

Tower Hamlets Partnership Voluntary and Community Sector Strategy

July 2013



MAYOR OF
TOWER HAMLETS



Tower Hamlets Partnership



TOWER HAMLETS

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VCS Strategy: *Foreword and Introduction*

Foreword

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

As Mayor of Tower Hamlets and Chair of the Tower Hamlets Partnership, I am pleased to present this Voluntary and Community Sector Strategy.

The Voluntary and Community Sector (VCS) is central to delivering the Partnership's vision to improve the lives of all those living and working in Tower Hamlets. The sector does this by delivering excellent services and supporting the aim of One Tower Hamlets: reducing inequality, supporting cohesion and providing strong community leadership.

The Council previously had its own Third Sector Strategy, which focused on creating the conditions for a thriving voluntary and community sector. Much has changed since 2009 including the election of a coalition government with a new set of national priorities and a focus on reducing the national deficit. These are difficult times for many local residents and the organisations that they rely upon including, of course, those in the voluntary and community sector.

I therefore welcome this new strategy which has been developed by the Tower Hamlets Partnership with the VCS. The voluntary and community sector has a rich history locally and plays a significant role in shaping the borough. Local VCS organisations continue to make a valuable and unique contribution. This includes through service provision, by engaging and empowering local people and offering a voice for communities and campaigning on their behalf. The voluntary and community sector helps strengthen the social fabric of the borough.

This strategy helps to bring focus to how the Partnership will work with the voluntary and community sector to improve the lives of all those living and working in Tower Hamlets. I look forward to working hard – alongside others – to help deliver it.

MAYOR OF
TOWER HAMLETS
Lutfur Rahman



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VCS Strategy: *Foreword and Introduction*

Introduction

The voluntary and community sector has a key role in the Partnership's vision to improve the lives of all those living and working in Tower Hamlets. It does this both by delivering services and supporting communities to help make Tower Hamlets:

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

The VCS has a central role in the delivery of One Tower Hamlets – reducing inequality, supporting cohesion and providing strong community leadership.

VCS organisations can often better understand local issues and experiences than large public sector providers and so have a vital role in targeting and shaping local services. Tower Hamlets is fortunate to have such a dynamic, vibrant and diverse voluntary and community sector. Local VCS organisations are often well placed to fully understand and engage with our diverse communities and ensure that delivery is both locally rooted and focused. In addition, the power of the voluntary sector to support and mobilise local communities is significant, particularly at a time when central government funding is reducing significantly the funding available to local services.

The sector is diverse with different types of organisations, approaches and emphases. The strategy recognises this diversity whilst also acknowledging that many of the challenges facing the sector – such as financial sustainability, demonstrating impact, shaping policy and further building social capital – are common to many within it.

The next section details the overarching aims and objectives of the strategy. This is followed by short contextual overview and then further detail about the issues facing the sector and the proposed response. The final section outlines how the strategy will be delivered, including action planning and governance.

Aims and Objectives

The **aim** of the strategy is to:

Support the sector's role in achieving One Tower Hamlets and providing excellent services which will improve the quality of life of local people.

Sitting underneath this aim are **five strategic objectives**:

1. VCS shaping strategy and services
2. Building strong community leadership and social capital
3. VCS resilience and financial sustainability
4. Strategic commissioning and co-production
5. Monitoring, evaluating and demonstrating impact

This aim and objectives are explored further below. They are based upon, and have been refined through, the draft strategy and consultation process that took place in 2012/13. An annual action plan will set out the key activities undertaken by the Council, voluntary and community sector and other organisations in the Tower Hamlets Partnership (THP) to deliver the strategy's objectives.

National and Local Context

The VCS has a long and established history in the borough. For centuries the sector has played a significant role in providing services for residents in the east end of London, with many voluntary and community organisations in Tower Hamlets nationally recognised as leaders in their fields. As the sector has developed, its role has also changed over time. It has transformed from Victorian philanthropy to a key player in multi-agency service delivery models, with both a collaborative and challenging role in relation to the public and private sectors.

The Tower Hamlets VCS is diverse, consisting of a range of organisations such as: charities, community organisations, social enterprises and cooperatives; all at varying sizes and scope. A recent survey of the local VCS in the borough showed that the average organisation, based on 97 respondents, employs 13 members of staff, indicating that the sector is a significant local employer. Different estimates suggest that there are well in excess of 1,100 registered organisations within Tower Hamlets' VCS. However, as many voluntary organisations operate informally and are not registered, it is difficult to accurately determine the full scale and breadth of the sector.

The diversity of the local VCS is also evident in the wide range of activities it undertakes: from leisure to health and wellbeing; education and lifelong learning to economic wellbeing. In addition to the measurable impacts of the sector, such as through its services, the VCS also generates 'social capital'. These are the local benefits from the co-operation between individuals and groups that the VCS support. This includes, for example, the local value provided by the wide range of volunteering opportunities supported by the sector and the neighbourliness and community organising it facilitates.

As in previous decades, the sector faces a number of challenges and opportunities that will shape its capacity, roles and structures going forward. The reductions to some public and private funding streams present a particularly acute challenge for the VCS. This new era of austerity, coupled with the increasing needs of a fast growing population, means that both the public and voluntary sectors are going to have to continually find innovative ways of doing more with less and remain financially resilient. This includes creating new partnerships, making best use of existing resources and exploring the potential of new forms of income and finance.

There are also important national policy initiatives impacting on the sector. The Coalition Government's Big Society agenda and Public Services (Social Value) Act for example, could help strengthen the sector with any additional opportunities they may introduce. This is particularly so in relation to procurement and service delivery. Nevertheless, limited funding and a move towards large 'super-contracts' by Government, such as the Department for Work and Pensions' Work Programme, can make it difficult for the sector to compete fairly.

The Tower Hamlets Partnership will continue to develop arrangements to enable the sector to be an active player in strategic and local governance structures. The voluntary and community sector, with its expertise in accessing communities, involving citizens and supporting local structures of delivery, will be central to identifying, developing and delivering local priorities in difficult times.

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Objective 1:

VCS Shaping Strategy and Services

Central to the value of the locally strong voluntary and community sector is its ability to understand need, engage local people, offer them a voice and campaign on their behalf. This is particularly important given the diversity of Tower Hamlets and the Partnership priority of supporting equality. It is vital that the Partnership - and organisations within it – involve and support the VCS to shape local policy and practice. Whilst later sections highlight the role of the VCS in service delivery, there is an important role for the VCS in shaping Partnership services and priorities, regardless of who delivers them.

The VCS's voice and representation role supports a thorough understanding of local need, which is a requirement of evidence-based commissioning. The VCS can engage and enable citizens in different ways to the public sector. Clearly, a strong and independent VCS is an important element. In addition, local governance structures need to be open and support meaningful engagement with the VCS sector. Work is underway in this respect, including in relation to agreeing a framework for VCS representation on Partnership groups.

Co-design and co-production are likely to feature more prominently in Council and Partnership approaches, including through commissioning processes. The VCS has a strong history in harnessing the capacity of communities, building on residents' capabilities and peer support and so is well placed to support such approaches. Underpinning effective co-design and co-production is VCS involvement in influencing local strategy and provision.

Areas of focus within this objective are:

- Supporting arrangements to allow the VCS to shape Partnership policy and practice
- Assisting the development of an effective THCVS

Supporting arrangements to allow the VCS to shape Partnership policy and practice

Governance structures, including forums and boards, are an important means by which organisations can interact within and across sectors and support accountability. There has been some progress in improving the accessibility of Council and Partnership governance arrangements to the VCS, including the establishment of the Tower Hamlets Third Sector Programme Board, with sector representation via THCVS.

There is also a need to strengthen the role and remit of the Third Sector Advisory Board. This might include providing a forum for dealing with some of the emerging issues facing many organisations within the sector and identified within this strategy, such as assets and social finance.

The Tower Hamlets Partnership has recently made changes to its governance arrangements at both a strategic and local level. There is value in looking at the existing structures to ensure full involvement of the sector. There is also a need to look beyond structures; for example, many small organisations may not have the capacity to get involved in formal governance arrangements. A Partnership-wide Voice and Representation Steering Group is beginning to consider this and related issues more broadly, including an agreed approach to VCS representation on Partnership Groups.

Assisting development of an effective THCVS

The Partnership is committed to supporting THCVS as the borough-wide representative body of the VCS in Tower Hamlets. Its role includes:

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- Fostering 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

The Council has committed funding to THCVS over the next two years and is working with it to support the sector. The Council will work with its partners to continue supporting THCVS as it strives to ensure its sustainability.

Objective 2:

Building strong community leadership and social capital

Strong community leadership is an essential part of the Partnership's One Tower Hamlets vision. Many VCS organisations, and individuals within them, provide strong leadership to local communities. However, leadership capacity within the sector is needed for this to be sustained. A key question for the sector - and broader Partnership - is how leaders can best be developed, supported and encouraged.

Volunteering can support social capital and there is evidence of a rise in interest in volunteering locally. It is important that the skills and energy of residents are harnessed inclusively and that effective brokerage and support arrangements are in place.

Areas of focus within this objective are:

- Supporting volunteering
- Building leadership capacity in the VCS

Supporting volunteering

Enhancing brokerage services will support more residents to take up high-quality volunteering opportunities. The number of prospective volunteers is increasing and infrastructure needs to be expanded to cope with this demand. Many organisations struggle to find trustees of the right calibre and experience - more will be done to promote these opportunities and build the capacity of residents and those employed in the borough to take on such roles.

A new brokerage service to train and match volunteer trustees with VCS organisations has been developed by Volunteer Centre Tower Hamlets (VCTH), Tower Hamlets Somali Organisations Network (THSON) and THCVS in the Transforming Local Infrastructure (TLI) Programme. The service needs to be sustained beyond the end of TLI in September 2013.

There is both a need and a desire to ensure that volunteering becomes more inclusive. Volunteering brokerage can work with experienced 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. As the specialist infrastructure organisation for volunteer training and support, VCTH has a lead role to play in this area. Organisations such as Tower Hamlets Somali Organisations Network, the Council of Mosques, the Muslim Women's Collective, the Jagonary Centre and the may also have a role in this respect.

There is also potential value in aligning and joining up some of the local volunteering related activity - including capacity building - at a time when both the Council and VCS are looking at their approaches. The Council for example has recently launched a new approach to ward forums which provide an opportunity to shape services at a local level. These forums will be supported by Community Champion Co-ordinators - local volunteers who will play a leadership role in fostering local activism, building networks and liaising with service providers.

In addition, there is a need to further consider how volunteering placements can more effectively support the employment needs of some residents. This is an area that requires further consideration by the sector and other organisations within the Partnership, including the Council and local business.

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There is also some evidence of a mismatch between the needs of some VCS organisations which require skilled and experienced volunteers and people coming forward who have significant support needs. As highlighted under objective 3, resilience and financial sustainability, local businesses have a key role in supporting volunteering – including by providing volunteers to provide expertise, mentoring or serve as trustees. Other organisations within the Partnership – including the Council – need to provide clarity on their policies and support in relation to staff volunteering.

Building leadership capacity in the VCS

Developing leaders is essential to the health of the VCS and local communities. Given its importance, there is a dedicated VCS Leadership Forum supported by THCVS, which will have an important role in building capacity. The Leadership Forum focuses on specialist peer support, networking and sharing information, best practice and solutions between VCS chief executives, directors and senior managers from large, medium and small organisations.

Objective 3:

VCS Resilience and Financial Sustainability

Organisations within the voluntary and community sector are managing significant financial challenges whilst seeking to provide excellent and responsive services. This includes a reduction of some national and private funding, as well as local and regional public sector organisations needing to manage within reduced resources. The sector is responding by delivering efficiencies and seeking to maximise income, and this will need to continue. In addition, fit for purpose premises remain a challenge for some VCS organisations. This objective includes a strong focus on how the sector and broader partnership can develop its approach to assets.

There are also opportunities for the VCS. There is, for example, a proven track-record of using commercial resources and expertise upon which to build, including through the East London Business Alliance (ELBA) and Tower Hamlets Business Partnership (THBP). There is also a strong commitment within the Tower Hamlets Partnership to use local organisations as service providers wherever possible. The Council, for example, already spends approximately a quarter of its external spend with the sector and has recently renewed its focus on using local suppliers.

Areas of focus within this objective are:

- New and existing assets
- Efficiencies and sharing services
- Engaging with local business

New and Existing Assets

A strategic and well-managed approach to VCS assets is important if the sector is to operate effectively and sustainably. The consultation draft strategy set out a number of issues to be explored through the action planning process including:

- Developing initiatives to maximise the use of existing and under-used assets
- Reviewing leases to support the sharing of spaces and co-location and exploring the potential of meanwhile leases
- Understanding how all available spaces are already promoted to the VCS
- Considering how public sector premises can be used more effectively to support VCS activity
- Exploring the possibility of multi use centres for the sector

In addition to making use of existing assets, there is the potential to develop new spaces. The Community Infrastructure Levy (CIL), for example, has been cited as an opportunity to identify and meet some of the need for future VCS premises. Considering the potential of CIL and other mechanisms to support VCS assets is an area that has been highlighted for further exploration.

Under the Localism Act all councils now maintain a list of assets of community value. These are not necessarily public owned assets. Voluntary and community organisations with a local connection have the opportunity to nominate for inclusion on the list the assets that are most important to them. When listed assets come up for sale or change of ownership, community groups will have time to develop a bid and raise the money to buy the asset at market value. The stated aim of this element of the Act is to keep community sites in public use.

It is intended that the Partnership's approach to VCS assets will be taken forward through a dedicated VCS Asset Management Strategy which is in development.

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Efficiencies and shared services

Improving efficiency and maximising productivity are important ways for VCS organisations to reduce spend without impacting upon front-line services. Opportunities to reduce costs are likely to include further reviewing approaches to back-office services, such as finance and HR, as well as exploring opportunities to reduce funding spent on supplies and services, such as insurance, utilities and office equipment. There is already a range of important local examples in this respect including, for example, the proposals to set up a suppliers' co-operative to support collective procurement amongst voluntary and community sector. This is an area that the strategy and action plan is seeking to build on, including the potential for the sector to create joint approaches and shared systems for delivering savings and the development of a local VCS consortium.

Engaging with business

Tower Hamlets is fortunate to have one of the strongest enterprise sectors in the country, supported, in part, by the growth of Canary Wharf and City Fringe. Businesses are able to contribute funding, as well as in-kind support such as time and expertise. Businesses often have access to different networks and can play a valuable leadership role, for instance by acting as trustees or providing mentoring.

The VCS has had success in working with the business sector in recent years, including through ELBA and THBP. Most recently, a key priority of the local VCS partnership's Transforming Local Infrastructure Programme was to positively engage with local businesses. Further developing the relationship between the corporate and VCS sectors, to support the Partnership's vision, is an area for development within the strategy's action plan.

Objective 4: Strategic Commissioning and Co-Production

The Council and other partner organisations have indicated an increasing future focus on commissioning the VCS in a strategic and evidence-based way to deliver the Partnership's vision. Whilst this is a continuation of the Tower Hamlets Partnership's existing direction of travel, there is a need to ensure that voluntary and community sector organisations are supported to maximise the opportunity that this presents. It is acknowledged that grant funding will still exist as part of the local funding framework mix; however grants will only be used, by exception, to those areas unsuited to a more commissioning-based model.

There is a growing interest from all sectors in emerging social finance arrangements and instruments such as Social Impact Bonds. Whilst such funding mechanisms are cited as significant opportunities for the sector, these methods need careful consideration and, in some cases, significant further exploration before their implementation.

Areas of focus within this objective are:

- Future funding approach
- Evidence-based commissioning
- Supporting VCS organisations to meet a commissioning-based approach
- Exploring opportunities for greater collaboration between VCS organisations
- Considering social finance and new financial instruments

Future Funding Approach

There is a need for the Council and other organisations within the Tower Hamlets Partnership to set out their future approach to funding the VCS sector. As indicated below, this approach will increasingly be commissioning-based and closely linked to the Partnership's priorities. It is important that the VCS sector is given sufficient notice of changes to the funding arrangements of the Council and other partners. This includes both the overall funding framework (such as the relative balance of commissioning and grants), as well as any future expectations or requirements. For example, co-production is an increasing focus for organisations within the Tower Hamlets Partnership and may be an area with increasing relevance when commissioning services.

A potential area of action for the Council, and broader Partnership, to set out its proposed funding model for future years. Significantly, many partners are seeking to increase the proportion of local spend for goods and services. For example, the Council aims to increase the amount of local spend (through all types of providers) to 40% by 2014/15. This reflects a growing recognition of the Tower Hamlets Pound Principle; there is a multiplier effect of employing local people and using local providers.

Evidence-based commissioning

Evidence-based commissioning provides the greatest opportunity to ensure that limited funding supports the achievement of the Partnership's priorities. It also underpins an approach which demonstrates fairness in the allocation of resources. Both geographical and equality analysis are likely to be increasingly important in this approach as the Partnership seeks to further reduce inequalities in the borough. The Public Services (Social Value) Act is also important in this respect and will be applied in line with its focus on broader community benefits from commissioning. The Council has recently committed to using its contractual requirements to deliver wider social benefits and there is a need to embed this in practice across the Partnership, particularly through the procurement and commissioning teams. This element is closely linked to objective 5 below - monitoring and evaluating impact.

Supporting VCS organisations to meet a commissioning model approach

The Tower Hamlets Partnership wants to ensure that the commissioning approach - and organisations' procurement policies - enables VCS organisations to fairly compete for service

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delivery, including as part of supply chains. The Council has recently committed to making its procurement processes more transparent and accessible as well as providing training the VCS organisations on accessing them. The size of contract opportunities is sometimes a barrier, including ensuring that smaller organisations are not excluded from the commissioning process. There is also a role for organisations in the sector to work together and collaborate in response to commissioning opportunities. However, shaping opportunities is about more than contract size and there is a role for the Council and other partners to help shape the market. *Example to be inserted.*

Comment [k1]: NB

Exploring greater collaboration between VCS organisations

In some cases, there are benefits for VCS organisations to marshal the scale of the sector and work together to pursue commissioning opportunities. Bidding processes sometimes recognise consortia, but assembling them on a one-off basis for each bidding opportunity is time-consuming and expensive. It can also be less convincing to the commissioner as it does not demonstrate a track record of working together. The Special Purpose Vehicle (SPV) proposed in the Transforming Local Infrastructure (TLI) Programme aims to help VCS organisations overcome some of these difficulties. It aims to build upon the strong support for consortium working identified by the Tower Hamlets Council for Voluntary Service (CVS) which has also been welcomed by smaller organisations. It is important that the Council and other partners recognise, work with and support these and other mechanisms that support collaboration within the sector.

Considering social finance and new financial instruments

Social finance is a term used to describe a range of financial tools and instruments that support both a social dividend and economic return. This includes social impact bonds and social enterprise lending. These methods provide a potential new avenue of funding for the VCS in Tower Hamlets. It is proposed that these and other aspects of social finance are explored as part of the action planning process.

There is also a growing emphasis on payment by results contracts including, for example, as part of the government's employment work programme. This can be an issue for VCS organisations, particularly where there are not significant funding reserves, and may also be an area for the Partnership to consider further. Resources are needed to build up commissioning expertise in the VCS, including in relation to emerging forms of finance. THCVS has TLI funding for this work until September 2013.

Objective 5: Monitoring and evaluating impact

Evaluating and monitoring impact is a key strand of this VCS Strategy. Organisations of all sectors with reduced resources need to prioritise more and it is increasingly important that the effectiveness of interventions and services are well understood. This is particularly important in the context of other changes impacting on the VCS sector, including a shift to a more commissioning-based approach and the rise of funding instruments based on payment by results. However, this objective is not primarily about the public sector monitoring VCS delivery and impact. There is greater potential for all partners to better share intelligence, evidence and best practice of what works locally which in turn can better inform future strategic priorities, resource allocation and practice across the Partnership.

Areas of focus within this objective are:

- Improving Council – and other partner - tracking and monitoring of VCS funding and outcomes
- VCS and partners sharing expertise and systems for monitoring and evaluation
- Analysis of the impact and outcomes of services delivered by the public sector and the VCS

Improving Council - and other partner - tracking and monitoring of VCS funding and outcomes

This strategy provides an opportunity for the Council - and other partners - to review its approach to capturing spend and outcomes delivered. This is an area that the Council's Third Sector Programme Board has begun and is likely to include better use of existing systems, such as GIFTS, to monitor spend. However, understanding VCS impact is about more than use of systems to accurately capture funding. Increasingly, the Council and other Partners will be requiring a more thorough and robust demonstration of impact and outcomes with expectations clearly embedded in the commissioning process. In some cases, this may include a more thorough understanding of outcomes by equality characteristics in accordance with the Public Sector Equality Duty.

It is recognised that many VCS organisations are working with vulnerable or hard to engage individuals, which can mean more resource-intensive interventions and uncertain outcomes. These issues will need to be captured fairly in the commissioning process of Partnership organisations to ensure that risks are not unfairly transferred to the VCS. It is important that outcome targets and evaluations are based upon a full understanding of the relevant issues.

VCS and partners sharing expertise and systems for monitoring and evaluation within the sector

Given the growing importance of demonstrating impact and outcomes, there is a potential role for THVCS to share existing expertise, processes and systems to support high-quality monitoring and evaluation. This capacity building may include support about demonstrating outcomes by equality characteristics and the importance of an inclusive approach.

Analysis of the impact and outcomes of services delivered by the public sector and the VCS

All services delivered by the VCS for the local authority or health authorities through contracts or grants are monitored. VCS organisations submit regular monitoring reports about how the money is being spent, the services provided and details of the residents who benefit from the service, including how the services are improving their quality of life.

This strategy recognises the wealth of service information and data about public services provided by VCS organisations for residents in Tower Hamlets. There is therefore a need for organisations across the Partnership to collaborate more in terms of analysing and sharing information and evidence-based evaluation of VCS data in their possession which will further support policy, strategy, the identification of priorities and development of effective services across all providers. Involvement of the VCS in the strategic governance of the Partnership is central to success in this area.

Next steps

This strategy sets out how the Partnership will work with the voluntary and community sector to improve the lives of all those living and working in Tower Hamlets. It aims to support the sector to provide excellent local services and promote the sector's role in achieving One Tower Hamlets.

In order to realise these aims an action plan is in development based around the strategy's five strategic objectives.

1. VCS shaping strategy and services
2. Building strong community leadership and social capital
3. VCS resilience and financial sustainability
4. Strategic commissioning and co-production
5. Monitoring and evaluating impact

The action plan will set out clear activities and lead agencies responsible for delivery. The plan will be reviewed annually and monitored bi-annually. The Third Sector Programme Board and the Third Sector Advisory Board are responsible for overseeing that the strategy and associated action plan are implemented. As the Voluntary and Community Sector Strategy for the Tower Hamlets Partnership, regular update reports will be presented to the THP Executive.