paid positions) across the 97 organisations which responded, 43% of whom were borough residents. This gives an average of 13.45 staff per organisation, which, if representative, could suggest of the order of over 13,000 full-time or part-time people working in the sector, given that there are over 1100 registered organisations[13]. The VCS is an employer of some significance in Tower Hamlets.

A 2008 survey carried out for the Volunteer Centre, estimated that there could be 40,000‑45,000 volunteers[14] in Tower Hamlets. 29% of survey respondents aged over 16 participated in formal volunteering in 2006, similar to national levels, and half of all adults responding had formally volunteered at some point, whilst 63% had volunteered informally. There are also signs that interest in volunteering is increasing.

Although it is difficult to get an accurate picture, in part because some people often volunteer at more than one organisation, the frequency and value of voluntary work is nonetheless significant. The same 2008 survey calculated that 22,466 regular formal volunteers contributed more than 100,134 seven-hour days of work each year, equivalent to more than 2,000 full-time staff every year. Based on the average hourly London wage, this represents a value of £52m per year (before costs). Both the Voluntary and Community Sector and local people benefit hugely from this resource. Volunteers can find fulfilment, gain new experiences and meet new people (this is explored further in the section on social capital in the next chapter).

Finances and funding

The total income of the VCS in Tower Hamlets is probably between £100m and £180m per annum, based on an extrapolation of the financial information provided for the IpsosMORI surveys in 2008 and 2010.

Public sector funding was a major component of this – 41% of organisations received public sector grants, 28% are delivering contracts for local or regional bodies[15] and 10% derived income from contracts with national statutory bodies[16]. Given that total funding from health and the local authority to the VCS is over £40m, this suggests that public sector funding accounts for roughly 22‑40% of the sector's income. Whilst this is significant, it is also the case that the sector is raising three to five pounds for every pound of public sector cash received, which significantly boosts the services delivered to residents (although some of this will be used outside of the borough). As an aside, there are also VCS organisations which are essentially self-funding, running primarily on volunteer labour and small grants,

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13   The survey developed its own list of 1100 but the number is similar to the Council's database and to that used by IpsosMORI.

14   A representative sample was taken and then extrapolated based on population estimates at the time of the survey, to give a figure of 43,852 formal volunteers. Given the time period and changes in population, an estimate of 40,000‑45,000 is used here.

15   Local authority, health, police, fire or Regional Development Agency (RDA)

16   IpsosMORI, 2010

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which also enrich the life of the borough. However, for those organisations that do receive national and local funding, the picture is changing: although Tower Hamlets Council is protecting funding for frontline services, some funding streams have come to an end and are unlikely to be replaced, such as the Working Neighbourhoods Fund[17] and the Future Jobs Fund. This could represent a significant financial risk for some organisations.

The other main sources of income for the VCS are grants and donations, which account for over a third of income for charities nationwide. This funding stream includes:

- Major funders with a national profile such as the Big Lottery, alongside others such as the City Bridge Trust, which is less well known but is a major donor in the borough. 76% of borough charities receive some funding from these sources and for 21% either the Lottery or grants from non-statutory bodies represent the bulk of their funding.

- The two local Community Foundations – the Isle of Dogs Community Foundation and St Katharine & Shadwell Trust (which also serves the City of London, Hackney and Newham)[18].

- Donations and fundraising activities, including from the public. According to the 2010 IpsosMORI survey, 63% of organisations receive some of their funding through these sources; for 24% it is the most important.

Corporate organisations are a further source of funding although information on its extent appears limited. They also provide in-kind support, such as donations of materials and staff time. Little information about corporates and their role in engaging with the VCS is currently available – this is picked up in the consultation questions.

Lastly, earned income is part of the funding mix for many organisations. Aside from investments, which can generate interest, and contracts, 26% of organisations in the borough earned some of their income from trading, including retail. 6% said that this was their most important source of income.

All of these sources of income combine to support a range of organisations of different sizes in Tower Hamlets, as shown in the graph below:

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17   The Working Neighbourhoods Fund (WNF) was worth over £20m in the borough between 2008 and 2011.

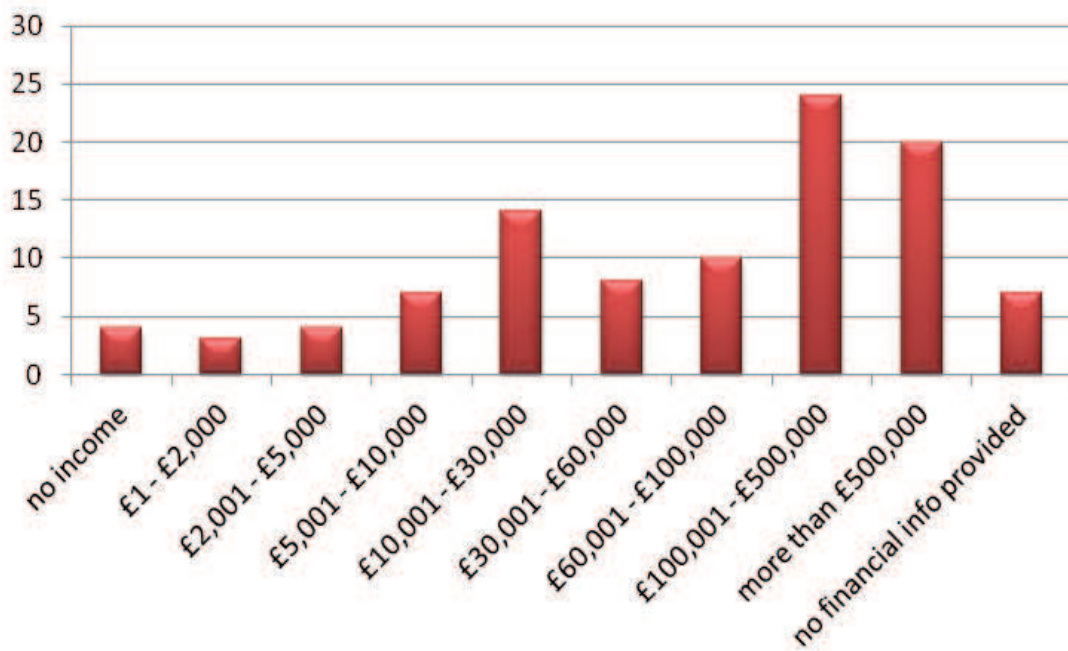18   These two organisations are in the process of merging.

Figure 7: Percentage of VCS organisations in Tower Hamlets by turnover band
Source: Ipsos MORI

This shows that, based on a representative sample of registered organisations, 20% of organisations turn over more than £500k, with a further 24% in the £100‑500k bracket. It suggests that there are some quite well established organisations which are likely to have full time staff. However, it is also notable that half of the VCS, as defined by the survey, have less than £100k per annum on which to operate and may have no income whatsoever. As implied above, smaller organisations and community groups are probably under-represented in this.

Support for the sector

Support for the sector comes in many forms. Some organisations play a particular role by enabling other organisations and providing essential infrastructure. Some are part of the sector themselves. Of note here is the establishment of the relatively new Council for Voluntary Services (CVS) for Tower Hamlets, which is already having a positive impact. The CVS acts as the local membership organisation, working to both represent and support the sector in the borough. The Volunteer Centre provides a service to local not-for-profits and local residents, by matching people with opportunities and promoting volunteering more generally.

Housing associations and housing co-operatives are worth mentioning in their own right. Besides forming part of the Voluntary and Community Sector, with some 20 organisations based in the borough, many also support community development activities. This may involve funding other VCS organisations and/or providing them with premises.

Lastly, the public sector has multiple roles as grant-giver, awarder of contracts, provider of premises, monitoring manager, supporter and strategic enabler. This reflects the long-term trend of a blurring between public sector activity and voluntary work.

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Key points:

Tower Hamlets has been a place of innovation in the development of the Voluntary and Community Sector, something which continues to this day. This depth and breadth is to be celebrated and nurtured for the future.

Philanthropy and state intervention have both responded to the needs of Tower Hamlets' residents over time, and now enjoy a close relationship. Changing entitlements at a time of economic hardship require close collaboration as residents are vulnerable to changes.

Tower Hamlets still faces many challenges – the VCS has a vital role and contribution in addressing these challenges. The diversity of approaches and organisational forms within the VCS is to be welcomed.

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Changes and challenges for the VCS

This chapter explores some of the trends and themes currently shaping the voluntary and community sector, outlining the opportunities and implications of these developments for the sector in Tower Hamlets. It seeks to explain the significance of some of these policy and funding-developments on the local context.

Many funding streams are threatened or reducing, but others are opening up. There is a need to be flexible and do more with less

The economic downturn has clearly had an adverse effect on funding streams for the VCS, both nationally and locally, and Tower Hamlets is not immune from this new austerity. Less money is available whilst need is increasing. 81% of London VCS organisations said that the demand for their services had increased in 2010-2011, whilst 86% expected demand for their services to increase in the same period. Over half have closed services and over half have made redundancies. However, at the same time, new approaches and opportunities are emerging. The sector is showing willingness to adapt but finances are a driver for it to develop its resilience further.

Public sector funding

The Voluntary and Community Sector in the borough has an estimated total income of £100-180m per annum from a variety of sources, including public funding. To put this in context, the Council has a total budget of £1.2 billion per annum, so the total income for the sector is equivalent to between 8% and 15% of this.

In terms of income to the VCS from LB Tower Hamlets, the Council spent approximately £42m p.a. through grants and contracts on the VCS in 2011/12[19]. This is a significant proportion of the Council's external spend (approximately 25%) which goes to the sector[20]. The majority of this is for services which the VCS has successfully bid for alongside other providers, including the private sector in some cases, compared to a smaller amount set aside for grants to the VCS. This income from the Council for the VCS represents a significant boost to the local area, particularly as this income is primarily spent on activities that benefit local people. At the same time, it is important to recognise that the VCS is, depending on whether one uses a higher or lower estimate of its income, bringing in between £1.30 and £3.20 of extra funding for each £1.00 that it receives from the Council.

This year the Council needs to find savings of £60m, and £40-50m for growth for the 2011/12 financial year. In spite of this, the Mayor and Council have made an ongoing commitment to protect services and Tower Hamlets Council allocates a high level of grants relative to other local authorities in London. The mainstay of this is Mainstream Grants (MSG) which amount to £3.53m per annum for the two years, split across the four directorates of Adult Health and Wellbeing; Communities,

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19   *Contracts can run for different lengths over several years with different systems governing payment. This is an estimate based on annualised contract values. It also includes £3.3m of European Social Funding. This is a reduction of 23% since 2009, when the total income to the sector from LBTH was estimated at £55m for the year. Central government programme funding was higher in 2009 and accounts for much of this reduction.*

20   *The Council spends £160.8m of its budget (just over 13% of the total) on third party payments, which is a reasonable proxy for service delivery by other organisations from any sector.*

Localities and Culture; Children, Schools and Families, and Development and Renewal (which includes the Third Sector Team). 6.6% of MSG also funds the CVS.

The breakdown of spending can be seen in the graph below:
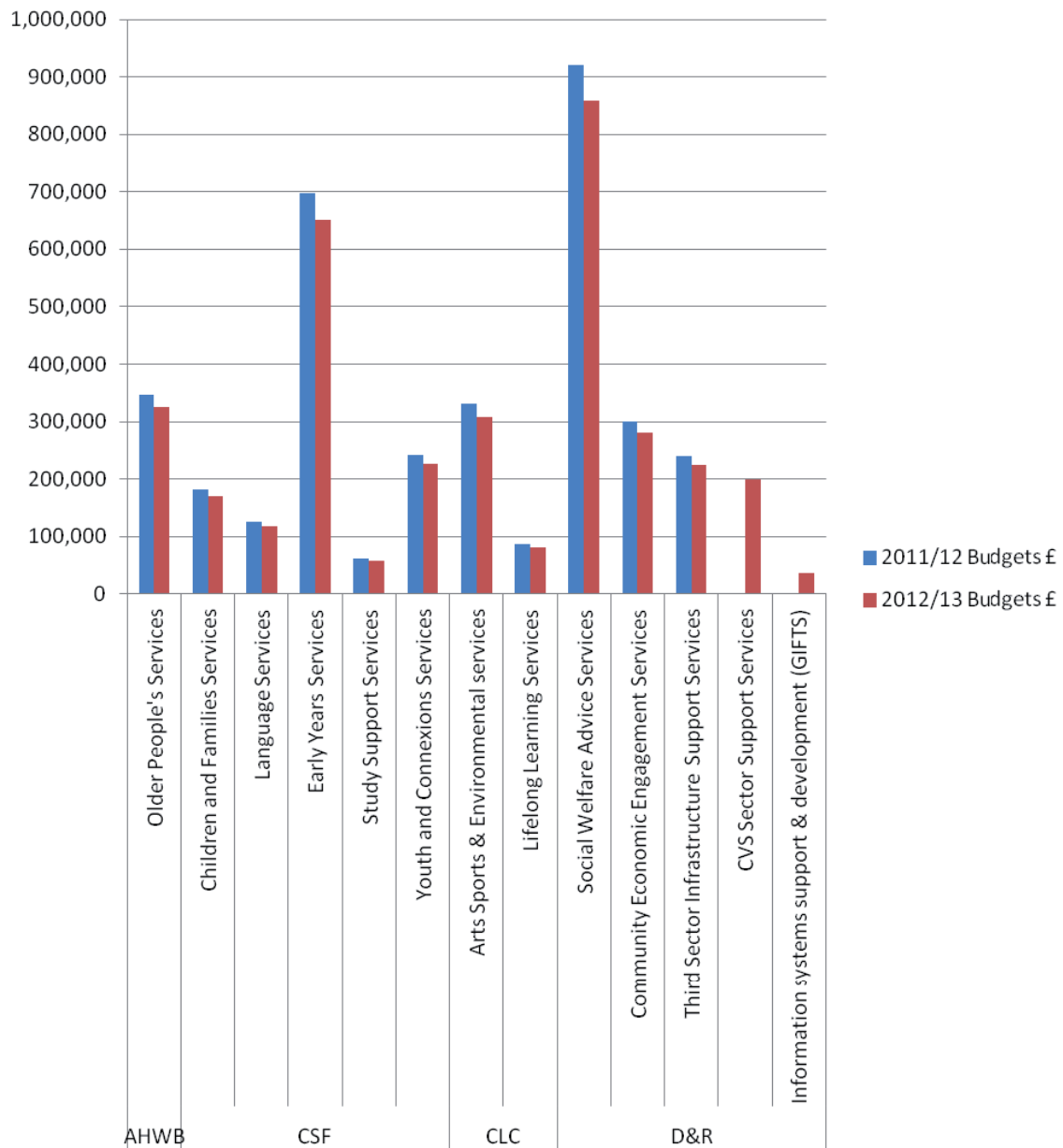
Figure 8: Mainstream Grant allocation in 2011/12 and 2012/13

A wide range of grants and contracts are available. The Council also provides smaller pots of grant funding[21]. It is important to note that obtaining this information for the Strategy required considerable information-sharing across departments. Although there is a grant management system (GIFTS) which could be used to hold and exchange this data, it is not used consistently or to its full potential.

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21 *Such as the small grants given annually by AHWB to older people's groups and the funding by Children Schools and Families to Positive Activities for Young People.*

The Voluntary and Community Sector has become heavily involved in the delivery of public services. Any cuts to this funding, whether grants or contracts, will be harmful to the sector, as well as to service delivery. It is in the interest of the public sector to have a strong and healthy VCS. The relationship needs to remain one of mutual benefit.

Major trusts make up a substantial part of giving and show some stability

Funding from large trusts and grant-makers contribute a substantial proportion of the sectors' income. Primary research carried out by the Council's Third Sector Team is shown in the graph below:
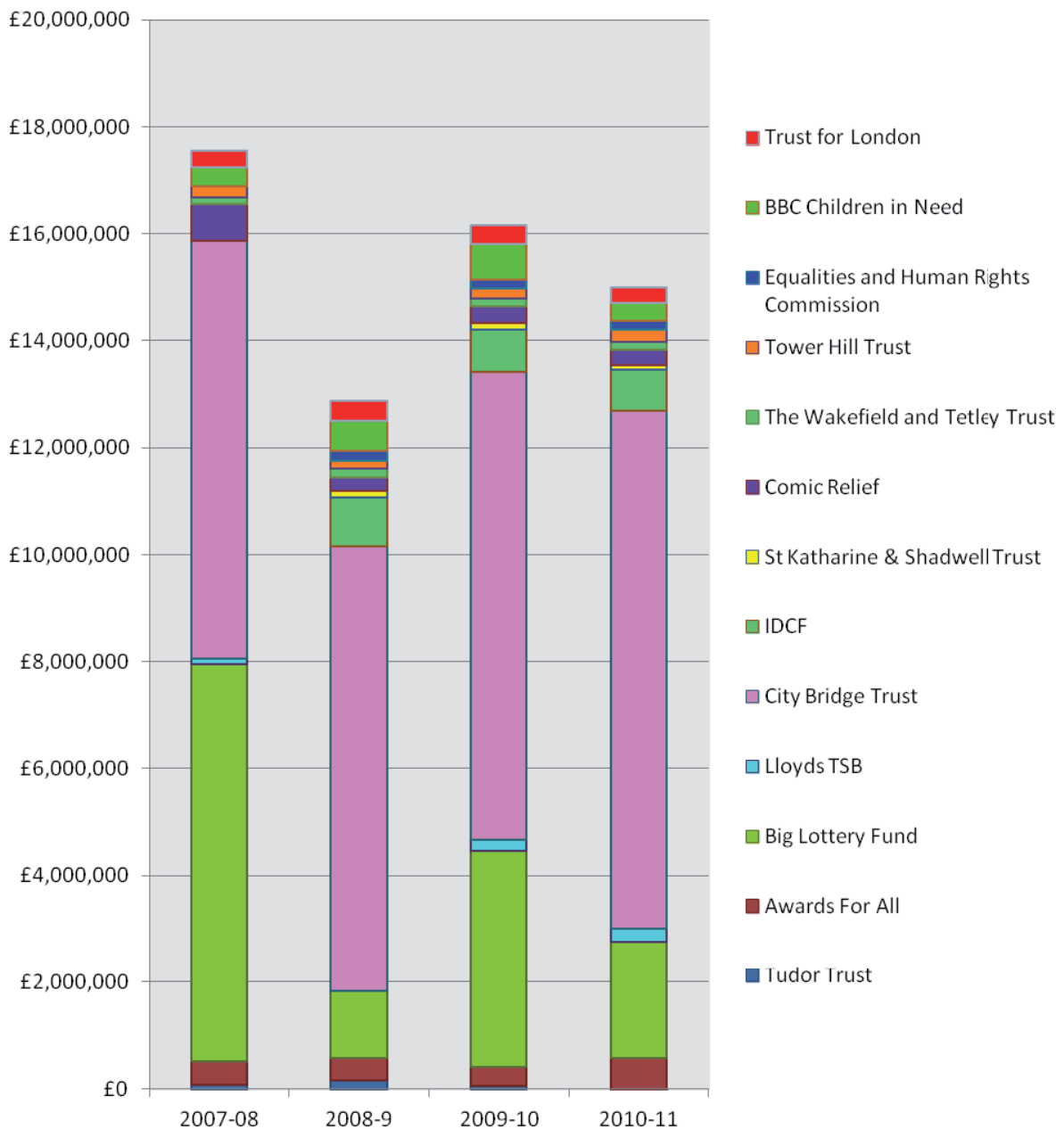

Figure 9: Annual giving by major trusts to Tower Hamlets VCS organisations

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This graph indicates an overall downward trend in giving on the part of the major funders identified that provided information to the Council. This was particularly pronounced in 2008/9 although it recovered in 09/10 to fall again the year afterwards. It also shows reliance on a few major funders. The generosity of the City Bridge Trust, in particular, is highly significant for the VCS and accounts for 5-10% of its income; fortunately, this has been quite stable and has actually increased every year shown. Big Lottery income, by contrast, is unpredictable and can expand or contract by fourfold on an annual basis; the overall downwards trend and the 09/10 recovery are due primarily to these changes. However, of the 13 major funders for whom information is available, 9 have either maintained their funding or increased it, based on a comparison of 07/08 with 10/11, compared to four reducing it.

Risks to infrastructure funding

Reductions to infrastructure funding have been taking place at a national level, as seen in the decision by the Cabinet Office to discontinue its infrastructure funding stream[22]. There seems to be an ongoing debate amongst funders as to the value of infrastructure, which may have local implications: local infrastructure will need support from local sources. Will a decrease in this funding have an adverse effect on the sector? In Tower Hamlets, there is recognition of the need for infrastructure, reflected in the Council's commitment to fund the CVS as essential to the co-ordination of an effective local voluntary and community sector.

The experience of a period without a CVS in Tower Hamlets was one of fragmentation; poorer funding applications; a lack of co-ordination and communication, including between the Council and the VCS; no strategic link with the Tower Hamlets Partnership; impaired voice and representation functions; and less support for smaller organisations. Conversely, demand for services provided by the CVS to the sector is high amongst members, particularly in terms of support for fundraising, as well as the need for premises and improved governance. There is a value in infrastructure, and there may be an opportunity through the NCVO's Valuing Infrastructure Project to do more to evidence this. Improved infrastructure will lead to more opportunities for volunteers, more opportunities for local people and more resources for VCS organisations.

New sources of funding: social enterprise and social finance

Social enterprise has emerged in recent years as an alternative model. Social enterprises are showing resilience and growth, in spite of the economic downturn. They are a strength within the borough (as noted in the Enterprise Strategy), as well as at a pan-London level.

There is also a growing interest in social finance. Big Society Capital (formerly the Big Society Bank) is using the unclaimed assets from dormant bank accounts as capital for investment in social enterprise. A social stock exchange (based in

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22   *The Change Up programme has finished. NAVCA, NCVO and Volunteering England are also all losing central government funding on a tapering basis by 2015. Transforming Local Infrastructure is a once-off funding pot from Office of the Third Sector. Tower Hamlets has successfully won money from this but there is no apparent replacement. The Big Lottery previously ran the BASIS programme but this is no longer active.*

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London) where social enterprises could raise finance is gaining traction, and both charitable trusts and private sector providers are interested in engaging with this new 'asset class'.

New financial instruments are emerging, such as social impact bonds. Private investors provide the working capital and take on some of the risk on the delivery of public service contracts by the VCS. Higher performance results in higher, capped returns for investors and provides finance for future service delivery. A social impact bond for homelessness in London was announced in February 2012[23], A property fund for move-on accommodation for formerly homeless people has recently been launched by the charity Broadway. There is a close correlation between these approaches and the narrative of the Big Society. It is hoped that VCS organisations will become less reliant on the state and more enterprising, seeking investment and utilising loan finance.

These arrangements, however, carry different financial risks to grant funding. There is an expectation of repayment to the lender or investor. Social finance will therefore not be right for every organisation[24].

Information is currently unavailable on the uptake and impact of social finance by VCS organisations in Tower Hamlets. However, this area is worthy of further exploration and Tower Hamlets could be an optimal location for rapid development. The presence of Canary Wharf as an international financial centre, with companies that are already interested and involved in the wellbeing of the borough, would suggest that conversations between the VCS, public sector and financiers could be beneficial.

Charities are now able to invest in social finance according to recent guidance from the Charity Commission (CC14), which makes it clear that trustees can invest their reserves for social impact, as well as financial return. This may be relevant to larger charitable trusts, such as St Katharine and Shadwell Trust and the Isle of Dogs Community Foundation, which are merging and will have combined funds in the region of £15m. Feedback on this approach would be welcomed.

Whatever the precise mixture of income, an enterprising mentality is likely to be helpful

An enterprising approach to funding and sustainability is to be encouraged. This could but does not necessarily mean running an organisation to make surpluses, something which may fit some VCS organisations but will not always be appropriate. It may mean:

- *diversifying income streams* – premises can be used to generate income. Organisations can also utilise their experience and expertise to charge for consultancy advice and, for example, run workshops. Whilst this can initially be time-intensive, a solid track record can lead to a solid stream of income.

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23   In addition to the original social impact bond for the rehabilitation of ex-offenders announced in 2010.

24   See, for instance, New Philanthropy Capital, 2011, *Best to borrow? A charity guide for social investment.*

- ***sharing services*** – the Transforming Local Infrastructure (TLI) bid seeks to facilitate this by helping organisations to adopt a co-operative approach[25].
- ***leveraging support*** – in-kind assistance can also be provided by the corporate sector, such as mentoring and training.

Ultimately, this suggests more collaboration. Closer partnership-working between organisations in the sector will help to avoid duplication. It can be expensive, but competition can be more costly. An enterprising, partnership approach will benefit not only the organisations involved, but also the VCS and ultimately the residents of Tower Hamlets.

A tension between larger contracts and citizen control means that VCS organisations risk exclusion from where they could be invaluable

The contracting process is seemingly becoming more "top down" and more "bottom up" The Big Society claims to give communities and the VCS more power, yet "super sized" contracts have emerged for some public services. Both "super size" contracts and individualised services have implications for the role played by the VCS in service delivery.

Bigger contracts can place the VCS in an unfavourable position – both as "bidders" and as sub contractors

The DWP was one of the first government departments to offer "supersize" contracts that have a direct impact on charities. Beginning with the Flexible New Deal, and continuing with the Work Programme, the DWP sought to reduce the thousands of contracts that had previously been managed and, instead, to award contracts to a handful of large organisations. Of the six 'prime contractors' for the Work Programme in London, only one is a charity. These organisations are competing at a sub-regional level and have to organise their own supply chains to prepare people for work, to help people find, and stay in, work.

This provoked considerable discussion within, and criticism from, the VCS. Many specialist organisations are working with "high risk" or "vulnerable" clients at engagement and brokerage stages. This work tends to have more uncertain outcomes. The contracting model is performance-based and organisations invariably take risks in ascertaining pre-agreed outcomes. Some of the so-called 'prime contractors' have tried to pass the risk on to charities, potentially excluding them from service delivery by making the risks untenable.

Some charities have felt excluded from operating at the top tier, as 'prime contractors', because they could not access the money required upfront. There have also been cash-flow problems for VCS organisations, as they have had to find the money to operate a service and are only paid on completion of an outcome. The VCS only accounts for 20% of the total value of sub-contractor delivery, in spite of assurances by the government that the sector would deliver 30-40% of the programme[26].

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25 *For example: by combining payroll, HR, community accountancy and shared IT back-office services, recruitment will improve, as will employment policies and practices, financial management and quality assurance.*

26 *London Voluntary Service Council (LVSC)'s evidence on employment and skills opportunities at the 2012 Olympic and Paralympic Games.*

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"Payment by results" is increasingly a feature of these contracts. Social impact bonds also assume that a VCS organisation will only be paid once an outcome has been attained. There is a risk that local organisations are missing out on opportunities to provide services where they could actually add value. Either they are not large enough to participate in the first place or the payment mechanisms place them at a disadvantage, potentially threatening whether they are able to fund the services they provide. This suggests an urgent need for quality services and to ensure there is the infrastructure required for collaboration. Consortium working is likely to be essential if VCS organisations are going to be able to compete, probably including in the new markets that clinical commissioning will create in the health service.

Personal budgets and new legislation mean that individuals and organisations can potentially do more to shape services

At the other end of the spectrum is a move to devolve more funding to individuals. This seems to create a more "bottom up" model where citizens are more able to make independent choices, as evidenced in the introduction of personal budgets. Clients are now able to pay for the services they want and require from their care budget. This should offer service users more control and there are indications that some organisations are now going directly to users. This is creating a different sort of market in public services which is different to bidding to become a service provider through a local or regional contract.

The Localism Act contains a Right to Challenge. Local VCS organisations (as well as parish councils or employees) can submit an Expression of Interest, indicating that they wish to deliver all, or part, of a Local Authority service. The Council has a duty to consider this request and must determine whether this service delivery would promote social, environmental or economic wellbeing. If so, a procurement process is triggered and organisations are able to bid for the service. Whilst this could be a valuable tool for local people and organisations, larger organisations without strong connections to the borough (from the VCS or private sector) might succeed in procurement processes. There is therefore a need to consider how Tower Hamlets' existing procurement policies – including the Mayor's commitment to local suppliers, and the new duty to consider social value as well as value for money contained in the Public Service Value Bill – can inform procurement approaches which involve local people and organisations for the benefit of local communities.

A push from the middle? The Council's role

The Council occupies a level in-between prime contractors and individuals within this new large/small paradigm. It is already active in working with the VCS in a number of roles. One of these is as a strategic enabler but it is also a partner, commissioner, funder and sometimes landlord. Understanding the interaction of these roles, particularly in the context of a changing market for public services, will be important to responding effectively to the needs of local people.

Some directorates of the Council work closely with the VCS and have a strong understanding of it. For instance, Adult Health and Wellbeing has a commissioning priority of working in partnership with provider organisations and the voluntary and

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community sector to ensure that services are flexible and responsive. A large portion of its services are delivered by the VCS and AHWB is working to ensure that strategic input to services is possible through the pan providers forum. LB Tower Hamlets does not have a policy stating that a certain percentage of contracts should be awarded to the third sector. However, there is a commitment from the Mayor to provide support for local suppliers, in line with the objectives of the Enterprise Strategy – which seeks to influence the supply chains of big business, including the Council, and to maximise supply chain and contracting opportunities for Tower Hamlets enterprises. VCS organisations fall within this remit.

Helping the VCS play to its strengths

Some useful lessons from the independent evaluation of WNF in the borough can be applied more broadly to this context:

- *Support to the Voluntary and Community Sector was a specific part of the commissioning strategy* – Commissioners have a role to play in shaping opportunities for the VCS to participate and to ensure they are not unfairly disadvantaged, either by losing out in the competitive process or as a result of unfavourable sub-contracting arrangements. The principle can be applied more widely and can be expanded to include collaborative design of services, something which the Community Right to Bid might encourage.

- *There was recognition that charities were doing joined up work* – the WNF evaluation noted that the VCS's work with clients was often more holistic and that this was a strength. It is perhaps indicative of the broader social value which the VCS brings. Commissioners need to recognise this, so that the full benefits of the sector are recognised.

- *The sector needs to play to its strengths* – Teaming up with other organisations would, at times, have been more effective than trying to go it alone and offer the whole service. This may be especially true where scale is needed, or where a range of different expertise is required. The sector should consider more carefully how it can position itself collectively, including through consortium working, something which the CVS and partners are exploring.

Social capital is a key resource for the sector and is one of its key outputs

Social capital is the relational glue that connects people and organisations. It can include the bonds between organisations within the VCS[27], the bonds between the VCS and the public and private sectors (as evidenced in collaboration and partnerships) and the bonds between citizens and organisations (primarily through voluntary work). Additionally, there has also been widespread discussion about the notion of "the Big Society" – a policy of the coalition government premised on increased social action by citizens, a greater role for the VCS in public service delivery and greater public engagement to influence those services.

The significance of volunteering for the VCS

Volunteering is one of the main interfaces connecting local people – other than service users – with charities and voluntary groups. Volunteering represents an input

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27   *This is addressed in greater detailed in the section on governance.*

for the sector, yet can also be seen as an opportunity which the sector offers. a richness of life and social cohesion in the borough emerges in part through volunteering – for charities and within other expressions of civil society, such as PTAs, unions, uniformed institutions and clubs. Each of these is to be welcomed. Volunteers help to "foster greater community cohesion" which forms part of the fourth objective for a "safe and cohesive community" within the Community Plan.

Brokerage organisations, such as the Volunteer Centre in Tower Hamlets, have an important role to play, offering an infrastructure service to non-profits and community groups, which can increase and promote the quality, quantity and impact of volunteering. The Volunteer Centre matches people with opportunities in the borough. People that have seen an advisor are twice as likely to volunteer.

Motivations for volunteering

There has been a notable increase in "volunteering and …". Inevitably, the desire to serve is mixed with personal and professional motives. In 2009-10 there was a 26%[28] increase in the number of volunteers brokered to organisations reported by the Volunteer Centre. The Volunteer Centre identified high unemployment and a link to employability as possible causes of this growth.

The Volunteer Centre has noted that a majority of its clients are unemployed or are students. Employability is high on the agenda of volunteers. Besides gaining skills and demonstrating experience, volunteering gives people exposure to new roles and networks, as well as equipping them with a much-needed reference. A possible link to future employment can be surmised from some of the more popular streams of volunteering activity. There was an overwhelming demand for volunteer roles that involved looking after children and office administration and the Volunteer Centre struggled to respond to this demand. One area of opportunity in this regard is to increase volunteering in the public sector, something which deserves further exploration.

Volunteering provides individuals with much-needed experience of work within a tough labour market – many volunteers are young and are seeking to enter a very difficult jobs market. A significant proportion of users of the brokerage service have additional support needs and, whilst interested in work, are not yet ready to enter the labour market. It may be important to explore how volunteering activity can complement the Employment Strategy and action plan, creating a greater alignment between volunteering and employment activity. It is, however, important to be aware that VCS organisations, like the corporate sector, can be tempted to use volunteers instead of paid staff, particularly in an economic downturn.

There is a general acceptance that this is not good practice. However, the Big Squeeze survey discovered that an increased use of volunteers was one of the ways that charities were responding to financial cuts. The Volunteer Centre encourages organisations to create suitable volunteering roles which do not directly replace full time paid jobs. Some volunteer roles may last for six months to a year, but these will typically have a lower time commitment, whereas in other cases a role may be split into particular stages of work or projects.

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28   *In 2010-11 there was only a minimal change, but this may be due to resource limitations.*

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Changing trends in how people connect with each other and the VCS?

The internet makes it much easier for people to find out about volunteering opportunities. Whilst access to the internet is limited for many households in Tower Hamlets, the ubiquity of the internet provides new ways of connecting with volunteers, as well as challenges in managing volunteers. The e-brokerage service in Tower Hamlets is the most popular way of finding volunteer opportunities, and over 1,600 people have used this service in each of the last two years.

Social media provides further opportunities for organisations to link directly to their supporter base and promote volunteering needs. The directness and targeting of these channels, combined with the power of the network and the omission of intermediaries, marks a different way of attracting volunteers. Almost 400 organisations have registered with the Volunteer Centre, yet it is very likely that hundreds of other VSC organisations have alternative means of contacting volunteers. This is to be welcomed. There is, however, a wide variability in the quality of support that volunteers receive after they have signed up. Greater professionalism is needed in volunteer management. If volunteers are to have a positive experience, stay motivated and be of real benefit to an organisation, they need to be treated well. The Volunteer Centre can provide training and best practice in this regard.

Formalising neighbourliness or facilitating it?

A number of exchange mechanisms that now exist could be described as "formalising neighbourliness". Timebank is one well-known example. These are peer to peer models which have a quid pro quo. These reciprocal arrangements, whilst not usually understood as 'volunteering', can add social value. They are voluntary even if they not necessarily volunteering.

Categorising these voluntary arrangements is not straightforward. Some of these exchanges are more pragmatic, whereas others are more selfless. For instance, the Good Gym encourages people to combine their regular exercise with visiting their "coach" (someone aged over 65) as a means of reducing social isolation and strengthening community. This may not be volunteering in the conventional sense but will have benefits in terms of social cohesion.

Neighbourliness can also exist between **businesses and local communities**. Private sector interest in supporting the VCS is often described or categorised as Corporate Social Responsibility (CSR). This can be quite short term, yet many companies want to offer more long-term support. This can involve the use of professional skills, where people offer pro bono advice, or can comprise a completely separate activity, such as offering reading support. Agencies such as ELBA (the East London Business Alliance) and Tower Hamlets Education Business Partnership have some good links in this regards, which encourage and facilitate businesses to contribute to local communities. It may be that more resources could be mobilised from the private sector and this is something that anecdotally seems to be felt by the VCS. The Transforming Local Infrastructure bid flagged up the need for greater engagement with businesses. Private sector organisations and their employees can offer significant resources, which might otherwise be too costly for the VCS.

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Communities, leadership and local self organisation

Granting greater influence to communities, and giving them more control over issues that affect them – such as planning, local services, and other social needs amongst them – should be encouraged. Whilst notions of responsibility and autonomy are closely allied to tenets of the Big Society, they are, clearly, much older than the "Big Society" concept.

Investing in individuals, including leaders, will build the capacity of local communities. Tower Hamlets Council has been funding a Community Leadership course which has enabled local people to gain higher level qualifications (in partnership with a university). At present, there is some uncertainty as to ongoing funding of this programme, however there is a possibility that this programme will continue and become more accessible to a wider audience.

The Council is also keen to develop a role for community champions and activists. Local people will be invited to become more involved in working on housing estates and in running community events. Recruitment and training of community champions and activists will be provided.

The successful Transforming Local Infrastructure (TLI) bid provides for training for trustees, giving people greater confidence and the encouragement needed to use the skills and experience gained both within and outside work to support VCS organisations and benefit the wider community. Many VCS organisations currently find it difficult to fill these positions. This may also be an opportunity for engagement with local businesses.

Community organising recognises the local and network dimension of social change – people assemble around communities of interest (e.g. educational institutions or faith groups) and communities of place. This is a "bottom up" form of community development which can help to articulate local needs and should complement the proposed changes in governance. Organisations such as TELCO (The East London Communities Organisation) already exist, providing an umbrella for civil society groups, includes a significant number of groups from Tower Hamlets.

Local self organisation can extend to the VCS itself. Whilst the importance of the CVS has already been noted, there is a less formal dimension arising from mechanisms and infrastructure, such as consortia and shared services. Belonging to a network of VCS organisations can offer advantages such as information and knowledge sharing, collective bargaining power and reciprocal arrangements, such as access to premises. This is another example of social capital being generated. Networks can enhance resilience and help the VCS to respond more effectively to unexpected "shocks".

Assets will be stretched by increased demand as a result of population growth and economic downturn; there is a need to make sure that suitable new and existing premises become available

Rapid change in land use in Tower Hamlets has been coupled with a rapidly growing population. The borough is becoming an increasingly desirable place to live and

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work. A shortage of assets is matched by both high demand and high costs which VCS groups can struggle to meet. "Providing effective local services and facilities" is objective five within the Community Plan, and is a key component in making Tower Hamlets "a great place to live".

Current provision is stretched

A report from 2010[29] flagged unmet needs for premises as a widespread issue for the voluntary and community sector. This includes a widely reported lack of office, meeting and storage space. Some organisations were outgrowing their current premises, whilst others were in premises that may not have been fit for purpose.

Tower Hamlets has an undersupply of smaller office units and relatively high costs for office space[30]. Finding premises through the private sector is difficult for some VCS organisations, and even where this is possible, the cost of these spaces can be prohibitive. 24% of organisations said that they had insufficient space to operate[31]. This has a direct impact on service delivery.

The public sector has an important role to play here. The Council in particular is both enabler and landlord, with over 1000 properties in its portfolio, including schools, public spaces and high street premises. 20 properties are currently let to the VCS via the different directorates of Tower Hamlets Council, of which: 15 are in use, some at discounted rates, two are being refurbished for use as community hubs, and three are not in use (only one was vacant, the other two were under offer). This does not include community halls and premises tied to particular estates, which form part of the housing revenue account and are an areas of discussion with Tower Hamlets Homes. Use of these facilities, of which there are about 70, could be an area for discussion and collaborative working.

Finally, it is important to recognise that need is only likely to increase. Rapid population growth in the third most densely populated borough means that space will remain at a premium.

Developing a hierarchy of premises

The implications of this need for more premises need to be examined further. What type of accommodation is required at which spatial level? One way to approach this is to develop a hierarchy of premises:

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29 2010, *"Research into premises needs of TSOs"*

30 *Cf LBTH Enterprise Strategy. Premises under 100 sq m experience particularly high demand but represent a very small percentage of the stock, which is skewed to large floorplate offices as at Canary Wharf. This is not suitable for smaller organisations.*

31 *Responding to the IpsosMORI survey in 2010, although this figure was down from 30% in 2008.*
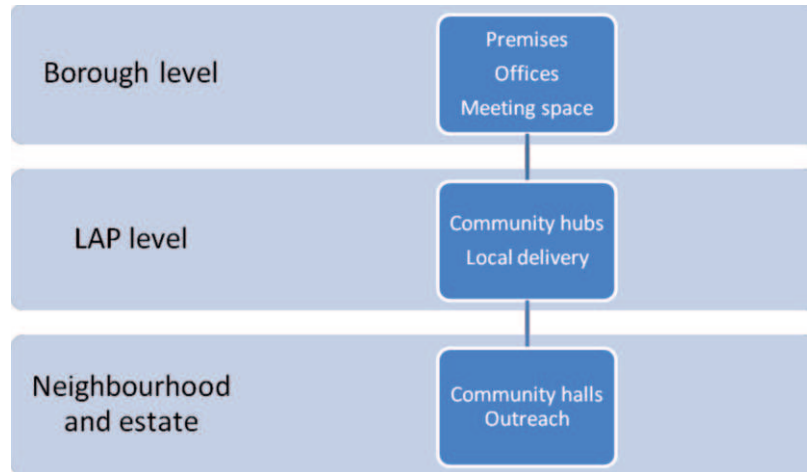
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Figure 10: Possible hierarchy of premises needs

It is assumed that different types of space are required for different types of community use, including utilisation by VCS organisations. Offices can be sited at different locations across the borough. Service delivery in LAPs requires a tighter geography in order to provide community hubs that reach people and fulfil their function. Flexible neighbourhood or estate spaces, such as community halls, can provide space for groups such as tenant and resident associations. More detailed identification of how this hierarchy correlates with the needs and aspirations of the VCS will require further work.

New premises? CIL and the Community Right to Buy

The Council already uses its planning powers to class surplus properties as being for community use (the D1 planning classification). VCS organisations can apply for these via the Third Sector Team. Beyond this, there are two main ways of increasing available premises for the voluntary and community sector, beyond simply trying to find them on the open market.

The Community Infrastructure Levy (CIL) will largely take over from Section 106 from April 2014. Although Section 106 will still exist, it will be much more limited and site specific from this date. Measures will only be able to be funded from one of these sources. The Council is establishing CIL as one of the main means to fund local infrastructure[32]. This works in two ways: firstly, for the provision of new spaces to accommodate the needs of an increasing community and, secondly, by utilising funding from the development process to help mitigate the impact of expanding communities. CIL can potentially offer more reliability and consistency than S106, which often experienced delays in negotiation and funding.

In order to determine the needs stemming from increasing population in development areas, CIL requires an evidence base. As stated in chapter two, the GLA forecasts a population increase of up to 70,000 people. This is a 28% rise in

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32   This is the primary function of CIL. However, a "meaningful proportion" of CIL monies will be devolved to communities. The full version of consolidated CIL regulations, to be brought out by the Government and expected this year, will contain details. This could support other local activities besides infrastructure.

population from its 2011 level[33], hence a comparable increase in community space is likely to be needed. There will be an ongoing need for new spaces as communities emerge and transform within the borough. It seems likely that the capacity to cope with such an increase may not be present. More work needs to be done on the current portfolio, its adequacy for the needs of the borough and what types of premises will be needed where.

This evidence-base will be required to make the case for planning[34], whether for new buildings or for the upgrade of existing facilities. Although CIL cannot be used to remedy historic under-provision, it is reasonable to expect that new developments will contribute to an appropriate and evidenced level of need. Indication of these needs means that planning can be considered as part of the Council's Infrastructure Development Plan (IDP). This feeds into the Council's CIL rate and will secure resources for capital projects to improve community infrastructure. The VCS and local people will have a vital role to play in this process, as influencers of community requirements in development areas.

The **Community Right to Bid** is a section of the Localism Act that is intended to give residents and community organisations greater influence over buildings and other physical assets. The Right to Bid is a right to purchase assets. Citizens can nominate any land or building to be recognised as of 'community value'. If the Council accepts this concept, the owner – whether public or private – is listed for five years and must notify the Council if they decide to sell the property. The community, at this point, should be given time to raise money and develop a bid to buy the asset.

Effective use of existing spaces

Doing more with what already exists represents a good use of resources. Physically, this can mean sharing spaces, which is dealt with below. There are also entitlements which some VCS organisations can access to reduce costs associated with premises, although awareness of these is likely to vary. For example, many charities are entitled to VAT relief, including a reduced rate on fuel and power, both in terms of purchasing it and maintaining the associated equipment. There is also rate relief available for some parts of the VCS (charities and registered community sports clubs), which carries an 80% reduction in the charge. At local level, organisations can apply to the Council for relief on the remaining 20%. Non-profit organisations which are not charities or sports clubs can also apply for a discretionary reduction from the local authority. Willingness to share space was identified amongst VCS organisations in the 2010 report. The 20 Council properties already in use by the VCS are accommodating over 30 organisations. Organisations are concentrated in premises around E1 (the Montefiore Centre, St George's Town Hall and the Brady Centre) which together house over twenty organisations. This is a good use of resources. It can also be possible to use a single space for multiple purposes, although this does require thought to accommodate the needs of different users, including such practicalities as where to store things, a common issue in community halls.

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33   *Estimated 2011 population of 254,200 rising to 326,100 in 2026, GLA forecast*

34   *And will be developed as part of the action plan*

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Some well established organisations with their own premises are also offering flexible arrangements and sub-letting to other organisations, including many from the VCS. Oxford House in Bethnal Green has approximately 25 organisations operating out of their premises. This site includes a 150 seat auditorium (previously a chapel) which can be accessed on preferential rates by tenants, increasing utilisation of the space and offering greater flexibility for large events.

Co-location is a further possibility, particularly if the CVS can establish and run larger premises with flexible office space to create a working hub for the local VCS. This would also generate income, which could be reinvested in the sector and may provide a way of helping the CVS onto a more stable financial footing. Making the most of available space, and sharing it across different organisations, can cut costs without compromising on quality. Co-location is increasingly looking like a necessity.

Local governance changes create new means for the VCS and partners to engage

Governance refers to the system by which something is managed or governed. At a local level, it is used here to refer to the interactions of different groups, in particular the VCS, local citizens and public agencies within the borough of Tower Hamlets. This includes the Tower Hamlets Partnership and its associated structures as a particularly important component. This is strongly relevant to the VCS and the groups it serves because it provides channels for voice and representation. Whilst individual organisations and groups can clearly campaign and influence as they see fit, there are potential benefits to engaging across sectoral boundaries and having mechanisms to represent different interests on behalf of the sector and its service users in particular. NAVCA describes four components to representation: the selection of representatives, how the scope of their role is defined, how those they are representing feed in to provide the representative with information, and the feedback the representative then gives. The following sections outline how this is changing in Tower Hamlets.

During the previous LBTH Third Sector strategy, progress has been made. In particular, specific VCS forums including the Health and Wellbeing Forum and the Employment and Training Forum have been established to provide a unified voice for VCS organisations working with public sector agencies on these themes. This has complemented the work of the pre-existing Children and Young People's Forum, which has been funded by LBTH's Children, Schools and Families directorate. The ensuing better co-ordination has strengthened the ability of this forum to engage strategically with the Council. Furthermore, the selection of representatives for these forums has become more open and transparent.

New structures will enhance transparency and communication between citizens, the public sector and the VCS

Recent proposals developed by the Council will affect how citizens, the public sector[35] and the voluntary and community sector interact. Localisation has been a key driver for some of these changes. Recognising that there will always be limits to

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35   *The public sector includes officers of the Council and elected representatives, including the Mayor.*

how well generic services can address the needs of diverse residents, the Council has sought to address this by providing different ways for citizens to interact with local structures and is keen to make sure that the VCS is part of this.

These changes are still underway and some further shifts are expected. For instance, the Healthy and Supportive Community theme will be replaced by a Health and Wellbeing Board. Similarly, Prosperous Community will become an Employment and Skills Board and Children and Families is also a partnership board. These boards will have statutory responsibilities.

The diagram below summarises the proposals. It should be noted that there are many other forums active in the borough related to the VCS, which provide valuable functions in the borough. There is scope for independent action and campaigning and the sector has its own governance mechanisms, not all of which are shown. There are likewise other infrastructure organisations playing important roles for the VCS and residents. This is a selection only, chosen to show the main proposed interactions and interfaces between the VCS, local people and the public sector, rather than a comprehensive map.
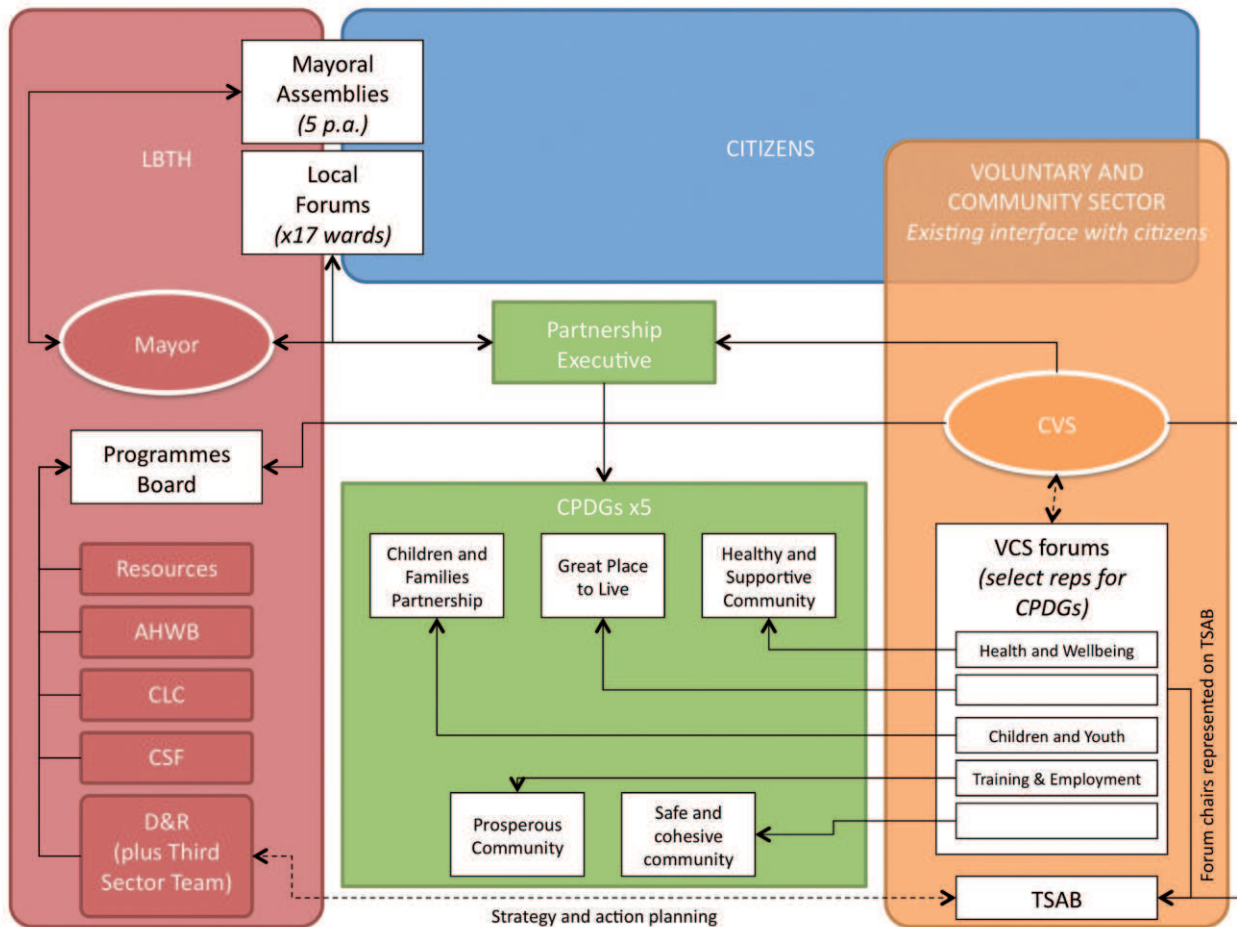

Figure 11: Overview of local forums and structures

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Abbreviations used:

AHWB Adult Health and Wellbeing

CLC Communities, Localities and Culture

CSF Children, Schools and Families

CPDG Community Plan Delivery Group

CVS Council for Voluntary Service

D&R Development and Renewal

TSAB Third Sector Advisory Board

Some of the changes to note are:

- The ***Partnership Executive replaces the current board and executive*** – offering a simpler partnership structure, with one rather than two bodies, whilst the CPDGs are retained. These facilitate effective practitioner-level cooperation between the Council and partners.

- Introduction of ***Mayoral Assemblies and Local Forums*** – Mayoral Assemblies provide a broader setting for borough priorities to be discussed, whilst the forums are more focused on neighbourhood issues. The VCS is invited to participate in each of these contexts. The intention is to make the Partnership more penetrable to local residents.

- ***New VCS Programme Delivery Board*** – a new group within the Council that brings together all the officers that spend money with the VCS (whether through grants or contracts). This will be supported by GIFTS, LB Tower Hamlets grant management software. This overview will make it easier to deal with funding and other cross cutting issues relating to LB Tower Hamlets and the VCS. The Chief Executive of the CVS will represent the voluntary and community sector.

- Parallel ***voluntary and community sector forums*** operate in line with LSP/CPDG themes and are supported by the CVS. These forums were already in place but are now being formalised. The chair of each of these forums is represented on the Third Sector Advisory Board. Each VCS forum also has representatives who attend the CPDGs. (Additional forums not shown on the diagram are organised by the VCS on cross-cutting issues.)

One of the critical implications of these changes will be the increased participation of citizens, in line with the localism agenda and the Council's aspirations for greater citizen engagement. Local forums offer clarity at ward level, as well as an additional opportunity to interact with the Council. It is hoped that locally operating voluntary and community sector groups will attend. Chaired by Community Champions, this is an opportunity for local leadership to influence local decisions. Supported by neighbourhood agreements around service standards, local people will have both more power and responsibility at local level.

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This structure offers a balance of borough-wide and neighbourhood forums, as well as thematic working groups and groups dedicated to the VCS. The hope is that this will further enable development of local solutions to local problems, at the same time as enabling effective responses to cross-cutting issues. The local authority recognises that the VCS has access into different communities of interest and place and welcomes the insight these networks bring. Empowering local people whose voices might otherwise not be heard by the public sector is an important part of what the VCS can do.

A further challenge involves perceptions of fairness and transparency. There is a risk, particularly in an economic downturn where resources are scarce, that there is greater sensitivity to the distribution of resources. The Public Sector Equalities Duty, which came into force in 2011, already requires public bodies to remain mindful of the effects of their decisions on all stakeholders, and to be transparent in the decision-making process. The Council believes that these developments support rigorous decision-making, fairness for all, and equality of opportunity.

Demands for accountability and evidence of impact are prevalent amongst funders and citizens than policy makers

Impact measurement is becoming an increasingly hot topic, even though local authorities now have fewer reporting requirements to central government[36]. The governance changes outlined above will help to make the services of Tower Hamlets more responsive to the needs of citizens. Impact measurement is also relevant to increasing expectations around user involvement and transparency, enabling people to more fully understand the services available, and outcomes attained.

There is also likely to be increased demand for evidence of impact from the public sector. The Department of Health has previously explored Social Return on Investment in connection with its work on social enterprise. The Public Services Social Value Bill will create a demand from public bodies for require VCS organisations to demonstrate the impact of their good work.

Furthermore, funders have always been interested to discover what works – the most effective approaches – and to learn from mistakes. It is perhaps not surprising that, in constrained economic circumstances and with heightened competition for funding, a desire to evidence impact has become more pronounced. A national Inspiring Impact Group, including NCVO, has recently been established – this focuses on impact and seeks to further the debate around its measurement. The sector wants to strengthen its capacity and is being encouraged to do so. The outworking of this in Tower Hamlets is still unknown. Being part of these developments is both a challenge and an opportunity for the VCS.

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36 *With the abolition of Comprehensive Area Assessment, Local Area Agreements and the requirement to report on National Indicators.*

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Key points:

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Significant shifts in the role played by the VCS, its funding and income streams, its volunteer base and its relationship with other sectors are taking place. All of these developments have implications for the Tower Hamlets VCS and the communities served by the sector. A response is required, which is likely to involve collective action.

Objectives

The strategic objectives are intended to support the aim of the strategy – to **improve the quality of life of local people by supporting the development of a healthy VCS**. Four strategic objectives are proposed to meet this:

1. Ensure that the sector can shape strategy
2. Enhance resilience and financial sustainability and encourage entrepreneurial approaches across the sector
3. Strengthen social capital by increasing the quantity and quality of participation in the VCS
4. Enhance the evidence base and accountability of the VCS, LBTH and other statutory partners

These objectives, explored in more detail below, are a particularly important part of the consultation and stakeholders' views are welcomed. The consultation period will enable these objectives, and their subsidiary elements, to reflect the needs of the sector and of local people more fully. Organisations responding to the consultation are reminded that an annual action plan will contain greater detail as to how the objectives will be accomplished.

Consultation questions are shown in:

grey boxes

The main changes and challenges, to which an objective responds, together with the subsidiary parts of the objective, are summarised in:

green boxes

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1. Ensure that the sector can shape policy and strategy

This objective emphasises the importance of the VCS in shaping strategy and services, including the importance of voice and representation, commissioning and co-production.

Changes and challenges addressed

- Changes to local governance structures and their relationship with the Tower Hamlets Partnership; localisation and establishment of new forums at ward level

- Need and opportunity for LBTH to better understand and engage the sector, combined with widespread recognition of the benefits of shaping services collaboratively

- The value and importance of voice and representation of the sector, including addressing diversity and the needs of the most vulnerable

Suggested response

a) Support the development of the CVS

b) Provide means for the VCS to influence decision making and shape public services

c) Develop suitable structures so that all sectors can interact effectively for the benefit of residents

a) Support the development of the CVS

The Council is committed to supporting the CVS as the borough-wide representative body of the VCS in Tower Hamlets. The Council recognises the importance of this role and is committed to funding the CVS over the next three years. Its role includes:

- Development of strategic relationships and leadership for the sector

- Connecting the sector – offering the benefits of networks and collaboration

- Leading and facilitating representation of Tower Hamlets based VCS organisations, including influencing policy and strategy at a borough level

- Developing organisations, including around their sustainability and access to resources, for instance by supporting them to bid for funding

- Supporting the VCS, including by facilitating the sharing of knowledge and good practice

b) Provide means for the VCS to influence decision making and shape public services

The public sector recognises the expertise and experience of the VCS, particularly with regards to understanding the needs of different groups of residents. This is of special importance given the diverse nature of Tower Hamlets and its population, with the need to recognise issues of equality and diversity, supporting the Community Plan principle of One Tower Hamlets.

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Whereas other sub-objectives address the role of the VCS in the direct delivery of public services, there is also a vital overarching role for the VCS in shaping services, regardless of who delivers them. The VCS can engage and enable citizens in different ways to the public sector. Increasingly, a better quality of life for local people requires collaboration to design and deliver the better services that support this. This strategy anticipates actions to help:

- Identify opportunities and develop processes to practise co-production, so families, communities, the VCS and public sector agencies increasingly shape services together.

- Increase the quality and quantity of citizen engagement.

- Commission services more strategically, so that they support improvements in the quality of life of local people and draw on the knowledge of the VCS.

c) Develop suitable structures so that all sectors can interact effectively for the benefit of residents

Structures, including forums and boards, are an important means by which organisations can interact. These need to exist within and across sectors. A number of plans are already underway in this regard, including the establishment of the new LBTH Third Sector Programmes Board, with VCS representation via the Chief Executive of the CVS, and a strengthening of the Third Sector Advisory Board. It is proposed that the terms of reference of the TSAB are revised so that its strategic role is strengthened. Provisionally, this could cover:

1. Overseeing the VCS Strategy and action plan, including its development, implementation and programme.

2. Providing a forum for dealing with some of the emerging issues faced by the sector. Procurement and premises, for instance, are cross-cutting questions that affect multiple organisations. It will be possible to raise new topics, such as social finance, as they emerge. The TSAB can consider the needs of the sector and how it can respond strategically.

3. Sharing information about the work of the CPDGs and cross-cutting themes, then bringing this information together in the Voluntary and Community Sector contribution to the Community Plan and outcomes for local people.

Developing these structures will support closer working and mutual accountability between the VCS, the Council, other agencies and the Tower Hamlets Partnership. In addition, plans will be made to strengthen the relationships between the THP and the VCS, including through voluntary sector forums and networks, some of which feed into CPDGs.

1. Are there other pressing issues that affect residents which should be noted in this Strategy?

2. How well do you currently connect with other organisations including statutory bodies in Tower Hamlets and what improvements would you like to see in this regard?

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3. How can the VCS be involved effectively in shaping public services, particularly so that they meet the needs of diverse groups and the most vulnerable in an equitable fashion?

2. Enhance resilience and financial sustainability and encourage entrepreneurial approaches across the sector

This objective considers income and costs as two sides of the same coin. Increasing income and reducing costs – as far as possible without compromising on organisations' mission – mean that the sector will be in a stronger position. Front line VCS organisations require very strong foundations to withstand the challenges of funding and financial changes and seize new opportunities as they arise. The bedrock of this is sound governance and organisational capacity – the support services provided by infrastructure organisations, for which there will be an ongoing need. This objective implicitly covers grants, contracts, earned income and resource use, including premises and the sharing of back office functions.

Changes and challenges addressed

- Changing shape of significant public sector contracts, both very large and very small, which may leave some capable organisations struggling to stay in or enter marketplaces where their skills could benefit local people

- Funding constraints and instability from grants and donations, combined with other options such as social enterprise and social finance, which can suit some VCS organisations

- The local authority's desire to include local VCS organisations in its supply chain alongside the Community Right to Bid and Public Service Value Act

- Need and potential for reducing organisational costs by sharing services and spaces, with the potential to redirect money to service provision

- Implications for the VCS of how premises are funded and obtained. Changes to planning mechanisms, including the introduction of the Community Infrastructure Levy and the decreasing role of Section 106, as well as the Community Right to Bid

Suggested responses

a) Help organisations to operate at scale

b) Explore the application and appropriateness of social enterprise and social finance

c) Set up systems for shared savings

d) Recognise the value of smaller organisations and enable them to bid

e) Support the provision of stable and suitable premises for the VCS

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a) Help organisations to operate at scale

VCS organisations need to marshal the scale of the sector and present a combined front if they are to pursue contracting opportunities. Bidding processes sometimes recognise consortia, but assembling them on a one-off basis for each bidding opportunity is time-consuming and expensive. It is also less convincing as it does not demonstrate the track record of the organisations in working together. This will be overcome by establishing the Special Purpose Vehicle (SPV) proposed in the Transforming Local Infrastructure (TLI) bid, to help voluntary sector organisations bid for contracts. It will build on the strong support for consortium working which the CVS identified through workshops and which has also been welcomed by smaller organisations. It is important that the Council and other statutory partners recognise, work with and support these mechanisms to get the best results for local people.

There are concerns about the need for cash to fund working capital requirements, particularly for contracts operating on a payment by results basis. One possibility is that the Council could help ease the cash flow of charities that are, for example, sub-contracting as part of the Work Programme. This is an early stage idea requiring further development, including a fuller understanding of the risks and costs. It could for instance relate to segmenting contracts and/or changing the frequency of payment by results so that VCS organisations do not have to wait as long. Alternatives may be for the SPV to consider borrowing and/or to look at social finance (see b), below).

b) Explore the application and appropriateness of social enterprise and finance at borough level

Social finance is an emerging tool that can support sustainable VCS business models, providing the extra finance needed to grow. Whilst not suitable for every organisation, movement towards delivery of paid-for products or services can be an enterprising solution and can increase the diversity of funding sources. Social finance, combining risk capital with intentional social outcomes, can help successful solutions to grow and is one area for development where suggestions are invited for this strategy. This subsidiary objective also links with the objectives in the LBTH Enterprise Strategy around social enterprise and the connections will be explored in the action plan.

c) Set up systems for shared savings

Saving money by improving efficiency is an important way of cutting costs without harming services. Actions here follow on from the TLI bid and will include setting up a suppliers' co-operative (using a secondary co-operative or similar structure) to enable collective procurement of insurances, utilities, communications infrastructure and office consumables, etc., reducing costs for infrastructure and front line organisations.

Similarly, and again through the TLI bid, Account 3 and EYNTH are integrating their payroll services to ensure they are more widely available and represent value for money. Services will include community accountancy, human resources, legal advice and back office services. Many of these services will be sourced from universities and businesses operating in or near the borough[37].

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37   *The University of East London has already offered its support, as has legal firm Wragge & Co. LLP*

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d) Recognise the value of smaller organisations and enable them to bid

LB Tower Hamlets wants to ensure that its procurement policies enable VCS organisations to compete for service delivery or as part of the Council's supply chain. The size of contracts will be considered so that smaller organisations are not excluded from this process. This work will be linked to the Mayor's existing commitment, the Enterprise Strategy's objectives in this area, the Public Services (Social Value) Act, and the Community Right to Bid. This is likely to have implications for how bidding operates, including specification criteria and bidding mechanisms and portals. The Council will also work with other public service agencies operating in the borough to share learning and consult with the VCS. This works in tandem with consortium development (subsidiary objective 2a), which provides a means for smaller organisations to collaborate and bid collectively.

e) Support the provision of stable and suitable premises for the VCS

Making the most of existing spaces and ensuring that new ones become available is important if the VCS is to operate effectively and sustainably, given the growing population and considerable needs which exist in Tower Hamlets. There are thus two aspects to this sub-objective:

Prepare for changes in the way that facilities are identified and funded

This involves identifying the steps that need to be taken to ensure that CIL can be used to help fund premises. This requires evidence of capacity issues to identify the level of need[38]. This will be expressed in terms of the number of new or upgraded premises required to accommodate the VCS in an affordable manner that facilitates effective service delivery. The Council and CVS will explore how this mechanism can be used to fund the possibility of a centre for the sector.

Maximise the use of existing spaces – public and private

The aim is to develop initiatives that maximise the utilisation of under-used spaces by communities and the VCS, regardless of who owns them. This usage may be on a short term basis through to permanent ownership. Areas to be considered include:

- Developing a strategic approach that considers how public sector premises can be used more effectively to support VCS activity. This needs to consider how a VCS portfolio of properties would work, including the place of reduced or subsidised rents, the financial costs of doing this (which might be on a break-even basis) and the connection, if any, with the delivery of procured services.

- Understanding how all available spaces are already promoted, so that information can be readily accessed by the VCS. This may include making better use of existing resources such as www.mycommunityspace.org.uk and Tower Hamlets CVS website.

- Supporting the sharing of spaces and co-location is an opportunity across premises owned and/or run by public sector partners, social housing partners (particularly Tower Hamlets Homes and Poplar HARCA) and the VCS. Partners will work together to explore how this can be done more systematically and effectively. Amongst other measures, this will require leases to allow for subletting and/or shared use.

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38   *This can start with existing data-sets but may also require a further study or audit.*

- Exploring the potential of meanwhile leases[39] to provide temporary facilities, something which has already started through the Council's pop-up shop scheme. This may include working with organisations that are already operating in this field, such as 3space and Meanwhile Space

- Engagement by the Council with the sector and local people on the Community Right to Buy. This is likely to happen via the CVS, as well as the new local forums, and by direct engagement. It will draw on the experience of previous programmes and established specialists such as the Asset Transfer Unit[40]. Links with the Council's disposal strategy will also be explored.

4. What is the potential of social finance to support social enterprise, both new and existing ones? For instance:

   - What role could the two merging community foundations, or other local funders, play in supporting a movement towards more sustainable financing?

   - Could a Tower Hamlets Social Enterprise Investment Fund be established with contributions from the private, public and third sectors?

   - What barriers if any need to be overcome if social enterprise and social finance are to make a positive difference in Tower Hamlets?

5. What risks and opportunities exist for the VCS in terms of achieving resilience in the face of a changing funding environment? For instance:

   - Have organisations tried entrepreneurial solutions, such as sharing services or spaces?

   - How have organisations dealt with funding shortfalls?

6. What actions can the VCS and its partners take to ensure that it is not excluded from large contracts? For instance:

   - How have VCS organisations previously met the cashflow requirements of larger contracts, particularly where these have involved payment by results?

   - Could a central funding pot provide the initial cash for payment by results contracts for Tower Hamlets organisations? How would it work and be allocated fairly?

   - Are any broader initiatives underway to help VCS organisations access public contracts and are these being used by Tower Hamlets organisations?

   - How do the sector and partners envision preparing for the Community Right to Challenge to ensure a role for local VCS organisations?

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39 *A meanwhile lease is a specific type of short term lease designed to allow interim uses of empty buildings.*

40 *The Asset Transfer Unit promotes and supports community asset transfer. Funded by Communities and Local Government, it is led and managed by Locality, in association with Community Matters and the Local Government Association.*

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7. What do respondents think about using the proposed hierarchy of premises (see Changes and Challenges chapter) as a basis for analysing VCS premises needs in the borough?

   - Are there differing needs which should be accommodated in the existing hierarchy?

   - Do new levels need to be added?

   - Are there other physical infrastructure requirements being experienced by VCS organisations in the borough which this does not cover?

8. What are the main issues for the VCS around accessing suitable premises in Tower Hamlets?

   - Where are spaces advertised? Could a shared bookings system be provided through the proposed VCS suppliers co-operative, so that organisations can use each others' facilities and keep money within the sector?

   - How do VCS organisations access vacant or void buildings at present?

   - How can the VCS Premises Providers and Premises Users forums assist?

   - What opportunities have VCS organisations identified stemming from the Community Right to Buy? How might this right be utilised? What kind of support is required to enable this to progress?

3. Strengthen social capital by increasing the quantity and quality of participation in the VCS

Challenges addressed

- High demand for volunteering opportunities, including amongst groups marginalised in terms of work

- Existing support for community leaders and the potential to develop this, both in terms of VCS capacity and local representatives

- Unclear relationship with business community in the borough and mixed messages within the local authority about staff volunteering

Suggested response

a) Encourage volunteering by residents

b) Build leadership capacity within communities and the VCS

c) Develop a co-ordinated approach to engaging with business

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a) Encourage volunteering by residents

Enhancing brokerage services will encourage residents to take up volunteering opportunities. The number of prospective volunteers is increasing and infrastructure needs to be expanded to cope with this demand. Provision for developing a new brokerage service (relating to both brokerage in general and specifically for trustees) has been made in the TLI bid.

In addition, there is both a need and a desire to ensure that volunteering becomes more inclusive. Volunteering brokerage can work with trusted groups to encourage those who have traditionally faced cultural and language barriers to take up volunteering opportunities both within and outside of their own communities or geographical areas. Organisations such as the Council of Mosques, the Muslim Women's Collective, the Jagonary Centre and the Tower Hamlets Somali Organisations Network may have a role here.

Lastly, there is a need to further consider how volunteering placements can more effectively complement the labour market needs of residents. This will need greater partnership working between organisations, including the Council, public sector agencies and businesses, if this is to be achieved. There is an opportunity for the Council and other public sector agencies to facilitate volunteering in the public sector.

b) Build leadership capacity within communities and the VCS

Developing leaders is essential to the health of the VCS and local communities. Such is its importance that there is a dedicated Leadership Forum supported by the CVS, which will have an important role to play in shaping this subsidiary objective.

Many organisations struggle to find trustees of the right calibre and experience – more will be done to promote these opportunities and to build the capacity of residents to take on such roles. This is part of the TLI bid and can also complement the work of One Tower Hamlets to support residents into community representative roles[41]. This may include offering taster sessions, helping people understand what the role of a trustee requires, and encouraging suitable people to consider becoming a trustee. Work with VCS organisations on appropriate procedures for induction and support will also be needed. There may also be a need to encourage public sector staff to consider volunteering in the borough (possibly following a review of internal policies) so that they can share their experience with the sector.

Consideration will also be given to the role of Community Champions, currently being developed by LB Tower Hamlets.

c) Develop a co-ordinated approach to engaging with businesses

One of the priorities of the TLI bid was to positively engage with businesses, including Canary Wharf and the City Fringe. Businesses are able to contribute time and expertise, in-kind support and funding, all of which are particularly valuable when needs are high and the landscape is changing rapidly. Businesses have access to different networks and can play a valuable leadership role, for instance by

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41   *VCTH is already working with One Tower Hamlets on this.*

acting as trustees or providing mentoring. Fostering a better understanding of businesses' priorities will enable a matching process between the VCS and the corporate sector, assisting in the task of helping communities, the VCS and business to work together more effectively.

9. How can the VCS and public sector widen access to volunteering opportunities for local residents? For instance, how can local people, including those with low levels of skills, experience or qualifications, be better encouraged and supported to volunteer?

10. How can leaders be developed, supported and encouraged – both locally and across the wider VCS? How can communities identify and respond to issues of their own choosing and what is the role of leadership in this?

11. How could the interactions between the Voluntary and Community Sector, public sector and private sectors be improved? For instance:

- To what extent do VCS organisations benefit from private sector support and what could be done to strengthen this? What makes for successful and effective partnerships with the corporate sector?

- How can stronger links with Canary Wharf be developed?

- How does the VCS propose to co-ordinate relationships with businesses that offer volunteers?

- What can public sector partners do to encourage their employees to volunteer?

4) Enhance the evidence base and accountability of the VCS, LBTH and other statutory partners

Challenges addressed

- Increasing demands for evidence of impact, including requirements of funders, and transparency

- Importance of showing fairness to diverse groups of residents in the allocation of resources

- Importance of information sharing as a basis for collective action

Suggested response

a) Improve data and processes around measurement, monitoring and evaluation

b) Better evidence the impact of the VCS

c) Develop suitable structures so that all sectors can interact effectively for the benefit of residents (covered under Objective 1c)

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a) Improve data and processes around measurement, monitoring and evaluation

The Council will improve its internal systems, making it easier to understand how funding is being allocated and spent across different departments and streams of work. Improvements in the use of the GIFTS system and of monitoring information will be implemented. This information will underpin the work of the LBTH Third Sector Programmes Board. It is hoped that other public sector agencies will also share their experience in this regard. It may also be that the VCS sees opportunities to improve its own monitoring and evaluation practices, something which could be considered as part of the action plan.

b) Better evidence the impact of the VCS

Impact is the acid test of whether an intervention has achieved its intended impact. Aside from the importance to all organisations of knowing that they have made a difference, funders can be demanding and robust evidence of change can help convince them that their money will be well spent. As part of the action plan, tasks which help Tower Hamlets organisations to do this will be agreed, possibly including mapping existing good practice, sharing it, considering what tools are available and remedying any weaknesses. It is likely that the CVS will have an important role to play in this regard.

12. What are the VCS and partners currently doing to evidence and/or measure their impact, and what is their experience of this?

13. How can the VCS in Tower Hamlets work together with partners to develop the evidence base of the sector's impact?

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Process and next steps

This Strategy is a consultation draft. It has already been signed off at different levels within the Council, before being scrutinised and approved by the Mayor's Advisory Board as suitable for public circulation.

Consultation

The Council welcomes comments from the VCS, residents and partners to improve this draft to represent more fully the aspirations of local people and the voluntary and community sector. Consultation on this draft will take place until the end of November 2012, with precise dates still to be confirmed. Feedback mechanisms co-ordinated by the Council will be publicised alongside this strategy.

Once responses have been received, the results will be used to inform a revised draft, which will go through the Council and Partnership sign off procedures, before being adopted as a final document.

Governance

As a Voluntary and Community Strategy for the Tower Hamlets Partnership, regular reports will be presented to the THP Executive. The Third Sector Programmes Board and the Third Sector Advisory Board will share the responsibility of overseeing that the strategy and associated action plan(s) are implemented. Membership of these groups is available on request from the Council's Third Sector Team.

Monitoring and evaluation

Once the Strategy is agreed, it will be supplemented by an annual action plan. This will contain a much greater degree of detail, with specific tasks and responsibilities. It will be regularly reviewed by the Programmes Board, THP Executive and the TSAB to ensure effective delivery. There will be an annual evaluation of progress to date, with the action plan being amended as required.

14. Are there any suggestions related to the governance and implementation of the Strategy?

15. How should the success of this Strategy be measured? Are there specific actions respondents want to see included in the action plan and/or are there other ways of measuring success which would be meaningful to the VCS?

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Abbreviations

AHWB	Adult Health and Wellbeing (LBTH directorate)
CSF	Children, Schools and Families (LBTH directorate)
CIC	Community Interest Company
CLC	Communities, Localities and Culture (LBTH directorate)
CVS	Council for the Voluntary Sector
D&R	Development and Renewal (LBTH directorate)
DWP	Department of Work and Pensions
EMA	Education Maintenance Allowance
LAA	Local Area Agreement
LBTH	London Borough of Tower Hamlets
LHA	Local Housing Allowance
MSG	Mainstream Grants
PTA	Parents and Teachers Association
RDA	Regional Development Agency
SPV	Special Purpose Vehicle
TLI	Transforming Local Infrastructure (Office of the Third Sector funding stream)
TSAB	Third Sector Advisory Board
VCS	Voluntary and Community Sector
WNF	Working Neighbourhoods Fund

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Appendix: Segmenting the sector

This is an attempt to segment the VCS and help stakeholders understand some of the different types of organisation which exist in the borough. Classification is not straightforward and some organisations may operate in more than one category.

Segment	National service delivery	Campaigning and policy	Infrastructure organisations	Borough service delivery	Community groups	Specialist representative and service delivery	Overseas aid/international
Size	Large – employees and turnover	Varies – could be a small team	Varies. May be local or national. Tend to have a relatively small core of staff	Medium to large	Small or micro	Some smaller players (could also overlap with national service delivery for larger organisations)	Varies
Geography	National	Westminster focus, national or even international effect through policy	National, regional and local Tend to have quite clearly defined geographical remit	Borough(s) Possibly with work in particular neighbourhoods	Neighbourhood or estates; may have access to premises for activities; might also be used by others for outreach Could also be a particular location such as a sports club	Some based in the borough	International operations. Possibly including staff or offices elsewhere?
Borough presence	Teams delivering services, possible branch office, possibly but not necessarily head office	Head office, which may be only premises	Local organisations have an office; presence of national ones is arbitrary	Staff and services, possibly based out of a community hub or centre	Strongly local, borough residents main organisers and beneficiaries, often as volunteers	Potentially staff and services and premises	Registered in borough, may be working with staff or volunteers

Segment	National service delivery	Campaigning and policy	Infrastructure organisations	Borough service delivery	Community groups	Specialist representative and service delivery	Overseas aid/international
Activity and outcomes	Service delivery for LA and others	Research, awareness raising, campaigning, lobbying, usually specialist	Offer networks, information, advice, support, brokerage, training	Service delivery for LA and others	Blend of services and social capital or community cohesion; mixes communities of interest and geography	May combine service delivery, support services, advocacy and lobbying on behalf	Focus is on poverty alleviation outside the UK
Funding and income	Wide range of sources, contracts from borough a proportion Some have a social enterprise angle	Likely to be more grants and donations Minimal from borough	Mixture of grant funding, income from government (including local authority), membership fees and sometimes paid-for services	Mixture of sources. Borough likely to be significant. May include some social enterprises	Some are significantly reliant on borough. May also have low funding requirements which are met by members	Mixture of sources. May include contracts with public sector. May include some social enterprises	Not Local Authority. Likely to be grants and donations. Possibly other aid agencies
Beneficiaries and impact	Likely to be targeted help with a particular need or issue delivered to a person or household in the borough	Less direct, although potentially very widespread. Not focused on borough residents	May work with organisations and individuals. Impact can be harder to judge but includes sharing knowledge and creating opportunities for collaboration, enabling the sector to work better.	Can be targeted based on a particular issue or by geography. Community development may also be part of the approach. Delivered to a person or household in the borough.	Local community benefitting. Sometime these have a stronger sense of local ownership and membership. Can operate more like a club. Community cohesion and social capital likely to be high.	Specific community of interest May include advice and practical help alongside representation functions	Poverty alleviation outside the UK – beneficiaries are not residents.

Segment	National service delivery	Campaigning and policy	Infrastructure organisations	Borough service delivery	Community groups	Specialist representative and service delivery	Overseas aid/international
Examples	Barnados	Crisis, Toynbee Hall, REAL, Rainbow Hamlets	NAVCA, Tower Hamlets CVS, Volunteer Centre Tower Hamlets	Bromley by Bow Centre, Community Links, Osmani Trust, Stifford Centre, Toynbee Hall	Fern Street Settlement	Tower Project	Muslim Aid

Committee:	Date:	Classification:	Report No:	Agenda Item:
Overview and Scrutiny	2 October 2012	Unrestricted		

Report of:	Title:
Assistant Chief Executive (Legal Services)	Briefing note – Executive Arrangements
Originating officer(s) Isabella Freeman, Assistant Chief Executive (Legal Services)	**Wards Affected:** All

1. **SUMMARY**

1.1. On 10 August 2012 the Government unexpectedly published new Executive Decisions regulations. The regulations replace existing Access to Information and other Executive Decision making requirements. The regulations - *The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012* - came into force on 10 September 2012.

1.2. The regulations have caused considerable confusion nationally as to their intention and a number of bodies including the Association of Council Secretaries and Solicitors (ACSeS) and the Association of Democratic Services Officers (ADSO) are attempting to organise a discussion with CLG to express their concerns and to clarify a number of points.

1.3. However, the Council is required to operate to the new regulations and, making use of Counsel advice issued to ACSeS, this briefing note outlines the changes and what actions are being taken to comply. Should clarification be received from CLG then a further note will be circulated if required.

1.4. The following briefing note applies to **Executive** decisions only.

2. **DECISIONS REQUIRED**

   Overview and Scrutiny Committee is recommended to:-

2.1. Consider and comment on the information set out in the report.

3. **BACKGROUND**

3.1. The main changes required in the regulations are as follows.

3.2. **Key Decisions**

3.3. The Council must provide at least 28 clear days' pre-notification before a Key Decision can be taken. The Council is free to decide the style of this notice. This removes the specific requirement for a Forward Plan however most Councils appear to be keeping a Forward Plan and we are doing the same so the deadline for publishing the plan will be 30 days prior to the cabinet meeting date. New deadline dates for items will be provided to teams. If a report is not on the list then it will only go to that month's cabinet if signed off by the Chair of OS as an urgent item.

3.4. Although when we refer to '5 clear days' this excludes weekends and bank holidays, Counsel's advice is that for longer periods such as 28 days it is reasonable to include weekends and holidays in the calculations.

3.5. **Exempt Reports/Private Meetings**

3.6. There is a new regulation requiring the Council to give 28 clear days' notice of its intention to go into private session [part2] to consider a report (or part of a report) and to allow the public to make representations against that happening.

3.7. Counsel's advice is as follows:

'the notice that has to be provided 28 clear days before a meeting is held in private needs to be sufficiently specific and detailed so that representations can properly be made to the council as to why the meeting should be held in public. The notice should therefore identify the part(s) of the meeting that the council intends to hold in private, with reasons why;'

3.8. If the Council cannot meet the 28 day notice deadline then the agreement of the Chair of Overview and Scrutiny is required before the meeting or particular item can take place in private session.

3.9. Further to the 28 day notice, a 5 clear day notice is then required reviewing the decision to hold a private session or item and confirming the intention to hold a private session of the meeting, listing any representations received and also the response to those representations.

3.10. **Recording of Officer Decisions**

3.11. The most difficult part of the new Regulations is a new requirement that requires the Council to publish decision making reports on executive decisions taken by officers.

3.12. What is the definition of an executive decision taken by officers? Counsel's advice is the following:

'decisions made by individual officers that are closely connected to the discharge of executive functions need to be recorded; it is not permissible to record 'key decisions' only;

It seems to me that the definition of an 'executive decision' is broad, as it is not confined to decisions that 'discharge . . . a function' of an executive, but include decisions 'in connection with the discharge of a function

I consider that purely administrative decisions – such as purchasing stationery for use in connection with the discharge of an executive function – would not need to be recorded.

Nevertheless, other decisions which may be fairly routine, but are closely connected to the functions of the Executive will need to be recorded. I appreciate that this may be regarded by some as imposing a disproportionate burden on councils.

If so, then it is something that ACSeS may wish to take up with the Department with a view to amending the 2012 Regulations at the first available opportunity.'

3.13. This is clearly going to be difficult for all officers who make decisions. Any decision whether it be for a contract within officers delegations, or ordering goods and services, all the delegations within the constitution already which have been delegation to chief officers and delegated down through deputies etc need to be recorded in the Register both in the department and on a form to be sent to Matthew Manion at Democratic Services and will be published.

3.14. We will give more guidance as we get it but this applies for decisions from the 10th September.

3.15. **Member and public access to documents**

3.16. The new regulations outline the rights that Members have in being able to receive documents in addition to the rights of the public (particularly in the case of the Overview and Scrutiny Committee Members). In reviewing the regulations officers have not detected many major changes to the current regulations. Officers must note that members only have access to information in their committees and all requests for information outside of that fall within the Access to information rules set out in the member officer protocol in part 5 of the constitution.

3.17. A general change in access to documents is that any background documents related to a report must be published on the Council's website rather than just be available for inspection.

3.18. **Other Changes**

3.19. The regulations require a number of other changes, a summary of which are presented here:

- Bloggers and other 'online news gatherers' must be given the same access at Executive decision making meetings as the traditional press.
- Councils are also encouraged, but not forced, to allow the webcasting/audio recording of meetings so we don't have to change our current position on this.
- If there is a 'conflict of interest' as defined by common law for the decision maker (e.g. a Cabinet Member or officer) or consultation with such person by other decision makers in cabinet then the Head of the Paid Service is able to grant such dispensations as may be required if appropriate and these will have to be registered.
- Additional details are required to be published in the Decision notice including reasons for the decision and alternatives considered.

3.20. **Similar/unchanged regulations**

3.21. The following are unchanged or appear similar to previous regulations including:

- The ability of the Council to charge for paper copies of documents.
- That Overview and Scrutiny Committee can require a report to be written explaining why a particular decision was not treated as a key decision. This means the committee not an individual member of the OS committee.
- The Executive must write at least one report a year to Council providing details of each occasion where special urgency procedures were followed we currently do this quarterly.

3.22. **Urgency Provisions for Key Decisions**

3.23. The regulations provide for similar urgency provisions; general urgency (if 5 clear days publication can be met) and special urgency (if 5 clear days publication cannot be met). In both circumstances the signed authority of the Chair of OS is required. However, as Counsel points out, the regulations are clear that these should only be used where it is *impracticable* to offer sufficient notice.

3.24. It should be an extremely rare situation for it to be impracticable to offer sufficient notice before a decision is taken and implemented.

4. **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

4.4 This report describes published new Executive Decisions regulations that replace existing Access to Information and other Executive Decision making requirements. There are no specific financial implications arising from the recommendations in this report. However, if there are any additional costs, officers will be obliged to

seek the appropriate financial approval before further financial commitments are made.

5. **CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

5.1. This report originates in Legal Services and any necessary legal comments are set out in the body of the report.

6. **ONE TOWER HAMLETS CONSIDERATIONS**

6.1. Any equalities impacts arising from the regulatory changes will need to be assessed in due course.

7. **SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

7.1. The new regulations do not impact on sustainable action for a greener environment.

8. **RISK MANAGEMENT IMPLICATIONS**

8.1. The difficulties arising from implementing the new regulations are referred to in the body of the report.

9. **EFFICIENCY STATEMENT**

9.1. Steps are being taken to facilitate the implementation of the regulations, although aspects of them place a clear administrative burden on local authorities

10. **APPENDICES**

None

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Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report

Brief description of "back ground papers"	Name and telephone number of holder and address where open to inspection.
None	**N/A**

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Committee:	Date:	Classification	Report No:	Agenda Item No:
Overview and Scrutiny	02 October 2012	Unrestricted		

Report of:	Title
Service Head Democratic Services	Co-options to Overview and Scrutiny Committee and update on OSC Membership
Originating Officer(s): Angus Taylor, Principal Committee Officer, Democratic Services	**Ward(s) affected:** All

1. Summary

1.1 The report provides the OSC with an update on the current position in relation to the co-option of representatives in respect of education matters.

1.2 The OSC is requested to agree the further co-option of representatives in respect of education matters in accordance with statutory requirements and the Council's Constitution (as amended). The OSC is also asked to subsequently note its revised membership, as set out in Appendix 2 to this report.

1.3 This report provides the Overview and Scrutiny Committee (OSC) with revised details associated with its membership, following the nomination by the Labour Group of named substitutes (deputies) for members of the OSC appointed in accordance with the proportional allocation of places to that group. The OSC is requested to note revised details associated with its membership.

2. Recommendations

That the Overview & Scrutiny Committee:

2.1 Note the current position in relation to the co-option of representatives in respect of education matters, as set out at paragraphs 3.1 to 3.5;

2.2 Note revised details associated with OSC membership, as set out at paragraphs 4.1 to 4.2;

2.3 Agree the further co-option of representatives in respect of education matters, as set out at paragraph 3.5;

2.4 Note, subject to the agreement of recommendation 2.3 above, the final current membership of the OSC as set out in Appendix 2.

3. Co-option of Education and other Representatives to Overview and Scrutiny Committee

3.1 The OSC, at its meeting held on 19 June 2012, considered a report "Appointment of Scrutiny Lead Members, Co-options to Overview and Scrutiny Committee, Health Scrutiny Panel Terms of Reference and Appointments" (agenda item 8.2) which advised it of the statutory and constitutional provisions and requirements relating to the co-option of representatives in respect of education matters (set out at Appendix 1 for ease of reference). Accordingly the OSC agreed the co-option of nominated representatives as set out in the table below:

Church of England Diocese representative	Reverend Michael Ainsworth
Roman Catholic Diocese of Westminster representative	A nomination is awaited
Parent Governor representative	Memory Kampiyawo
Parent Governor representative	A nomination is awaited
Parent Governor representative	A nomination is awaited
Muslim Community Representative	Mr Mushfique Uddin

3.2 The OSC, at its meeting held on 24 July 2012, was informed that the vacancies for co-opted Parent Governor and faith representatives remained unchanged.

3.3 The OSC, at its meeting held on 04 September 2012, considered a report "Overview & Scrutiny Committee Membership, Appointment of Scrutiny Lead Members, Co-options to Overview and Scrutiny Committee, Health Scrutiny Panel Membership & Appointments Update" (agenda item 6.5) which informed it that a ballot of Parent Governors was underway, with a view to securing nominations for the 2 vacant places available for Parent Governor representatives, and this had delayed the appointments. However, it was hoped that the nominations would be available in time for the October OSC to agree the co-options. It also advised that efforts continued to secure a nomination for the vacant Roman Catholic faith representative. The OSC noted the position in relation to the co-option of representatives in respect of education matters.

3.4 The lead Officer in the Policy and Performance Section has since advised that the ballot of Parent Governors closed on 3 September 2012 and the outcome was that Nozrul Mustafa, parent governor at Stewart Headlam School, and the Reverend James Olanipekun, parent governor at Raines Foundation School, came joint top of the ballot. Also efforts continue to secure a nomination for the vacant Roman Catholic faith representative.

3.5   Consequently, in accordance with the statutory and constitutional provisions and requirements relating to the co-option of representatives in respect of education matters (set out at Appendix 1), the OSC is requested to note the current position in relation to the co-option of representatives in respect of education matters set out at para 4.4 above, and to agree the co-option of two further nominated representatives in respect of education matters (parent governors) as set out in the table below:

| Parent Governor representative | Nozrul Mustafa |
| Parent Governor representative | Reverend James Olanipekun |

3.6   The OSC is also asked, subject to the agreement of the recommended further co-options in respect of education matters (parent governors), to subsequently note its revised membership, as set out in Appendix 2 to this report.

4.   OSC - Membership Update

4.1   Subsequent to the revisions to OSC membership reported at the last meeting, the Labour Group has informed the Assistant Chief Executive (Legal Services) of nominations for named substitutes (deputies) for members of the OSC appointed in accordance with the proportional allocation of places to that group. The Assistant Chief Executive (Legal Services) has agreed these under delegated powers.

4.2   The named substitutes for Cllrs Ann Jackson, Sirajul Islam, Rachael Saunders, Cllr Helal Uddin and Amy Whitelock, are as follows:-
  • Cllr Khales Uddin Ahmed
  • Cllr Motin Uz-Zaman
  • Cllr Marc Francis

4.3   The OSC is requested to note the revised details associated with its membership set out above and in Appendix 2.

5.   Comments of the Chief Financial Officer

5.1   There are no specific financial implications arising from the reports recommendations but in the event that the Council agrees further action in response to this report's recommendations then officers will be obliged to seek the appropriate financial approval before further financial commitments are made.

6.   Concurrent report of the Assistant Chief Executive (Legal)

6.1 Section 9F of the Local Government Act 2000 requires authorities to set up an Overview and Scrutiny Committee and the Council's Constitution makes appropriate provision for this.

6.2 The Overview and Scrutiny Committee is one of the Council's ordinary committees and, accordingly, the Council is subject to an on-going duty under section 15 of the Local Government and Housing Act 1989 to review the representation of different political groups on the committee. As soon as practicable after a review, the Council is required to determine the allocation to the different political groups into which the members of the authority are divided in accordance with principles expressed in the 1989 Act.

6.3 The Parent Governor Representatives (England) Regulations 2001 require the Committee to have between 2 and 5 parent governor representatives who are to be elected in accordance with the provisions of those regulations.

7. One Tower Hamlets Considerations

7.1 Equal opportunities and reducing poverty will be central to the work of the OSC. The report ensures the Committee is properly informed of changes to its composition.

8. Sustainable Action for a Greener Environment

8.1 There are no specific SAGE implications arising from the recommendations in the report.

9. Risk Management Implications

9.1 The Co option of representatives in respect of education matters is necessary by virtue of the Parent Governor Representatives (England) Regulations 2001.

10. Crime and Disorder Reduction Implications

10.1 There are no specific Crime and Disorder Reduction implications arising from the recommendations in the report.

11. Appendices

Appendix 1 Statutory and constitutional provisions and requirements relating to the co-option of representatives in respect of education matters
Appendix 2 Revised Overview and Scrutiny Committee Membership 2012/13

**LOCAL GOVERNMENT ACT, 1972 SECTION 100D (AS AMENDED)
LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF
THIS REPORT**

Brief description of "background paper"   If not supplied
                                               Name and telephone
                                               number of holder

n/a

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APPENDIX 1

Co-option of Education and other Representatives to Overview and Scrutiny Committee

Extract from the report considered by the 19 June 2012 OSC, at agenda item 8.2, "Appointment of Scrutiny Lead Members, Co-options to Overview and Scrutiny Committee, Health Scrutiny Panel Terms of Reference and Appointments" advising it of the statutory and constitutional provisions and requirements relating to the co-option of representatives in respect of education matters:

4.1 Section 21(10) of the Local Government Act 2000 provides that an overview and scrutiny committee of a local Council may include persons who are not members of the Council. This provision empowers, rather than obliges, local authorities to have co-opted members on their overview and scrutiny committees.

4.2 However Schedule 1 to the LGA 2000 also has effect in relation to the Council's executive arrangements. Paragraph 7 of Schedule 1 makes provision for overview and scrutiny committees to have church representatives. The Council must have a Church of England co-opted member on its overview and scrutiny committee if the committee's functions relate wholly or partly to education functions and if the Council maintains one or more Church of England Schools. Similarly, the Council must have a Roman Catholic representative on its overview and scrutiny committee if the committee's functions relate wholly or partly to education functions/ and if the Council maintains one or more Roman Catholic schools.

4.3 Paragraph 7 of Schedule 1 to the LGA 2000 also deals with appointment of the church representatives. The Church of England representative must be nominated by the Diocesan Board of Education for any Church of England diocese which falls wholly or partly in Tower Hamlets. The Roman Catholic representative must be a nominated by the bishop of any Roman Catholic diocese which falls wholly or partly in Tower Hamlets.

4.4 Paragraph 9(4) of Schedule 1 to the LGA 2000 sets out power for the Secretary of State to make regulations requiring local authorities to have representatives of parent governors at maintained schools included on their overview and scrutiny committees. The Secretary of State has made the Parent Governor Representatives (England) Regulations 2001 in pursuit of these powers. Regulation 3 provides that a local education Council shall appoint at least two, but not more than five, parent governor representatives to any overview and scrutiny committee that has functions which relate wholly

or partly to any education functions which are the responsibility of the Council's executive. The Regulations specify the process for electing representatives.

4.5   Consistent with the statutory provisions, the Council's Constitution provides in Part 3 "Responsibility for Functions", for the membership of the overview and scrutiny committee to include a Church of England representative, a Roman Catholic representative and two Parent Governor representatives. The Constitution also provides for the committee to have a non-voting Muslim faith representative, although this is not a statutory requirement.

4.6   The Constitution as amended (Part 4 – "Rules of Procedure", Section 4.5 – "Overview and Scrutiny Procedure Rules", Paragraph 4 "Education Representatives" Rule 4.1 states that "The Overview and Scrutiny Committee must include in its membership the following voting representatives in respect of education matters:

  o   One Church of England diocese representative;

  o   One Roman Catholic diocese representative; and

  o   Three parent governor representatives elected under the procedures contained in the Parent Governor Representatives (England) Regulations 2001."

Rule 4.2 states that "The Committee may also include a Muslim representative in a non-voting capacity. "

Rule 4.3 states that "These members may speak but not vote on any other (i.e. non educational) matters. "

Appendix 2

OVERVIEW AND SCRUTINY COMMITTEE
(Nine members of the Council plus six co-opted members)

(Current at 04 September 2012)

Labour Group (5)	Conservative Group (1)	Respect Group (1)	Others (2)	Co-opted Members (Appointed by the 19 June 2012 OSC)
Cllr Ann Jackson (Chair) Cllr Sirajul Islam Cllr Rachael Saunders (Vice-Chair) Cllr Helal Uddin Cllr Amy Whitelock	Cllr Tim Archer	Cllr Fozol Miah	Cllr Stephanie Eaton (LD) (1 vacancy)	Mr Mushfique Uddin – Muslim Community representative Vacancy – Roman Catholic Diocese of Westminster representative
Deputies:- Cllr Khales Uddin Ahmed Cllr Motin Uz-Zaman Cllr Marc Francis	Deputies:- Cllr Peter Golds Cllr David Snowdon	Deputy:- Cllr Harun Miah	Deputies:- TBC	Canon Michael Ainsworth - Church of England Diocese representative Parent Governor representatives:- • Memory Kampiyamo • Nozrul Mustafa • Reverend James

Olanipekun