

Committee: Overview & Scrutiny	Date: 3 rd November 2009	Classification: Unrestricted	Report No:	Agenda Item:
Report of: Lutfur Ali, Assistant Chief Executive Originating officer(s) Jon Underwood, Alice Wallace, Strategy and Performance		Title: Third Sector Strategy Wards Affected: All		

1. **SUMMARY**

- 1.1 Following a rigorous development process and widespread consultation and engagement, the final Third Sector Strategy and Action Plan is attached for agreement.

2. **RECOMMENDATIONS**

The Overview & Scrutiny Committee is recommended to:-

- 2.1 Note the Third Sector Strategy and Action Plan, and provide comments to Cabinet.

3. **BACKGROUND**

- 3.1 Tower Hamlets benefits from a diverse, vibrant and engaged Third Sector. The Sector plays an essential role in delivering the Community Plan to 2020 and in achieving the objective of One Tower Hamlets. This is delivered through the Third Sector's key role in service provision and the Sector's unique ability to engage the local community.
- 3.2 Due to the Sector's importance, National Indicator 7 – an environment for a thriving third sector – has been included as a target in the Local Area Agreement. Baseline performance against this indicator from 2008/09 was 5% better than the national average, with high levels of engagement being highlighted as a particular strength. A 6% improvement target over the LAA period has been agreed with Central Government. This has acted as a driver for the Council to refresh its Third Sector Strategy. The Strategy is currently a Council document but it is planned to quickly expand it to cover key partners, especially NHS Tower Hamlets.

4. **DEVELOPMENT OF THE STRATEGY**

- 4.1 The development of the Strategy has been overseen by the Assistant Chief Executive who has brought together a Third Sector Delivery Group with officers across the Council and NHS Tower Hamlets. The Strategy has been fully informed by extensive and on-going engagement with the Third Sector. Key elements of this have included:
- A consultation event on the 18th August 2009 attended by 85 representatives from 70 organisations
 - The establishment of a Third Sector Advisory Board with representatives from 17 key Third Sector partners
 - Web questionnaire and written responses from 32 organisations

5. KEY PROPOSALS

- 5.1 Analysis of the key drivers of NI7 and consultation responses has identified 5 key areas where the Council can make a real difference to the Third Sector. These are:
- Infrastructure
 - Volunteering
 - Voice and representation
 - Commissioning and Funding; and
 - Premises

Infrastructure

- 5.2 In order for Third Sector organisations to maximise their potential benefit to local people they need appropriate support. In a national survey of Third Sector organisations the local Third Sector clearly highlighted a lack of support as their key issue. In high performing areas, a Council for Voluntary Services (CVS) is the key agency in providing support to the sector.
- 5.3 Tower Hamlets doesn't currently have a CVS. In the analysis work that informed the development of the Strategy this has been consistently identified as a key barrier for both the Third Sector and the Council. As such, a key element of the Strategy is to establish a new CVS. This will be a key strategic partner for the Council and play a key role in supporting the local sector, including small organisation.

Volunteering

- 5.4 The Council recognises that volunteers play a key role in improving the Borough and establishing One Tower Hamlets and as such has a keen interest in promoting volunteering. To do this the Strategy proposes that the Council:
- Strengthens the implementation of the Volunteering Code of Practice
 - Explores the development of employer supported volunteering
 - Explores how to increase the capacity of statutory agencies to host volunteers

Voice and Representation

- 5.5 The Third Sector has a key role in enabling community representation. This includes supporting services and service users to get involved at their local level and ensuring that vulnerable and marginalised groups are appropriately represented. At the moment representation at the Local Strategic Partnership is quite variable. As such the Strategy proposes that the Council establish formal and transparent processes for selecting representatives for Community Plan Delivery Groups and other key forums. These processes will particularly focus on ensuring that the voices of small organisations are heard.

Commissioning and Funding

- 5.6 The total value of grants and contracts from the Council to the Third Sector is over £55m a year. A key element of this is the £3.875m Mainstream Allocation. With regard to this the Strategy proposes that the application and allocation processes are improved and assessed to ensure they take account of equalities issues. In addition it was found that there was a need for a flexible small grants funding pot. As such the Strategy suggests the introduction of a Community Chest.
- 5.7 Though the Strategy found much excellent practice in terms of Third Sector commissioning, the consistency and co-ordination could be further improved. The Strategy proposes a range of measures in respect of this including better guidance, training and information exchange. The Strategy also recognises the challenges that the economic downturn is likely to present to the sector. It commits the Council to being proactive in managing these issues through ongoing dialogue with the sector.

Premises

- 5.8 Access to the right space in the right location and at the right cost is crucial to the success of Third Sector organisations. The Council will explore this by undertaking research to identify current asset use by the Third Sector and future needs. This will inform a Third Sector Asset Plan.

6. Financial Implications

- 6.1. The Third Sector Strategy includes a number of resource commitments. Specifically these are to establish a Council for Voluntary Services (CVS), establish a Community Chest and to provide resources to oversee the delivery of the Strategy overall. These elements have been examined in detail by both members and officers and clear proposals are now in place, subject to Cabinet agreement.

- 6.2. With regard to the CVS it has been considered that a clear commitment to 2 years funding is required to establish the organisation as viable. Following benchmarking with the relevant national body (NAVCA) and 11 CVS across London it is proposed that annual funding of £232,500 should be allocated. Similar benchmarking has been undertaken with regard to the Community Chest and it is proposed that £300,000 a year would be an appropriate level of resource. With regard to funding of officers to oversee the delivery of the Strategy it is proposed that 3 officers are needed – 1 manager supported by 2 officers. Allocations in accordance with this are contained within the Accelerated Delivery Programme which also forms part of the Cabinet agenda.
- 6.3. In addition there is a clear need to look to the sustainability of these initiatives. It is proposed that sustainable funding is sourced from a small ‘levy’ on Third Sector commissioning exercises that are worth £55m a year. There is a commitment in the Strategy and action to explore this.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 The financial implications of this report are set out in paragraph 6.1-6.3 above. A report elsewhere on this agenda relating to the Accelerating Delivery programme is covers funding of this strategy and details are summarised in the table below.

Table One

Description	2009-10	2010-11	2011-12
Revenue- General Fund	CVS £105,000	CVS £232,500	CVS £117,000
	Community Chest £300,000	Community Chest £164,000	Delivery Team £82,000
	Delivery Team £68,000	-	-
HRA	0 0	0 0	0 0
Total	£473,000	£396,500	£199,000

- 7.2 Funding is from one-off resources available for the accelerated development programme in addition to £270,000 virement from other third sector budgets across the Council.

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

8.1 The report seeks approval for the Third Sector Strategy and Action Plan. Whilst the Council does not have a specific power under statute to grant fund the Third Sector, it is clear that Third Sector involvement is critical to the delivery of the sustainable community strategy under the Community Plan and each of the key Community Plan themes. It is also important for delivering on the local area agreement under the Local Government and Public Involvement in Health Act 2007. The close alignment between an active third sector and the Community Plan objectives is such that the Council should be able to rely upon its well-being power in section 2 of the Local Government Act 2000 to support the proposed measures. It will be for officers to ensure that any action under the Strategy is carried out according to law.

9. ONE TOWER HAMLETS CONSIDERATIONS

9.1 The contribution of Third Sector organisations to delivering One Tower Hamlets is explicitly recognised in the Strategy. Not only do organisations play a key role in delivering services that address inequality, improve cohesion and increase community leadership, the simple fact of people coming together to improve their environment is a real example of One Tower Hamlets in practice. As the Strategy is aimed at creating an environment for a thriving Third Sector it has a key role in delivering the aims of One Tower Hamlets.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 The Third Sector play a key role around sustainability issues and active partnership working is already in place. The Third Sector Strategy is intended to strengthen this further, primarily through improving the effectiveness of infrastructure, representative and commissioning and funding functions.

11. RISK MANAGEMENT IMPLICATIONS

11.1 The aim of the Third Sector Strategy is to provide an environment for a thriving Third Sector. The policy proposals contained within the Strategy provides mitigation of a range of risks:

- Non-delivery of LAA target NI7 – Environment for a Thriving Third Sector
- Non-delivery of key services due to a lack of Third Sector capacity and support
- Non-delivery of key services due to reductions in funding
- Reduced community cohesion due to a lack of funding for small Third Sector organisations

12. EFFICIENCY STATEMENT

12.1 The resources required for delivery of the Strategy for the next 2 years have been allocated from existing Council resources. There are proposals within the Strategy regarding how this capacity is to be maintained in the medium and long-term. More broadly, there are proposal in the Strategy that are aimed at delivering significant improvements in the use of Council funding to commission services from the sector.

**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.

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12. APPENDICES

Attached Third Sector Strategy and Action Plan