



**Tower Hamlets
Council for Voluntary Service (THCVS)**

STATE OF THE SECTOR REPORT 2023

www.thcvs.org.uk
Registered Charity No. 1137143

Introduction

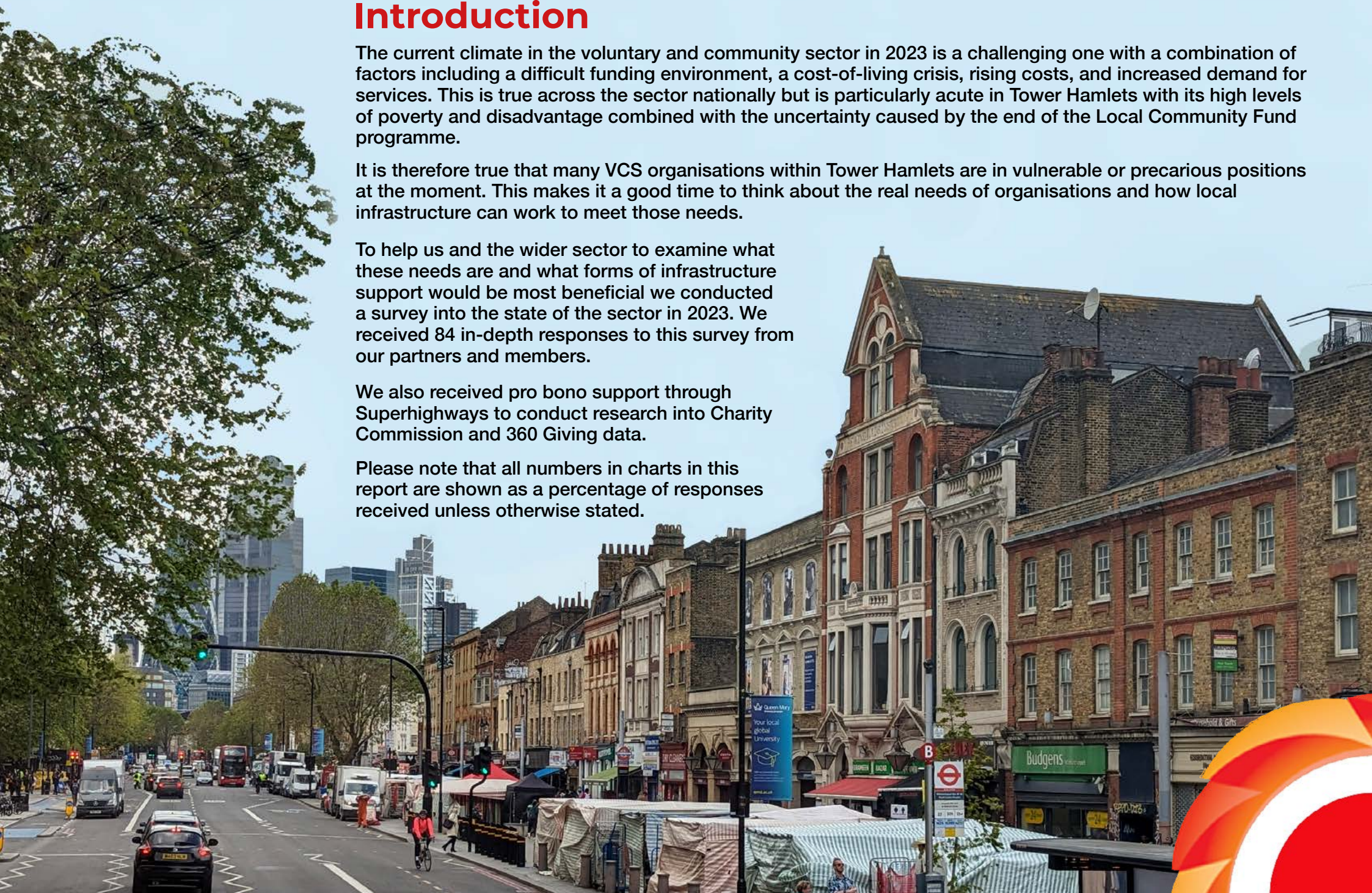
The current climate in the voluntary and community sector in 2023 is a challenging one with a combination of factors including a difficult funding environment, a cost-of-living crisis, rising costs, and increased demand for services. This is true across the sector nationally but is particularly acute in Tower Hamlets with its high levels of poverty and disadvantage combined with the uncertainty caused by the end of the Local Community Fund programme.

It is therefore true that many VCS organisations within Tower Hamlets are in vulnerable or precarious positions at the moment. This makes it a good time to think about the real needs of organisations and how local infrastructure can work to meet those needs.

To help us and the wider sector to examine what these needs are and what forms of infrastructure support would be most beneficial we conducted a survey into the state of the sector in 2023. We received 84 in-depth responses to this survey from our partners and members.

We also received pro bono support through Superhighways to conduct research into Charity Commission and 360 Giving data.

Please note that all numbers in charts in this report are shown as a percentage of responses received unless otherwise stated.

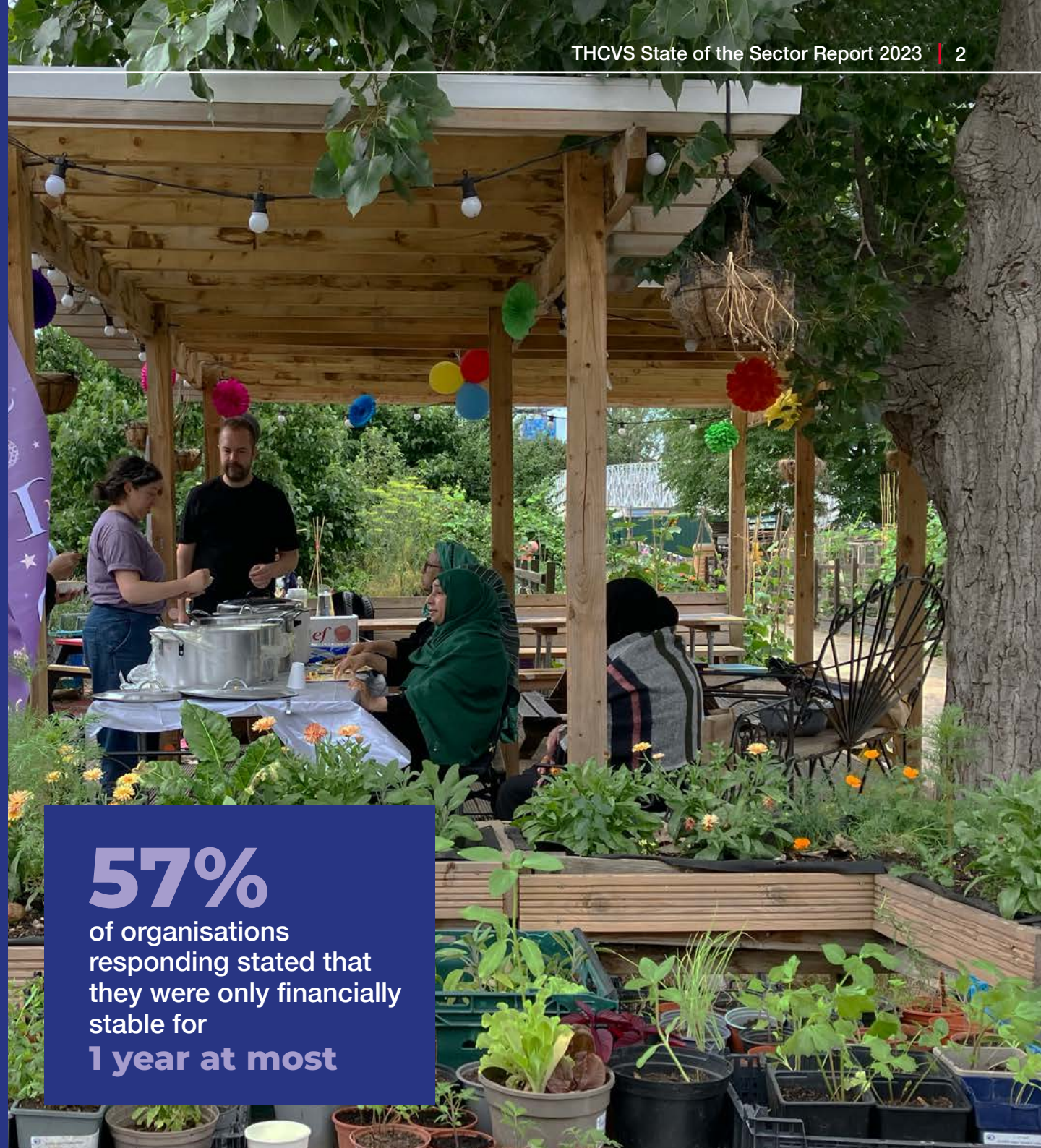


Executive Summary

The over-riding message is that the VCS is in a moment of precarity and scarcity. Overwhelmingly we have been told that the major issues faced by organisations are financial. The funding landscape is difficult to navigate and the short term nature of funding agreements means that organisational security is rare.

Key Findings

- The majority of organisations based in Tower Hamlets are small
- The presence and reach of organisations in Tower Hamlets is not evenly distributed geographically
- The key challenges faced by organisations are largely financial – whether that be related to securing long term funding or due to rising costs and the cost of living
- A major barrier for organisations to take part in forums and networks is capacity and time
- The sector sees the role of the CVS as being most usefully focused on making connections with potential funding opportunities



57%

of organisations
responding stated that
they were only financially
stable for
1 year at most

The voluntary and community sector in Tower Hamlets

These figures come from analysis of Charity Commission data. We excluded some national charities with headquarters in Tower Hamlets but included some organisations based in other boroughs that work in Tower Hamlets. In reality the sector is much larger and includes many unconstituted community groups and CICs.

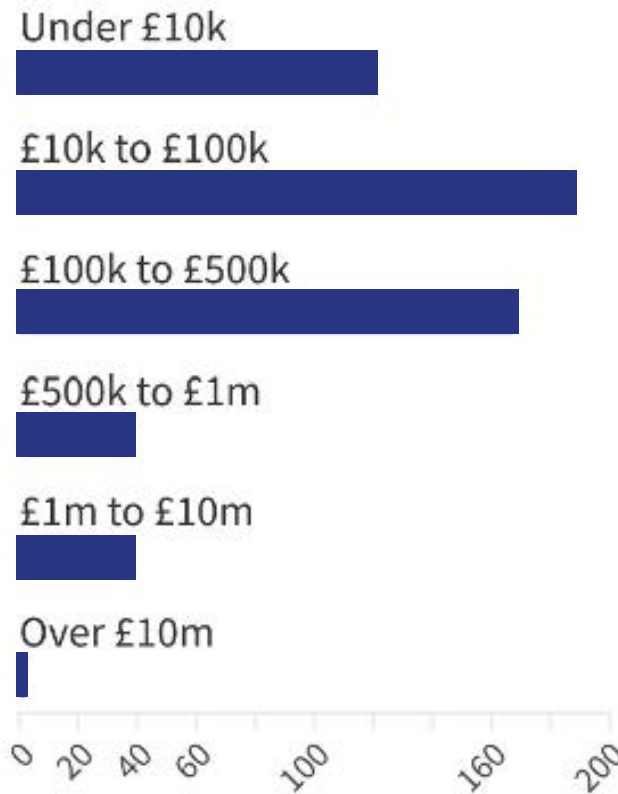
551 charities operate in Tower Hamlets

In 2021-22 (the latest year with full financial data), they had an income of nearly **£200m** and spending of **£180m**

These charities employ an estimated **4,300 people** with over **25,000 volunteers** and nearly **3,200 trustees** recorded with the Charity Commission

How big are charities in Tower Hamlets? by annual income

Number of charities



Total income





Biggest grant funders in Tower Hamlets by grant amount 2021-22

Name	Number of grants	Total amount (£)
<u>Trust for London</u>	8	1,177,500
<u>The National Lottery Community Fund</u>	35	1,159,019
<u>Paul Hamlyn Foundation</u>	6	765,000
<u>Esmée Fairbairn Foundation</u>	3	739,581
<u>City Bridge Trust</u>	14	675,037
<u>Garfield Weston Foundation</u>	22	621,000
<u>The Henry Smith Charity</u>	4	461,800
<u>Comic Relief</u>	1	317,798
<u>The National Lottery Heritage Fund</u>	2	306,893

This does not include the London Borough of Tower Hamlets figures.

[Kane Data Ltd](#)

Geographic Spread

Analysis of the Charity Commission data also shows the unequal distribution of both numbers of VCS organisations across the borough and also levels of spending by VCS organisations.

How are charities spread throughout Tower Hamlets?

By number of charities:

- Highest ward – Spitalfields and Banglatown (3.35 charities per 1,000 people)
- Lowest ward – Bromley South (0.67 charities per 1,000 people)

By spending (£):

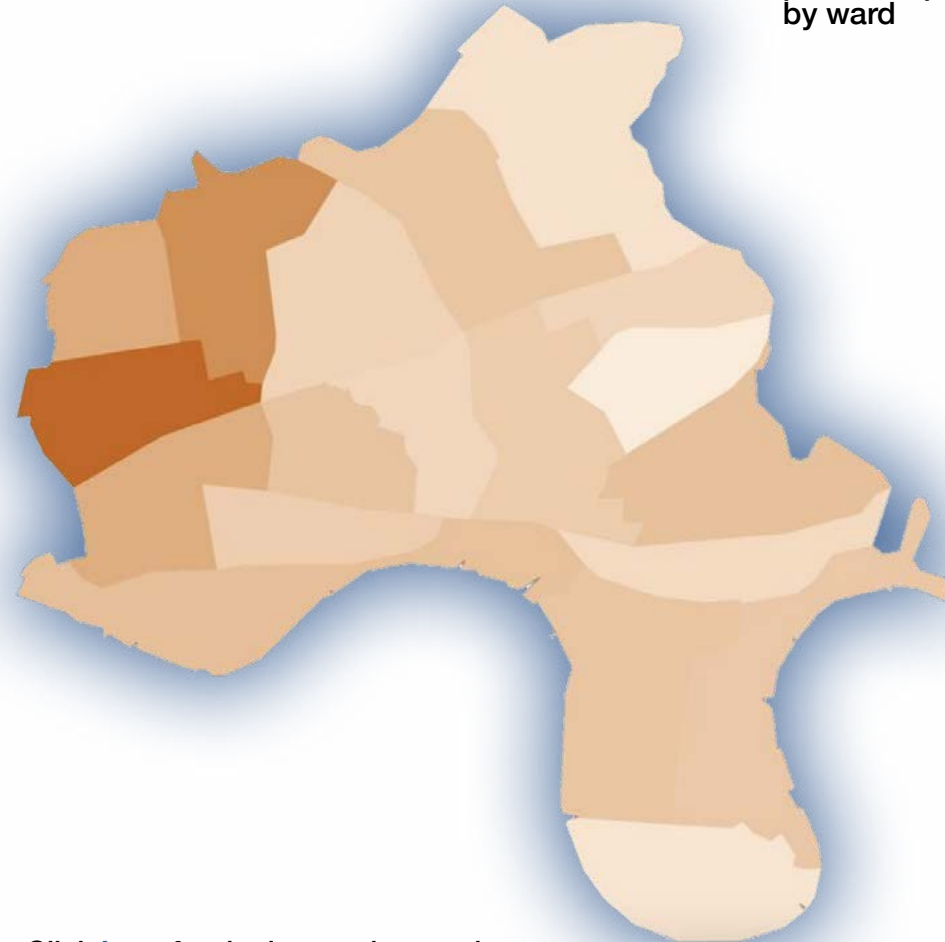
- Highest ward – Spitalfields and Banglatown (£1,600 per person)
- Lowest ward – Island gardens (£41 per person)

The figures also include 58 charities (with spending of £24m) whose registered office is outside Tower Hamlets but who operate within the borough. We also excluded national charities which had a headquarters in Tower Hamlets

This data shows that spending and support is clustered in the West of the borough with significant ‘cold spots’ in the East and South. There is a spending per person discrepancy of £1,540 between Spitalfields and Banglatown in the West and Island Gardens in the South East.

0.67  3.35

Map showing number of charities per 1,000 people, by ward



Click [here](#) for the interactive version of the above graphic which includes spending per head

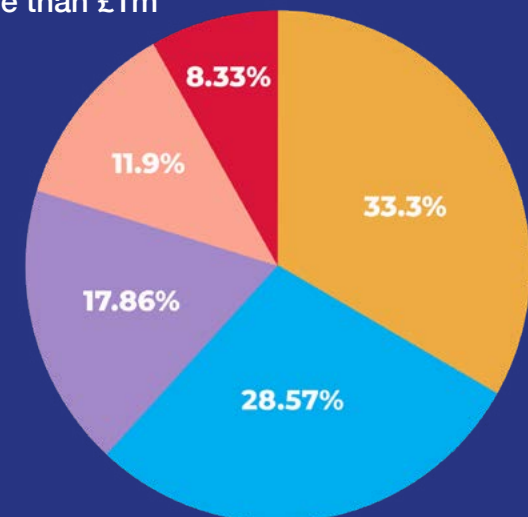


THCVS survey

Our survey received responses from a wide range of Tower Hamlets based voluntary organisations and Community Interest Companies. The table below shows that around 80% of organisations we are working with have an annual turnover of less than £500,000 and around 50% have an annual turnover of less than £100,000. This is in keeping with our study into Charity Commission data which found that 55% of organisations based in the borough have an annual turnover of less than £100,000.

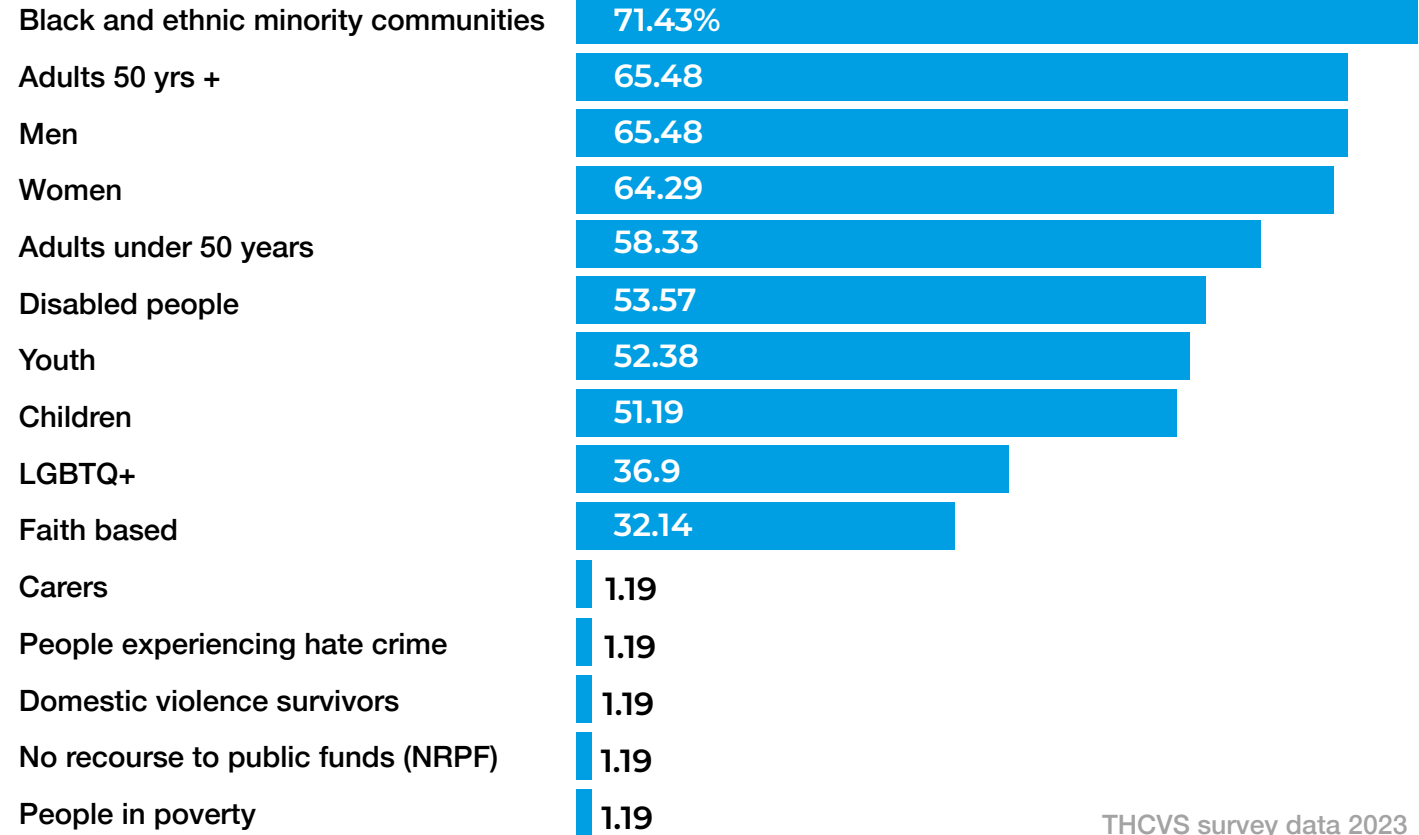
Annual Turnover

- Under £10,000
- £10,000 to £100,000
- £100,001 to £500,000
- £500,001 to £1m
- More than £1m



We also asked questions about what kind of communities organisations worked with and in what kind of issue areas. This shows both the broad range of communities and issues that Tower Hamlets-based organisations work across, as well as the fact that most of the organisations work with a range of communities and across a range of issues.

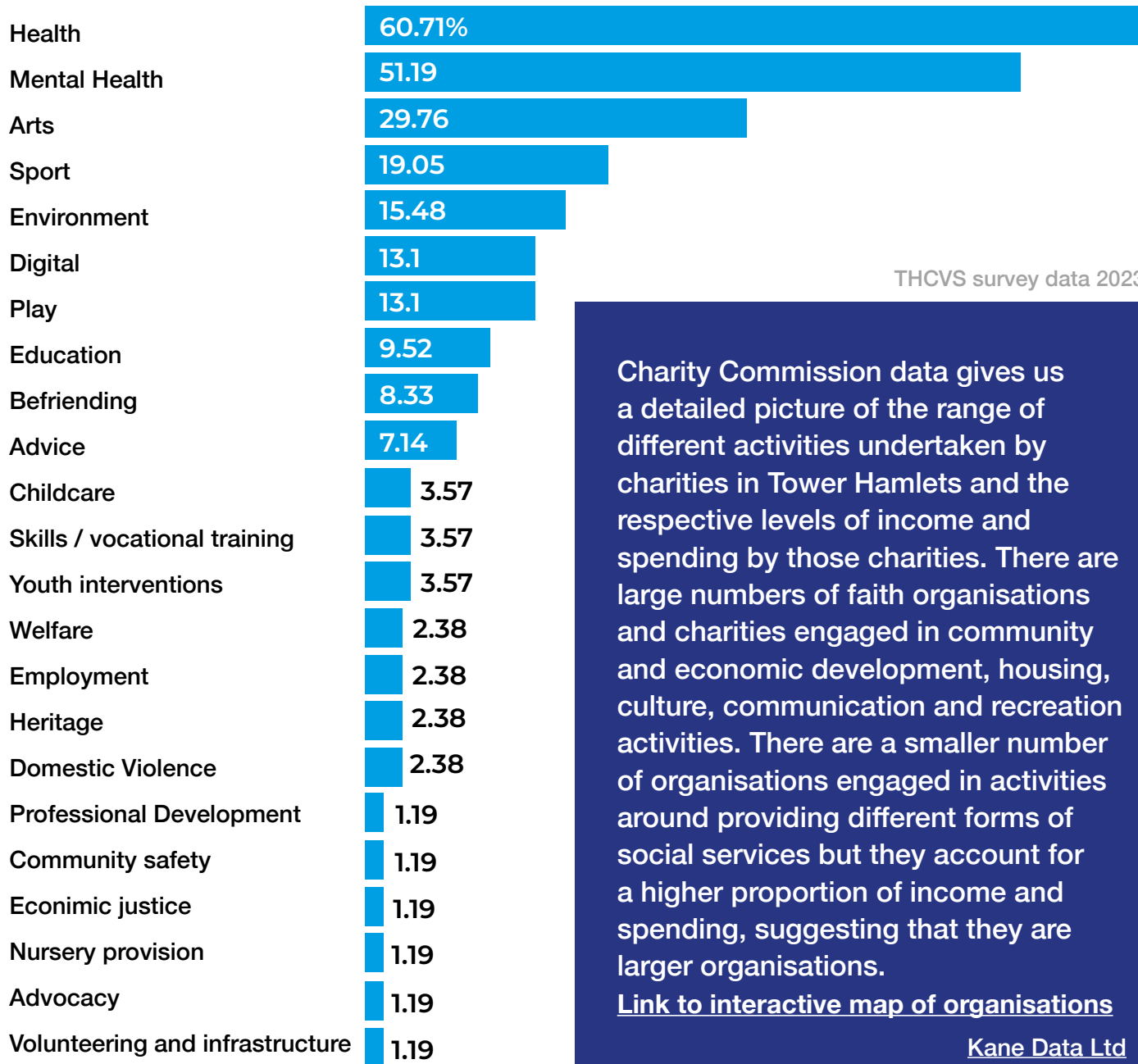
Which communities do you work with?



THCVS survey data 2023



What main themes do you provide activities under?



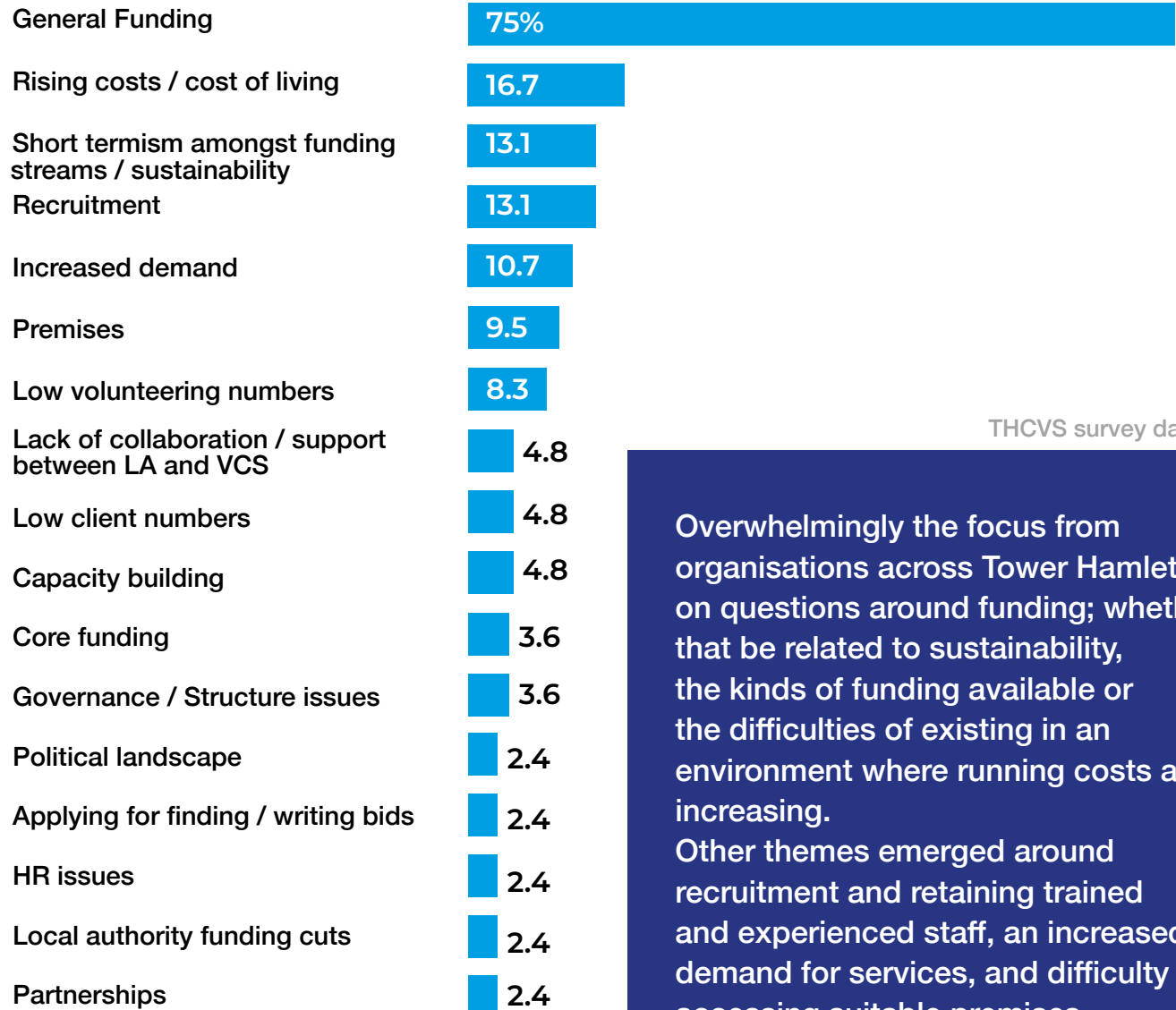
Charity Commission data gives us a detailed picture of the range of different activities undertaken by charities in Tower Hamlets and the respective levels of income and spending by those charities. There are large numbers of faith organisations and charities engaged in community and economic development, housing, culture, communication and recreation activities. There are a smaller number of organisations engaged in activities around providing different forms of social services but they account for a higher proportion of income and spending, suggesting that they are larger organisations.

[Link to interactive map of organisations](#)

Kane Data Ltd



What are the key challenges your organisation expects to face in the coming year?



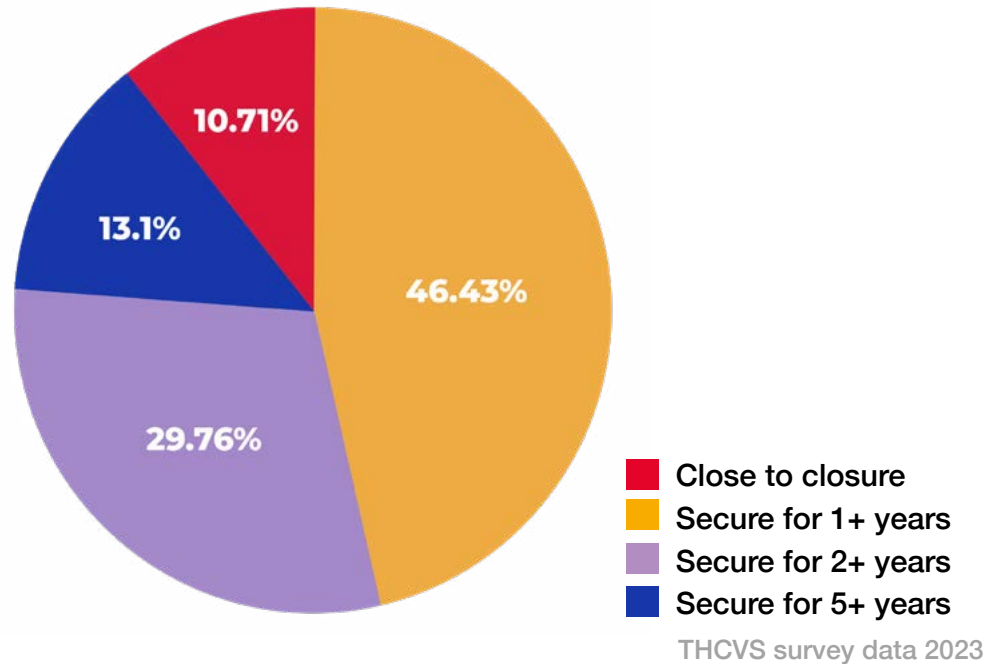
THCVS survey data 2023

Overwhelmingly the focus from organisations across Tower Hamlets is on questions around funding; whether that be related to sustainability, the kinds of funding available or the difficulties of existing in an environment where running costs are increasing. Other themes emerged around recruitment and retaining trained and experienced staff, an increased demand for services, and difficulty in accessing suitable premises.



How do you rate your organisation's security?

One of the most concerning findings from the survey has been the proportion of organisations who considered themselves close to closure or at best feeling they are secure for no more than one year. When considered together these two responses form over 57% of organisations responding which suggests an extremely high level of organisations in a precarious financial position.



“Its always about securing sustainable funding that can ensure more stability for the years ahead.”

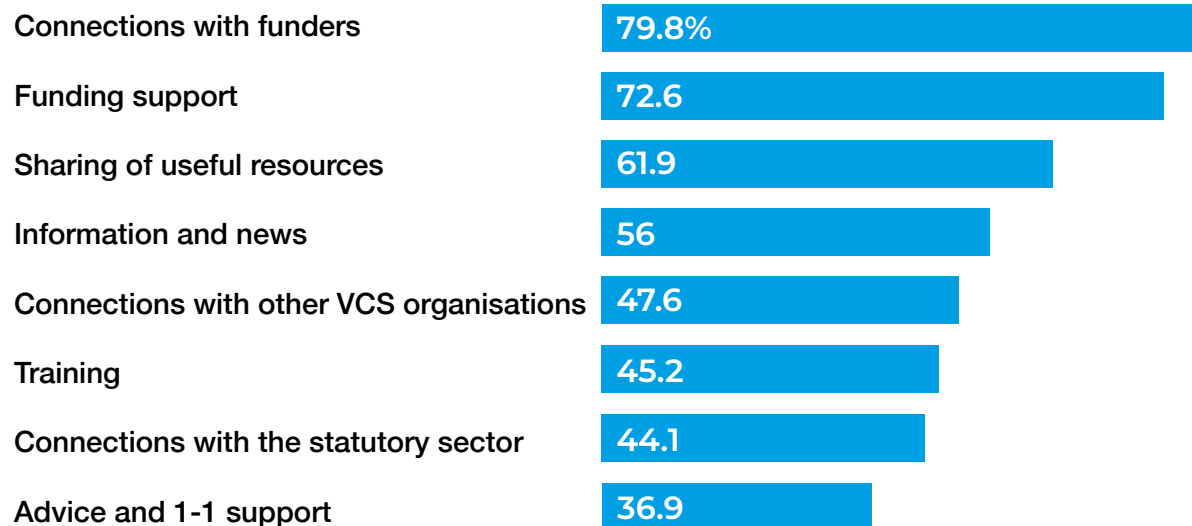
“Funding! Our business model no longer stacks up, from a combination of rising costs from suppliers, Brexit, wanting to pay staff fairly, schools being unable to pay for our services, audiences reducing their leisure spend, and funders having both less money and reprioritising away from arts projects.”

“LA funding cuts but increased demand, low level of volunteering, low level of coordination and collaborative work between LA and VCS”

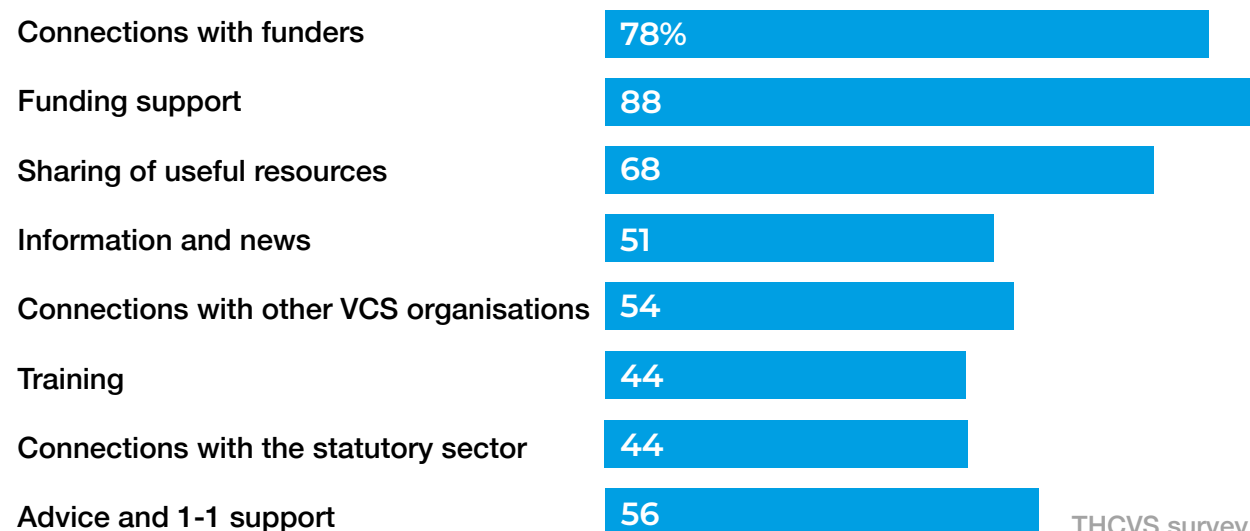


What support would you like from THCVS?

All respondents



Organisations with a turnover of under £100,000pa



THCVS survey data 2023

What is the role of the CVS in the borough?

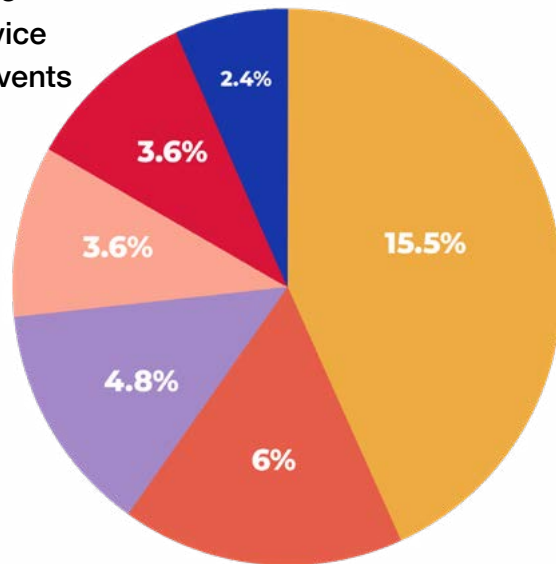
The focus upon funding streams is repeated in what the sector has told us about the forms of support they look to the CVS to provide. Overwhelmingly support with funding is the theme which emerges.

However, the needs of smaller organisations (turnover under £100,000 a year) differ from the needs of larger organisations, in a way that shows the importance of our development work. For example smaller groups place more importance on being able to access individual advice and support.

How you felt about the offer provided by THCVS and what could be improved?

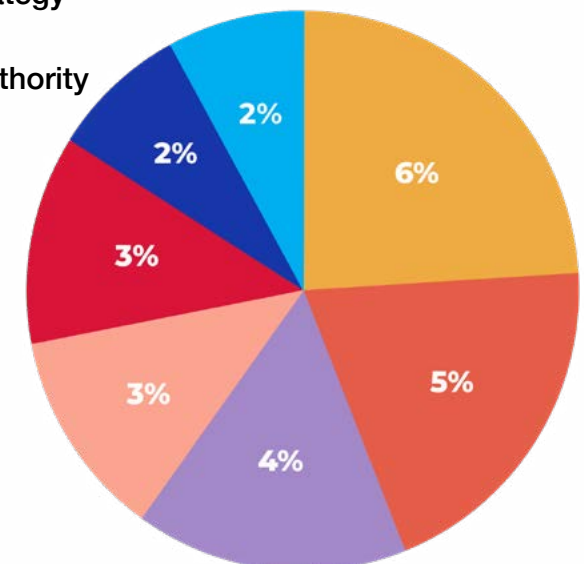
Are there any ways that THCVS can improve it's offer?

- Already a good offer
- Co-ordinating between similar orgs / network events
- Represent the sector to the local authority
- Recruit bid writers
- More funding advice
- More volunteer events



What other services would you like THCVS to provide?

- Funding updates / more information / support
- Joining existing networks together / more networking
- Funding collabs
- Digital training / support / strategy
- Conferences / meetings
- Advocacy within the Local Authority
- Direct support on finance and compliance matters



THCVS survey data 2023

Whilst there is still a focus on access to funding in these responses they also tell us of a need to improve networks in the sector in Tower Hamlets and to continue to build links between the VCS and the local authority and health services. Specifically it is clear that there is a need to ensure that the interests of the sector are represented through these links and not the other way around.

“It would be good for THCVS to raise our concerns with LBTH policy makers and advocate on our behalf, and not the other way around. It seems to me that the CVS are the spokesperson of the authorities, while it should be the spokesperson of the community and voluntary sector.”

There have also been responses which focus on the forms of support which THCVS provides in relation to funding. These include more involvement in building partnerships for funding collaborations, employing specialist bid writers, and more focused 1-2-1 support.

“Many funders will have charities on their radar before a funding round and it is challenging to get past the application stage based solely on application. Further indications if applications will be well received helps us focus our scarce resource.”

Forum and Network Membership

In addition to asking about membership of individual forums or networks we were looking to find information on what barriers existed for organisations to involvement in forums and networks.

The responses to this question focus upon two issues. Firstly there is a need for clear information about the forums themselves. Both practical information about the forums and clarity around the reasons for the forums to exist; their focus and their objectives. Secondly there is a question around capacity. It costs money for an organisation to send a member of staff to represent the organisation at forum meetings.

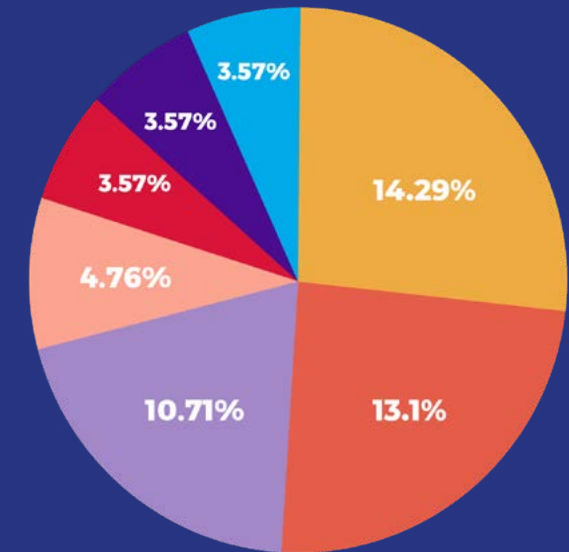
“To be honest, there are many and we don’t have capacity to attend all of them. Seeing the direct impact of the forums - some can just be talking shops where little changes over time.”

There were also responses which suggested that some of the forums were not representative of the communities or networks they existed to support. We feel that this is also linked to the same issue around capacity to attend forums. Smaller, more community embedded organisations will have more limited capacity and therefore necessarily have more limited time to access forums and networks.

“More representation, more experts by experience, more safety.”



What would make engagement with forums easier?



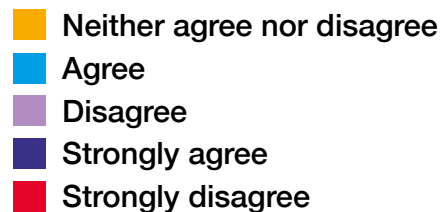
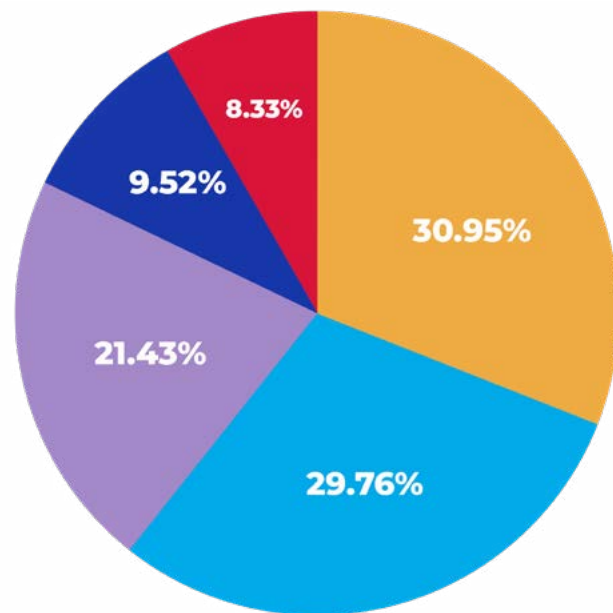
- More info on when and where and what
- More capacity - costs money to attend
- Hybrid
- Clarity around focus and objectives
- Meet outside of working hours
- Advance notice of at least a month
- In person

The relationship between LBTH and the VCS

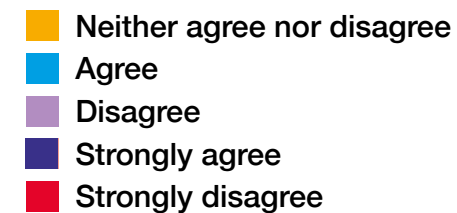
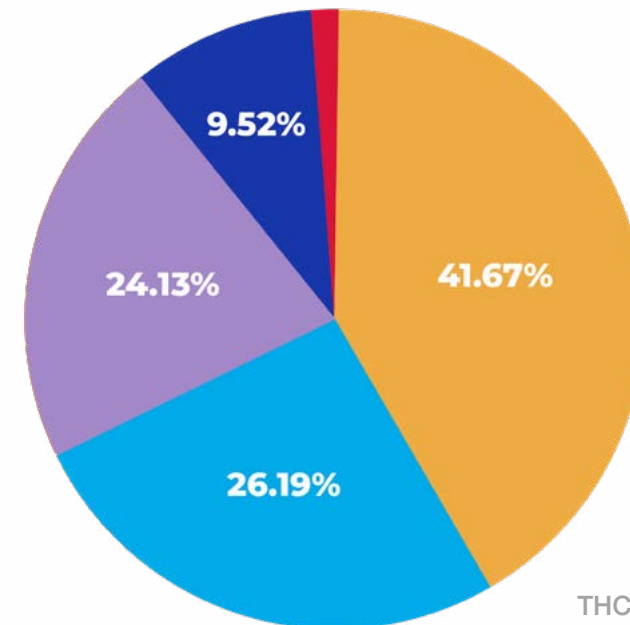
Attitudes towards the local authority expressed by VCS organisations are on the whole positive or ambivalent. Particularly in regards to whether or not the local authority understands the work of the VCS only 30% of respondents stated that they did not feel that this was the case.

With regards to the way that the local authority consults the VCS and involves it in decision making feelings are slightly less positive with 36% of respondents disagreeing with the statement.

The council understands the work we do



The council makes decisions with us



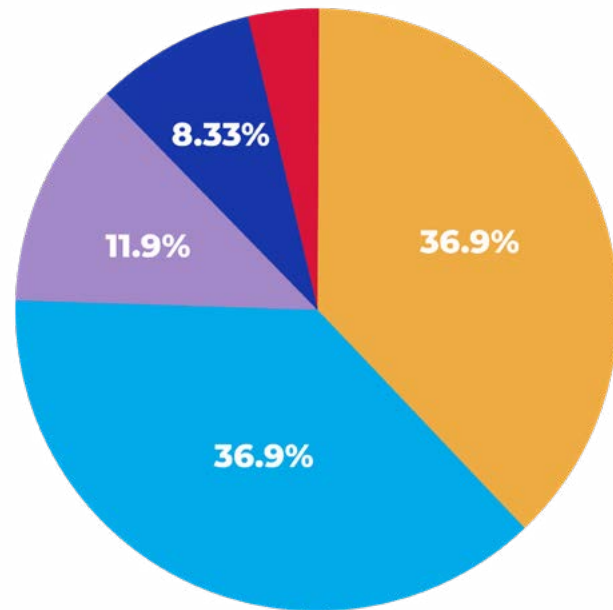
THCVS survey data 2023

What is clear is that the sector has expressed the continued need for THCVS to represent its interests in meetings and negotiations with the local authority.

Funding and the VCS' relationship with funders

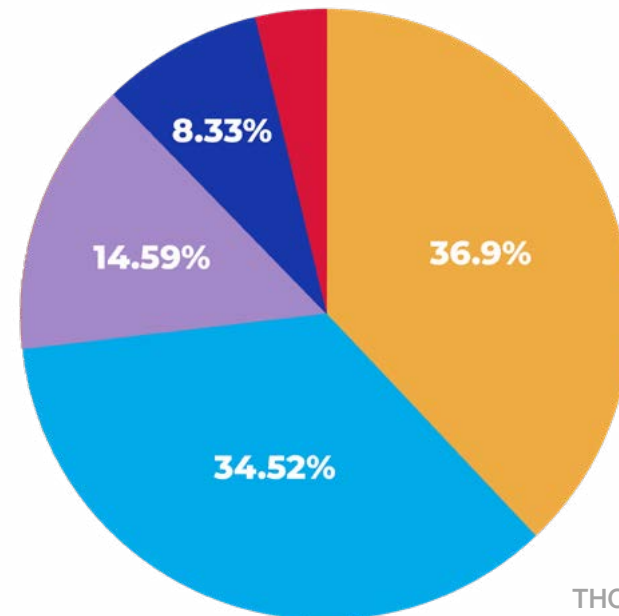
Responses to a set of questions regarding funding and the sector's relationship with funding organisations suggest that fundraising issues are not necessarily based around being able to find suitable funders or finding application processes inaccessible. Only 23% of respondents reported finding grant information difficult to find and only 15% that forms are inaccessible.

Application forms from funders are accessible



- Neither agree nor disagree
- Agree
- Disagree
- Strongly agree
- Strongly disagree

Grant information is easy to find



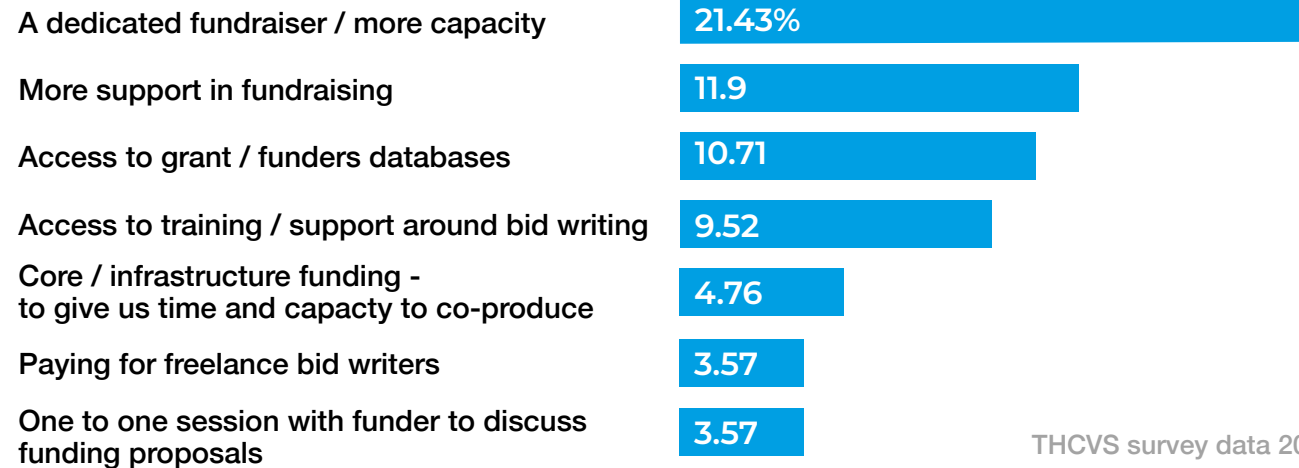
- Neither agree nor disagree
- Agree
- Disagree
- Strongly agree
- Strongly disagree

THCVS survey data 2023

The most often reported difficulty with finding and accessing funds is again a question of capacity within the sector. The need for more capacity or a member of staff dedicated to fundraising was by far the most regularly cited response to the question of what would be most beneficial to organisations in regards to fundraising.



What would help your organisation most with fundraising?



THCVS survey data 2023

This need which has been identified by organisations regarding a lack of capacity for dedicated fundraising activity can be illustrated by the fact that the largest 7% of organisations in the borough account for 60% of spending by VCS organisations within the borough. The fact that these larger organisations are able to employ dedicated fundraising staff ensures that they are able to maintain these spending levels whilst smaller organisations are struggling ([Kane Data Ltd](#)). All of the organisations who reported that they are close to closure have an annual turnover of less than £500,000.

There were also responses related to the need for application procedures proportionate to the amounts of funding on offer, the length of funding agreements on offer, and the need for funders to meet organisations face to face in order to build real relationships.

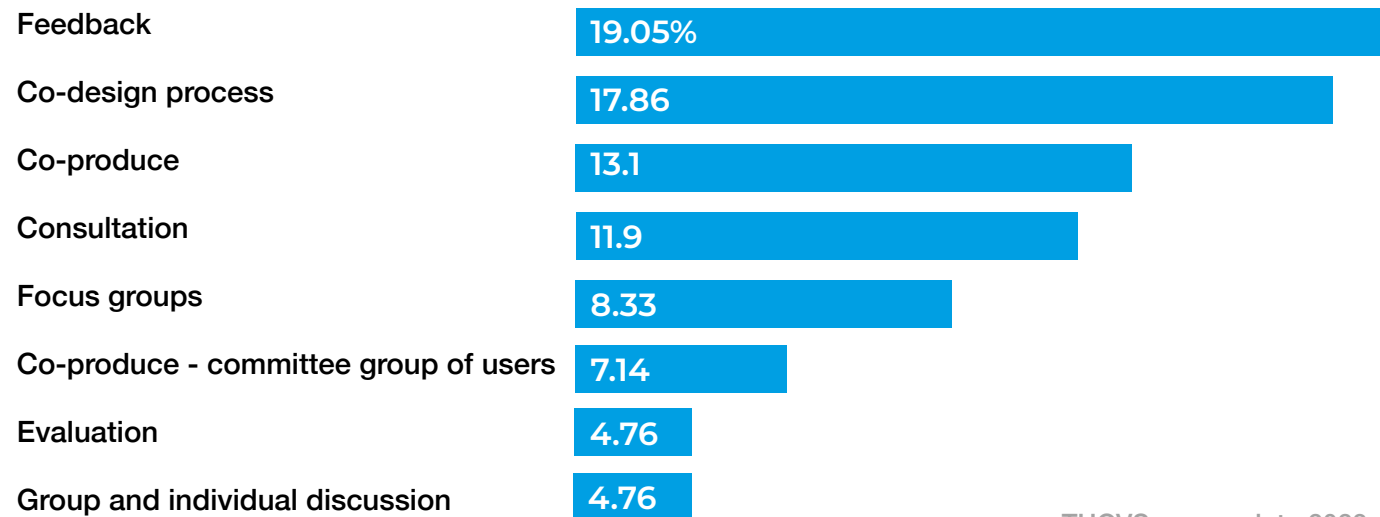
“Make application processes proportionate to the amounts offered, especially LBTH, whose requirements are entirely disproportionate to the amounts they give.”



Service design and co-production

Every organisation responding to the survey described some element of designing services in collaboration with users. There was a wealth of different ways in which these processes were described.

How do you design services with your service users?



THCVS survey data 2023

What is clear from the range of responses received is that there is a commitment to co-design and co-production but these are terms which mean different things to different people and groups. There is also not one particular method used more than any other - a variety of methods are being used and different methods are suitable for different communities and services.

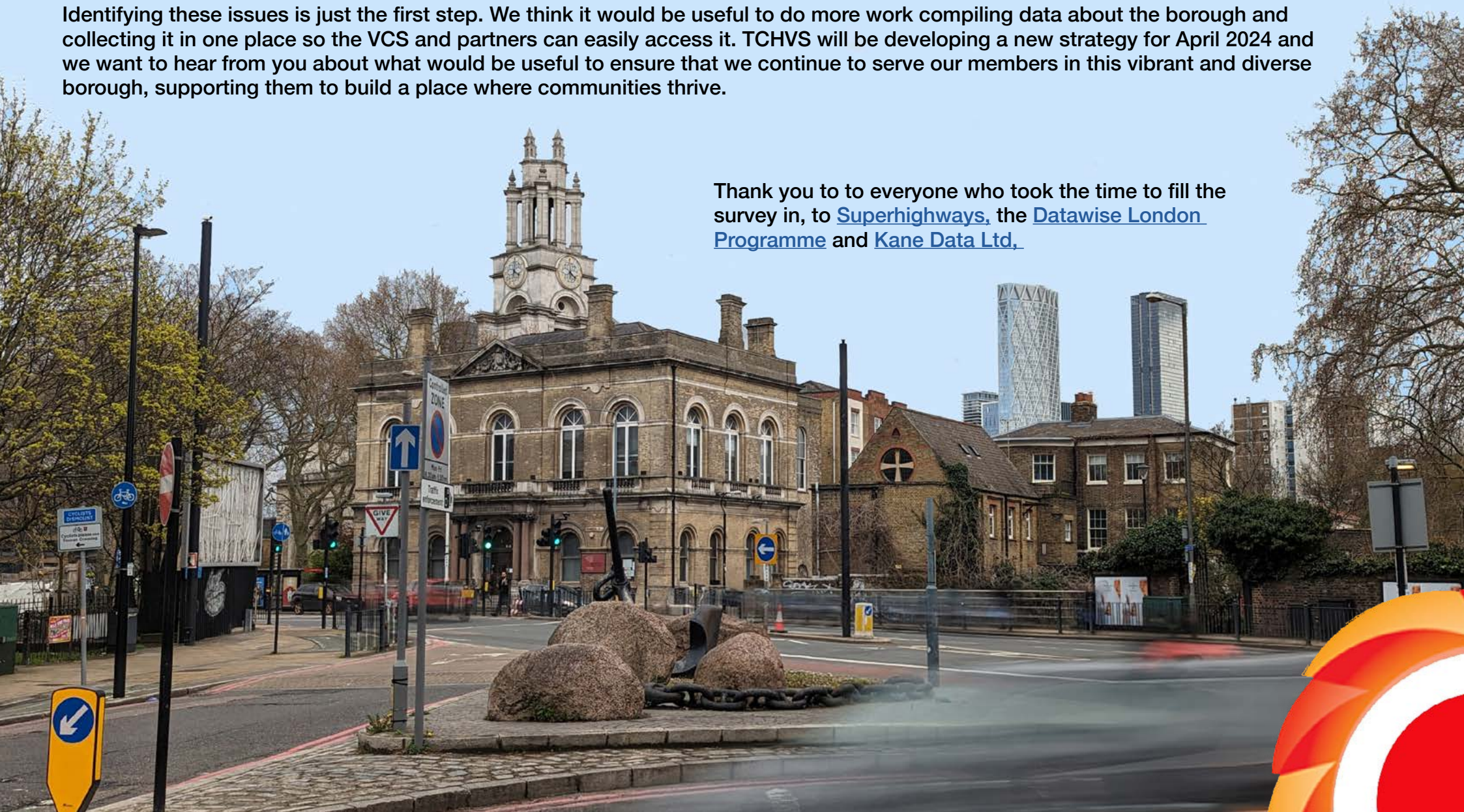
It is also clear that the main source of data used for analyzing and communicating impact is through feedback from user groups with 43% of respondents stating that this is the method they use to know that they are making an impact

Conclusion

The charities and community groups in Tower Hamlets do amazing work and offer some much-needed solutions to the entrenched inequality in the borough. Our State of the Sector report shows just how deep and wide their reach is, yet they are facing severe challenges, with funding the greatest threat.

Identifying these issues is just the first step. We think it would be useful to do more work compiling data about the borough and collecting it in one place so the VCS and partners can easily access it. TCHVS will be developing a new strategy for April 2024 and we want to hear from you about what would be useful to ensure that we continue to serve our members in this vibrant and diverse borough, supporting them to build a place where communities thrive.

Thank you to everyone who took the time to fill the survey in, to [Superhighways](#), the [Datawise London Programme](#) and [Kane Data Ltd.](#)





[Tower Hamlets CVS](#) is committed to building a strong and independent voluntary and community sector and providing support to organisations who are undergoing different forms of transition. Just some of the services we offer at no cost to our members include:

- Funding searches
- 1-1 support
- Online resources
- Training
- Bulletin with sector news and funding opportunities

If you would like to become a THCVS member at no cost, sign up [here](#).

If you would like us to complete a search for relevant funding for your organisation, please fill out our [online form](#).

Please contact us at info@thcvs.org.uk in order to book a 1-2-1 session or learn more about how we can support your organisation to build upon the excellent work already being done across the borough and better serve the communities we exist to support.

Please click [here](#) for our website where you can access our [jobs page](#) and resources for the voluntary sector in Tower Hamlets. Click [here](#) to subscribe to our mailing list.

Tower Hamlets Council for Voluntary Service
www.thcvs.org.uk
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