

LB Hounslow - Thriving Communities Review

Summary Report¹

1. Background and Scope

This Review of the London Borough of Hounslow's (LBH) Thriving Communities Strategy is intended to inform a new Thriving Communities Strategy for 2019-23. What does a healthy civil society, fit for the demands of a post-Brexit, twenty-first century look like? And what specific role can the Council play to support civil society, in line with its broader vision to galvanise best use of civil society resources and public money?

The Review was commissioned in spring 2018 to enable the Council and its partners to:

- Determine its strategic vision for engaging and working with the Voluntary, Community and Social Enterprise (VCSE) sector.
- Identify ways to maximise benefits and opportunities from Hounslow's social and physical assets.
- Understand how best to support the success and sustainability of the VCSE sector.

The world in which councils and voluntary and community sector organisations coexist has changed irrevocably over the last ten years. The recent refresh of LBH's Borough Strategy², setting out a long-term vision to 2035, reflects the new zeitgeist; it sets out a long-term vision (to 2035) and a paradigm shift in the way that the Council, working in partnership, proposes to enable the creation of better outcomes locally which focus on [people, places and relationships](#). It encapsulates the change from a world in which the Council provided services, to one in which (with much reduced resources) it becomes a co-producer of outcomes with partners, not least the Clinical Commissioning Group (CCG), across civil society and a supporter of 'social action' and 'mutual aid.'

The original Thriving Communities Strategy³ certainly acknowledged these changing circumstances. It was described as a "council-wide strategy . . . the first of its kind for Hounslow and one of the few examples in England of a local authority delivering an integrated strategy for building stronger and more resilient communities and a self-sustaining and vibrant voluntary and community sector." Even in the strategy's relatively short lifetime, however, the role of civil society, no longer confined to VCSE organisations but embracing all sectors including business, has become far more central. Five years on, LB Hounslow's future stake in enabling a vigorous, diverse and inter-dependent civil society is correspondingly greater - **see slides 6-7**.

As well as the role that charities, voluntary sector organisations and social enterprises continue to play in delivering public services, a thriving civil society also requires smaller groups, community organisations and micro-activity – i.e. far wider than the traditional

¹ This is the stand-alone Executive Summary of a power point slide deck which forms the main Review and Recommendations document

² [Future Borough Vision, Strategy and Action Plan, 2018](#)

³ [Thriving Communities and VCSE Sector Strategy, 2015-19](#)

voluntary sector agenda – to play a role in knitting together the social fabric locally. Given the necessary political steer, a future Thriving Communities Strategy may yet require a different focus and role for the Council’s Community Partnerships Unit (CPU).

Despite the demanding local circumstances and more difficult VCSE funding environment, there remains a lot of support for civil society infrastructure at the pan-London and national levels. There is a case to be made for the application of “subsidiarity” principles i.e. identifying what support is available at national, regional, local, and sub local levels, and then deciding what the Council and partners, supported by the CPU, are uniquely or best placed to attract and/or provide. The Review therefore uses the framework of the government’s recently-published Civil Society Strategy: Building a Future that Works for Everyone⁴ and looks in turn at its five core elements (people, social sector, places, private sector, public sector) from a regional (i.e. London-wide) and local perspective.

The Council’s role, 2019-23, will be to provide specifically local knowledge and understanding to determine the best application of money, but also other Council and, potentially, partners’ assets to nurture and sustain thriving communities locally. The civil society infrastructure comprises several organisations such as Hounslow Community Network, the Residents Association Forum, Hounslow Voluntary Sector Support Service and Volunteering Hounslow, potentially to be joined by Young Hounslow Foundation and Hounslow Giving working with the CPU. The refresh of the Thriving Communities Strategy, therefore, also presents the Council with an opportunity to rethink local infrastructure and sector support needs and how these might meet the Council’s changed priorities and expectations of its civil society partners (**see slides 32-37**).

The Review team reported to a Reference Group made up of Council officers and representatives from local VCSE organisations, including the current provider of infrastructure support. Partners were clear that this was not a Council-directed assessment of the VCSE, rather a wide-ranging review of the relationship. The work consisted of desk research (including reviewing other boroughs’ strategies and practice), drawing on the Council’s recent online survey of the sector as well as interviews, workshops and focus groups.

2. The Position “As Is”

The current Hounslow Thriving Communities Strategy has three intended strategic outcomes which retain their currency and relevance beyond 2019:

- Empowered residents actively shaping their local area and enhancing civic pride.
- Enabling independence and resilience by building the skills, resources and capacity of residents, neighbours and communities.
- A vibrant, self-sustaining and ambitious VCSE sector.

The task of achieving these three outcomes is shared across three teams which comprise the CPU; voluntary sector support, consultation and engagement and “Prevent”/community cohesion. The breadth of CPU’s remit is extensive, which requires strong collaborative working; the Unit develops and delivers joint service plans and reviews (e.g. recently on community buildings) and looks for cross-overs and links between the different strands of

⁴ Civil Society Strategy: Building a Future that Works for Everyone, 2018

its work. This independent Review found the CPU to be widely appreciated and respected, particularly by the VCSE sector in Hounslow which sees it as a highly supportive source of knowledge and expertise, as well as a conduit to different Council departments and partner agencies. Indeed, several consultees familiar with other parts of London commented on how Hounslow Council prioritises and supports the sector significantly more than other boroughs, many of which have recently cut back their investment.

The Review did pick up on two related flip sides to the role and resourcing of the CPU. Firstly, as is reflected in the SWOT analysis of the state of the sector locally (see Figure 1), the existence of the CPU can be both a strength *and* a weakness. On the one hand, it provides a voice and strong advocacy for the VCSE within the local authority, brokering partnerships between sector organisations, local providers and Council services. On the other hand, the Review detected a risk of the Council’s CPU becoming a victim of its successful relationship and investment in the sector. Internally, the presence of a well-resourced CPU has, to some degree, negated the requirement of other departments fully to engage with the sector and its potential (“The CPU team deal with the VCS”) which has thwarted a consistent approach, for example, to the co-design and co-production of services.

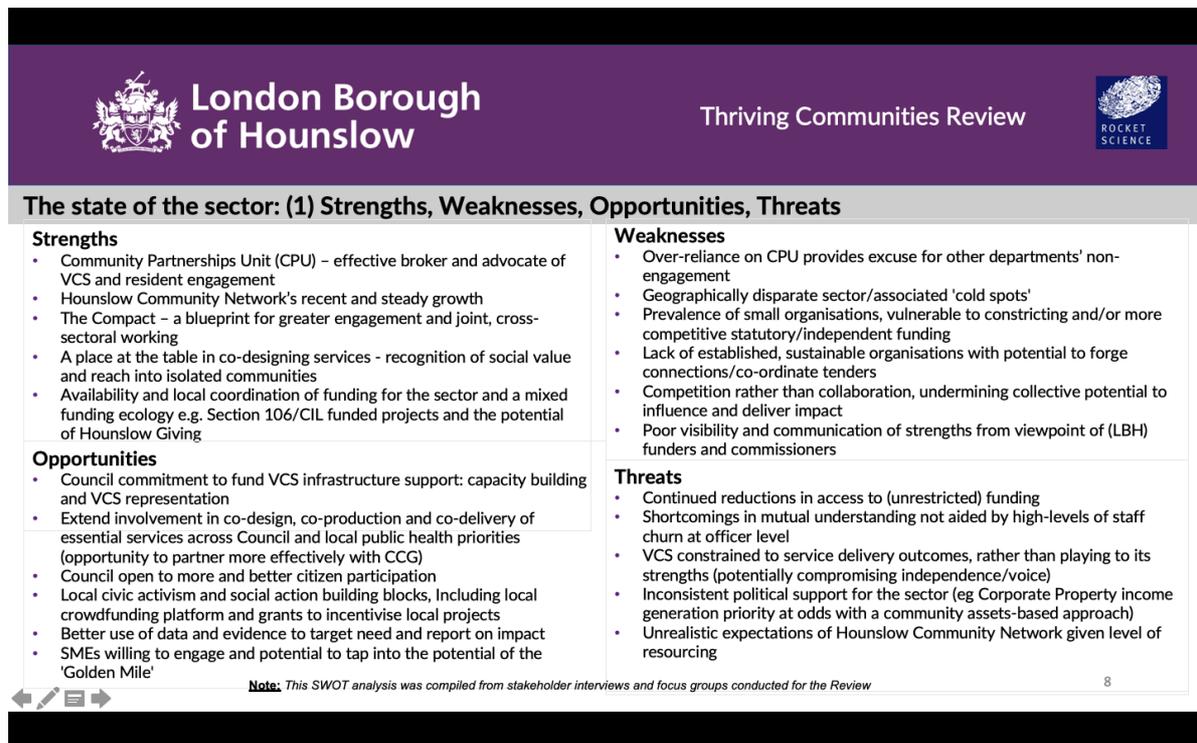


Figure 1: SWOT analysis of the VCSE sector in LB Hounslow

The second possible downside, also commented on by several interviewees, is an apparent gap between the scale of ambition of the Council (as captured in the original Thriving Communities Strategy and its annual updates) and the ability to influence its delivery across the Authority and its strategic partners. The Council’s Thriving Communities and VCSE Sector Strategy is a collection of nearly 150 variously articulated actions spread across 13 different Council departments. By contrast, LB Southwark’s strategy is a succinct and highly focused programme working to a Common Outcomes Framework co-developed with the sector and

the Clinical Commissioning Group. This is used when drawing up specifications for contract procurement or bidding opportunities for grants. In short, there is a strong sense from talking to senior officers from across different parts of the Council, shared by many VCSE representatives, that whilst there are considerable local resources and assets to build on, a refreshed Thriving Communities Strategy would benefit from being more focused; a case of “less is more.” - **see slide 13.**

The current position of the local VCSE was further examined in an exercise known as the Johari window. This technique captures how representatives of the Council and VCSE perceive the state of their relationship; what they agree, and equally disagree, about in relation to its present condition.

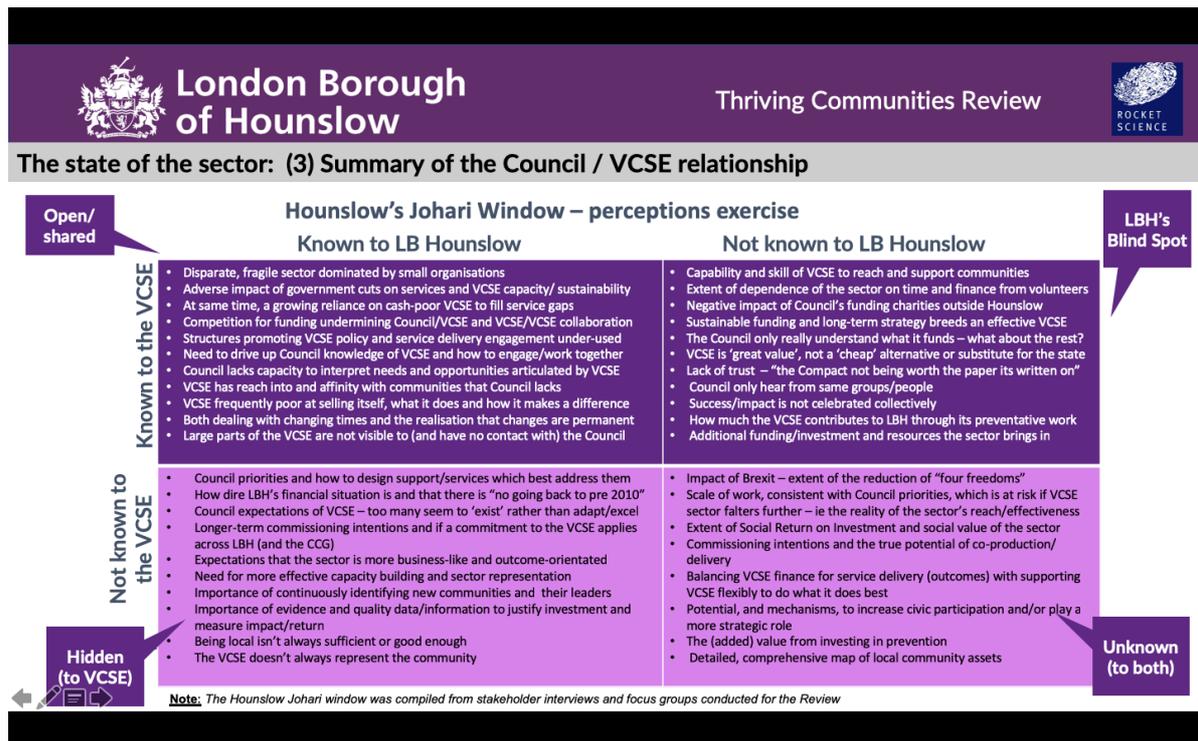


Figure 2: Assessment of the Council/VCSE relationship based on the Johari window exercise

This highlights several aspects to the Council/VCSE relationship, which were further tested in interviews and focus groups and are pertinent to suggestions for reframing a future Thriving Communities Strategy:

- The reduction of funding for the sector has in some instances led to VCSE representatives feeling that their significant contribution to current outcomes in Hounslow is under-appreciated. Conversely Council officers told us that they sometimes feel that VCSE organisations do not always understand the accountabilities/responsibilities held by the Council or appreciate the tightness of the financial envelope that it is operating within.
- An apparent historic lack of trust between the Council and VCSE is not reflected in informal relationships, which were often characterised as positive i.e. “we can do business with...”

- There was acknowledgement of the challenges particularly facing smaller organisations; there are around 600 registered charities in the borough; 95% with an income of below £500k.
- There is concern that the interests of residents/community members and “below the radar groups” are sometimes missed out – “the VCSE doesn’t always represent the community,” or the voice of the hidden (in-work) poor of which there are many residing in the Borough.
- Smaller, informal community organisations tend not to see themselves as part of the VCSE sector. Whilst the widening of the CPU’s remit to go beyond the formal VCSE sector has been a key element of delivering the Thriving Communities strategy, it is not clear whether the new Administration fully supports the concept of a multi-sectoral civil society, or prefers the more traditional delineation between the private, public and voluntary/charity sectors.
- Among Council officers, the appreciation of Hounslow’s civil society varies from department to department. Some, like Adult Social Care, are fully-understanding of the value that small community groups/providers bring, particularly to early intervention and prevention. Others continue to want to work solely with the large (national) VCSOs . . . others again have not even gone this far to embrace working with the sector, recognising its potential.
- Sector representatives point to this apparent inconsistency in the Council’s engagement with the sector; the recommissioning of the Life project which, for reasons of cost-efficiency in procurement, switched from being a mixed provider group involving around 30 largely VCSEs to one large contract with a single lead provider is an example. Other examples include the sense of different departments working to objectives which are ultimately at cross-purposes e.g. the Corporate Property team’s highly commercial approach to income generation. This is regarded as contradicting the Council’s stated commitment, in the right circumstances, to supporting asset-based community development, asset transfers and discounted leases for voluntary sector partner organisations.
- The inconsistency is attributed to a number of different drivers. In some cases, the significant squeeze on Council budgets has had the effect of encouraging some departments to bring previously out-sourced services back in-house; effectively competing with the (local) VCSE. Others point to the policy to engage VCSE providers in service delivery getting “lost in translation” when it is passed to commissioners and procurement teams to implement.
- A number of senior Council officers, however, also point to inadequacies on the side of the local VCSE, citing either insufficient resources to build the required capacity among local voluntary sector consortia or a disinclination within the sector to forge the collaboration or partnerships expected by commissioners.

In summary, the perceptions exercise, conducted with both Council officers and representatives from the local VCSE, highlighted a strong level of mutual respect and collaboration, areas where partnership between the Council and VCSOs can be improved, but also a shared realisation that the relationship must change.

Recognising that the sector has hugely diverse support needs, the Council possibly needs to segment the market and tailor its future investment in a Thriving Communities Strategy accordingly. Evidence, supported by feedback from focus groups, shows that large regional and national Voluntary and Community Sector Organisations (VCSO) are increasingly self-sufficient, competing in the public-service market place and drawing on market-based business support in order to address their organisational development needs.⁵ If the Council wants to grow the local VCSE's potential as providers of commissioned services, and nurture community-based civil society organisations and associations, it needs to concentrate its resources, including its own internal support, and not spread itself too thinly by trying to offer something to everyone.

The Council's significant annual spend on goods and services offers a range of opportunities to resource its future strategic partnership with the VCSE to support the delivery of the future Borough Strategy; the Community Strategy for Hounslow. This could be achieved, directly, through the commissioning of local services from the sector and indirectly, by supporting VCSE organisations to access external funding as well as more effectively using powers enshrined in the Social Value Act, as other Councils have, to leverage additional investment into support for the sector (see the example of Harrow Connect **slide 30**).

There is a strong case for a mixed economy of grants as well as contracts, but also for better coordination between the Council and other funders of the sector within the borough (i.e. the Lottery, City Bridge Trust and sources of local giving). The new place-based giving initiative, Hounslow Giving, may over the lifetime of the next Thriving Communities Strategy be one way of achieving greater levels of co-investment; the possible emergence of local Business Improvement Districts (in Chiswick, Brentford and Feltham) could also offer further place-based points of contact and engagement between local businesses and VCSE organisations. It is likely that there will remain a strong requirement for the kind of organisational development support which has been provided by Hounslow Voluntary Sector Support Service, particularly for smaller/community organisations which have neither the capacity nor the inclination to bid to deliver services under contract to public bodies, but which remain integral to a resilient civil society locally.

The Review looked at how Hounslow has fared compared to other boroughs at bringing in external funding. Based on the grant-making of the largest independent funders of the sector in London, it shows that Hounslow does not fare particularly better or worse than similar outer London boroughs. The Review found a lot of energy and fundamental good will to get the most out of the Council/VCSE relationship to support people and communities in Hounslow, including taking more of a collaborative approach to accessing external resources as encapsulated by the recently co-produced External Funding Plan. However, at the same time, there remains a certain amount of confusion and lack of clarity as to the full extent of internal/borough-based sources of grant funding for the sector such as through the Community Infrastructure Levy (CIL). £302,292 has been allocated through Local CIL to projects nominated by local communities since its inception and a further £583,141 will be allocated in 2018/19.

⁵ <http://londonfunders.org.uk/what-we-do/london-funders-projects/review-londons-civil-society-support/change-good>; Commissioning in Crisis – How current contracting and procurement processes threaten the survival of small charities, Lloyds Bank Foundation, 2017

Further clarity on funding for the VCSE provided across the local authority could reveal a very significant total contribution.

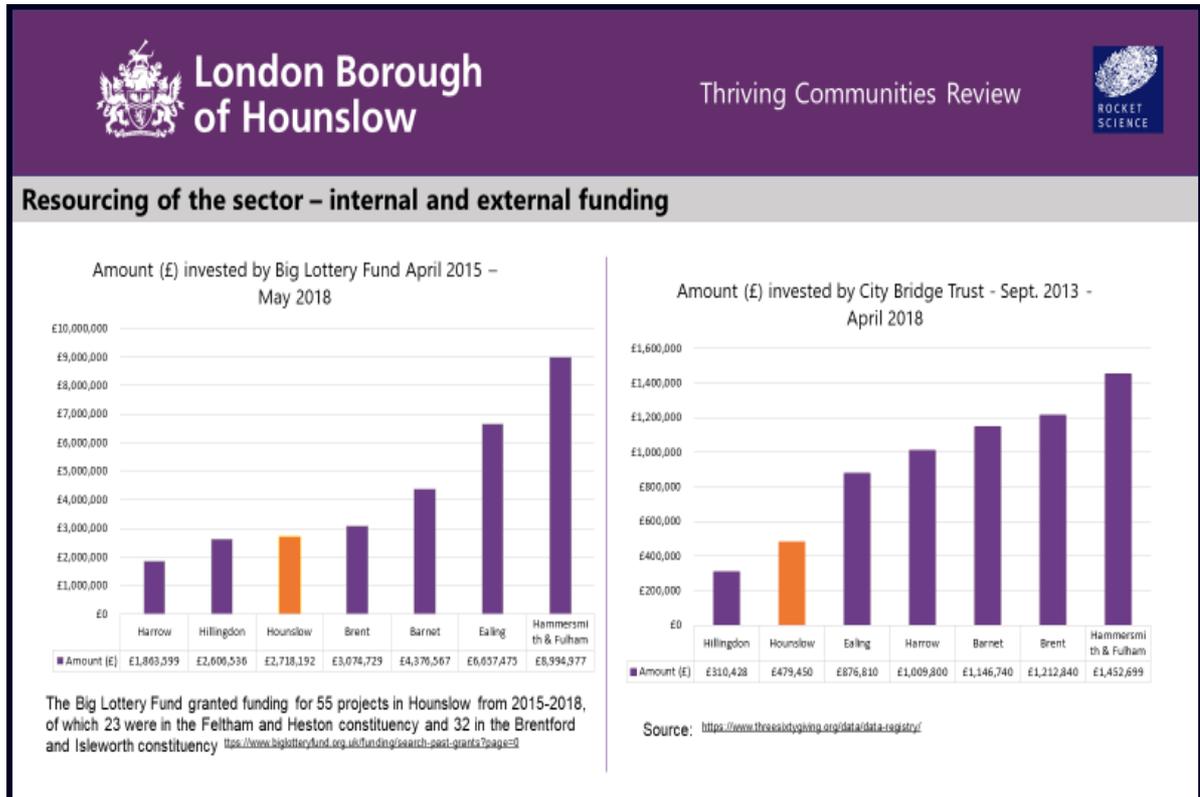


Figure 3: A comparative review of funding coming into local boroughs' VCSE sector from key funders

The Review found that there are untapped opportunities that are likely to be missed unless all parties think outside of previous parameters and support each other to take more risks:

- The CPU has experimented with a local crowdfunding platform⁶ in partnership with Space Hive. This has not yet fully taken off, but could become an additional mechanism for leveraging match funding for Council grants in support of VCSE projects targeting priority areas and local needs.
- There is potential for the VCSE to be delivering a larger proportion of a preventative social care offer, not least through fully appreciating and learning from the new Accountable Care System and the local Accountable Care Partnership as set out in the Council's Integrated Care Plan.⁷
- Opportunities exist for the VCSE to be delivering services across other Council directorates, which may require more creative and flexible commissioning. Not all responsibility here lies with the local authority. In order to create safer spaces for collaboration, the VCSE needs to support the Council to take greater risks in its commissioning i.e. agreeing to pre-procurement, informal dialogue which enables the

⁶ <https://www.spacehive.com/movement/our-hounslow/about>

⁷ [Hounslow Integrated Care presentation by the CCG, July 2018](#)

co-creation and co-design of services, and to resist having recourse to formal legal challenges or judicial reviews unless absolutely necessary.

3. The position “to be” – key findings and recommendations

Given the changed circumstances since the publication of the original Thriving Communities Strategy in 2015, the Council commissioned this Review to help determine its strategic vision for engaging and working with the VCSE over the next five years. The full report identifies actions which partners could take in each of the areas mirrored in the government’s Civil Society Strategy⁸ (i.e. People, Place, Sector, Business, Council) which offers a possible framework for a refreshed Thriving Communities Strategy locally. However, there are also immediate practical things which local partners could do jointly and separately to get more from the relationship and secure the foundations for a new Strategy:

- Both Council and VCSE sector consultees described an aspiration to move towards a more professional, mutually respectful relationship. This means the VCSE sector taking more initiative to change things that are not working, and the Council working more collegiately and consultatively with VCSE colleagues.
- “System leadership” – given greater integration and the shift towards alliance working, which is particularly emergent in the health and social care sector, there is a corresponding shift in cross-sector relationships from a predominantly purchaser/provider relationship to one where there is more emphasis on co-leadership and ownership of new systems. There is growing acknowledgment of the potential for moving towards a way of working (such as in the Accountable Care System⁹) in which the required outcomes for the community as a whole come before individual organisational interests.
- More co-production on the design and delivery of agreed priority outcomes, requiring enhanced cross-sector (i.e. shared) understanding of local needs and earlier engagement to address them.

For Hounslow Council and partners

- There are some relatively small things that the Council could undertake and have a significant impact e.g. embedding good relationship management with the VCSE with a designated sector champion in each directorate to liaise with CPU; introducing greater transparency of funding/commissioning intentions and decisions, including earlier information around key decisions; consulting and involving first rather than doing and asking later (a criticism which has been levelled, for example, around the recent consultation on Feltham’s regeneration).
- A key issue is the need to extend good practice across all Council directorates before extending to local partner organisations – hence a recommendation to develop a

⁸ <https://www.gov.uk/government/publications/civil-society-strategy-building-a-future-that-works-for-everyone>

⁹ <https://www.hounslowccg.nhs.uk/media/77424/05-iii-CWHHE-Draft-ACP-PID-Exec-Summary-of-v23.pdf>

brief document setting out shared values and core principles (why a healthy and effective VCSE is a vital component of a healthy local democracy), how the relationship should work and ensuring this is co-designed and gains buy in across the whole Council. This is not intended to replace the recently refreshed Compact¹⁰, which the Review found has largely been well received by those who are aware of it, but an opportunity for the leadership to declare the importance and value they attribute to a thriving civil society in Hounslow.

- It is not clear that the VCSE is consistently seen by Council officers as a part of the ‘system’ that creates social (and economic) outcomes for Hounslow. The Review identifies a need to embed a move towards a ‘whole systems’ approach at the top level of leadership. We suggest a small number of externally facilitated workshops for senior ‘system leaders’ including representatives of the Council/CCG, heads of directorates, heads of VCSE infrastructure bodies and some key organisational leaders.
- Enshrine core principles of “co-production/co-design” as default practice rather than the exception. Running practitioner workshops for Council and VCSE colleagues would be one way to embed this. Optimise opportunities to draw on external resources of emerging good practice on co-production e.g. the Way Ahead website, the LGA Knowledge Hub or the London Plus website (in development). Several Local Authorities, CCGs and VCSE partners have adopted the 4Pi principles for co-production developed by National Survivors Users Network¹¹:
 - Choose themes that bring co-production to life.
 - Understand what prevents it from happening.
 - Recognise that the statutory sector can provide opportunities, but that many solutions will be small and local.

For the VCSE sector

- The main recommendation for the VCSE relates to a need to strengthen the sector’s infrastructure arrangements; clarifying and better communicating the respective roles and inter-relationships of those organisations which exist to represent, sustain and build the capacity of the sector locally. This may require a joint brand, along the lines, for example, of the new Harrow Community Partnership; creating an opportunity to reposition local infrastructure to coincide with the Council and the sector’s joint commitment to follow up on key recommendations from the Review and implement a new Thriving Communities Strategy for 2019-23.
- The Hounslow VCSE Partnership, which is the main representative forum for the sector, needs to be perceived by the Council and VCSE as focused, empowered and representative of the range of VCSE sector organisations delivering core services across all departments in order for it to play a full and effective role in representing the sector and exerting influence. It is suggested that there would be benefit from

¹⁰ The Compact is a voluntary partnership agreement between public bodies and the VCSE sector designed to support public/VCSE joint understanding and working.

¹¹ Developed by people with lived experience as part of the National Involvement Partnership (NIP) project, the 4Pi National Standards ensure effective co-production, thus really improving experiences of services and support. <https://www.nsun.org.uk/faqs/4pi-national-involvement-standards>

conducting a review of the Forum's remit, who is invited, who attends (including level of seniority) and how often in order to ensure that:

- larger organisations are convinced of the benefits of attending.
 - there is regular Council attendance at a senior/leadership level.
 - the agenda is of value across the spectrum of charity/organisation types and sizes, and not afraid of tackling challenging issues.
- If the VCSE is to support the Council to take measured risk in relation to its commissioning/ procurement processes, the sector needs to work on its internal and cross-sectoral relationships and communications (i.e. to ensure, as far as is feasible, a collective voice and avoid power imbalances between larger VCSE organisations and the majority of smaller community organisations).

4. If You Only Did Five Things

Some quick wins

1. **Launch event** - Find an opportunity publicly to share and discuss the findings from the Review and commit the Council and local VCSE partners to the proposed direction of travel of a reframed Thriving Communities Strategy, 2019-24. Six months into the new Council administration and with the impending arrival of a new Chief Executive, it is an opportune moment for the Council and partners to agree commitments and a time-tabled strategy development plan stemming from the Review.
2. **Co-develop a set of data, values/core principles** – Develop a shared understanding of local needs/priorities and define how both parties would like the future relationship to work (and ensure this is applied across the Council). This will need internal championing within the Council and workshops for staff.
3. **Develop VCSE-friendly co-production and commissioning arrangements** - There are a number of aspects to this which are set out in the full Review – see **slides 36-37** – including ensuring Social Value has a bearing on contract award, by clearly setting expectations of would-be contractors/service providers, challenging the market to meet these and signposting to sources of support/potential local partners in the VCSE. However, the opportunity for a new model for providing integrated social care is particularly timely. Stronger VCSE input is consistent with the approach of the Accountable Care Partnership. A well-led co-designed process, potentially involving a series of workshops over the coming months will send a strong signal of joint intent to work together more closely. If successful, this can be adapted or extended to other service areas and potentially inform the future redesign of local infrastructure support based on an Alliance Contracting model (see below).
4. **Review the Council's policy on rents/assets in relation to the VCSE** – There would be great benefit in having a clear, consistent and costed policy of asset-based support for locally-based VCSE organisations, which enshrines a set of principles for the transfer of an asset or its availability to the sector at a reduced rent (i.e. clear delivery of Council service priorities; evidence of need; leverage through the attraction of additional funding or volunteer resources) – **see slide 26**
5. **Develop a more coordinated approach to attracting external investment** - Under the auspices of Hounslow Giving, use information and data from monitoring

and evaluation to convey shared understanding and prioritisation of local needs and demonstrate impact to external funders. Promote Hounslow’s record and reputation of citizen participation and the effectiveness of its social action in complementing representative democracy; meeting local needs and further attracting statutory, private-sector investment and individual philanthropy.

And one for the longer term . . .

Alliance Contracting¹²

In the face of reduced funding for traditional arms-length civil society infrastructure, such as Councils for Voluntary Service, a number of local authorities are considering co-investing in new models which better encapsulate their shared endeavour with local civil society organisations. One option is a form of “Alliance Contracting.” This requires the Council commissioning - probably via some form of light-touch procurement arrangement - a group of organisations to be part of an infrastructure Alliance, alongside the Council, which is likely represented by the Community Partnerships Unit. The approach by Calderdale Borough Council, CCG and VCSE partners provides insights into how this could be taken forward.

Central to an Alliance approach is some element of risk/reward sharing, whereby the Local Authority (potentially with top-up funding from other partners – such as the Big Lottery Fund or the City Bridge Cornerstone Fund), guarantees a certain amount of base funding e.g. to cover all direct costs of support. Top-up funding, for the meeting of indirect costs and potentially including a surplus, would be available subject to the consortium delivering and meeting agreed outcomes. The Alliance model gives providers an incentive to collaborate (since failure by one is failure by all), and this incentivisation can stimulate the requisite behaviour change, to ensure that all providers are working together and for the common good.

The Alliance model could become the hub through which Hounslow Council departments, the Clinical Commissioning Group and potentially other public bodies engage with the local VCSE. Given that infrastructure support is at least one step removed from having impact on the ground (and achieving quantifiable savings for the Council), an Alliance model would require initial work to develop an agreed Theory of Change – highlighting the contribution of civil society to outcomes for Hounslow citizens, and the role of infrastructure support within this. It would require a pragmatic and graduated shift towards Alliance working, whereby year 1 of a contract would entail planning during a phase of “business as usual”, with the expectation that during this year partner organisations come together to agree the Theory of Change, which would govern years 2 and 3 of a three-year contract. Crucially, this model implies change across the Council and, therefore, requires buy in right across Departments. The need under an Alliance contract to ensure that the full range of local voluntary sector voices are heard, and to ensure that civil society retains its fundamental independence from the statutory sector, is also critically important.

¹² See the [example](#) developed by Calderdale Borough Council, CCG and VCSE partners

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