

Refreshing the Compact - consultation

Briefing by Stephen Blann, Policy & Networks Officer, Community Links Bromley

The Commission for the Compact has issued a draft “refreshed” Compact for consultation. The Compact is the agreement between the government and the voluntary and community sector on partnership and mutual obligations. It was signed in 1998 and the new revised (or refreshed as they say) draft takes account of the changes in how government and third sector work together.

There are significant changes in the new draft – this briefing tells you about them. If you have any views after reading it please **Contact Stephen Blann Policy & Networks Officer at Community Links Bromley – stephenb@communitylinksbromley.org.uk 020 8315 1907 who will be compiling a full response to the consultation.**

If you want to know more about the background to the new draft follow this link to [Compact Voice website](#). Compact Voice is a project that gives advice and information to third sector on Compact issues a network for views. Read their comments on the new “refreshed” Compact [here](#). For more information on the Compact generally, [click here](#). Many areas including Bromley have agreed local compacts. Follow [this link](#) to find out more about the Bromley Compact. **The Compact is one of the workshops for the Community Links Bromley Conference and AGM on the 23rd September. More information is available [here](#) and booking form [here](#).**

The consultation is open until 12th October and the “refreshed” compact is due to be launched during [Compact Week 2-8 November](#). The consultation draft is available at www.thecompact.org.uk/refresh.

General overview

The consultation does not say whether it is proposed to replace just the original Compact document or the Compact and associated codes of Practice as well. However the latter is likely - the new draft talks of new implementation guides being produced. Other matters suggesting a replacement of the codes as well include the fact that some of the proposed new undertakings are more detailed. The whole document is more practical “how to” rather than “what to”.

As in the original, the focus is on involvement in policy development, funding (although this is now described as “allocating resources and commissioning”), and achieving equality, with more emphasis on the third sector having responsibilities to work toward equality. The original dealt mainly with BME groups and did not have specific commitments.

Some particular changes to note are:

It explicitly includes local public sector bodies within the remit of the Compact and by implication binds them to it.

It is also intended to be the basis of negotiation / enhancement of local compacts.

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Its style is much more detailed and focusing on mutual good practice rather than a set of promises. However this has led some to suggest that the new compact is really for larger or service delivery third sector bodies - and has less for community and local "civic" groups.

The draft focuses heavily on commissioning and procurement - recognising there have been significant developments since the original Compact.

The equality section is much broader than the original and is more closely aligned with public bodies' duties to promote equality.

In an interesting development commitments are worded to be what the government and third sector "should" do but at the same time are much more detailed rather than simpler statements, which in reality were open to interpretation. This hopefully recognises a shift away from the compact being seen as a concession to the voluntary sector to being a practical way to achieve mutual benefit.

What's in the new draft?

It is 3 times longer than the original. The different parts are:

1. About the Compact

2. Compact Values

This is more robust than the original "shared principles".

3. Who it applies to

Central government - including Non departmental Public Bodies (quangos) and "Agencies" but also local government and NHS organisations, specifically PCTs. It recognises the diversity of the third sector and how this is reflected in the relationships that organisations have.

4. The Compact commitments

By far the bulk of the new document, in 3 areas, each with an introduction and detailed commitments. There are more measurable tasks for the third sector.

Specific commitments are set out below. The 3 areas are:

- Involvement in policy development
- Allocating resources and commissioning
- Achieving equality this is more discursive than the first two

5. Resolving differences

6. Implementing the compact

These are both short sections stating general principles

7. Further information

This shows an evolution of new bodies not mentioned in the original –

- Compact Voice www.compactvoice.org.uk
- Compact advocacy www.ncvo-vol.org.uk/compactadvocacy
- Office of the Third Sector www.cabinetoffice.gov.uk/thirdsector
- Commission for the compact www.thecomact.org.uk

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There is a set of consultation questions. We want your views on these questions and any other comments you may have on the new draft. Contact Stephen Blann Policy & Networks Officer at Community Links Bromley – stephenb@communitylinksbromley.org.uk 020 8315 1907

The questions asked in the consultation are:

1. Scope of the sector
 - Is the Compact relevant and applicable to the wide range of organisations that make up the third sector? If not, who is excluded and what would need to change in the refreshed Compact to secure their engagement?
 - What further steps need to be taken to ensure that the Compact is adopted and implemented by organisations in the public sector beyond central government, including organisations in the NHS, specifically Primary Care Trusts, who will already be party to Local Compacts?
2. The independence of the third sector
 - Does the Compact go far enough in safeguarding the independence of the third sector? If not, what changes would be required?
3. Accountability of the third sector
 - Does the Compact go far enough in making the third sector accountable? If not, what changes would be required?
4. The relationship between national and local Compacts
 - Do you think the national Compact provides an effective framework for Local Compact negotiations? If not, what changes would be required?
 - How might the link between the national Compact and Local Compacts be strengthened?
5. Prime/subcontractor relationship
 - How can the subcontracting commitment (Allocating resources and commissioning, reference 7.1) be strengthened to ensure that the Compact applies to the entire supply chain?
6. Consultation
 - What are the circumstances in which a 12-week consultation would be unnecessary or undesirable? In these circumstances, what action should the Compact require to ensure consultation is meaningful and effective?

7. Europe

The refreshed Compact contains a new commitment for the Government and public bodies to apply the Compact when distributing European funding.

- Do you agree that a specific commitment on European funding (Allocating resources and commissioning, reference 6.4) should be included in the Compact?
- Are there other ways in which the Compact can address concerns about the distribution of European funding to third sector organisations?

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- Should the Compact go further than this, so that it covers working with the European Union more generally, beyond the distribution of funding?
- 8. Personalised/individual budgeting
 - There is an increasing emphasis on personal budgets where individuals are given public money to buy their own services from the public, private or third sector.
 - How and where might a refreshed Compact make reference to the relationships between holders of personal budgets and those from who they buy services or facilities?
- 9. Content and length
 - Are there parts of this document that could be worded more economically so as to shorten the document? Please identify.
 - Are there passages in this document that are not required? Please identify.
- 10. Equalities strands
 - Does the Compact provide enough focus on the individual equalities strands and the needs of these groups? If not, how should this be addressed?
 - If your organisation falls under an equality strand, please let us know the impact of the revised Compact on your organisation/ beneficiaries.
- 11. Monitoring and analysis of funding arrangements
 - What further monitoring, analysis or funding arrangements could help ensure the promotion of equality and tackling discrimination?
- 12. Further comments
 - Is there anything missing from the Compact that you would like to see included? Do you have any other comments on the consultation document?

The consultation is open until 12th October and the “refreshed” compact is due to be launched during Compact Week 2-8 November. For more information and the consultation draft go to www.thecompact.org.uk/refresh. You can [respond online](http://respondonline.com) or to refresh@compactvoice.org.uk. You can also send you views to **Stephen Blann Policy & Networks Officer at Community Links Bromley – stephenb@communitylinksbromley.org.uk 020 8315 1907**

Particular Commitments which may be of interest

Involvement in policy development

Government commitments

Specific government undertakings on when, who and how to involve including:

- Assess all new policies, regulations, legislation, and guidance to identify implications for the sector. Keep records of such assessments, and conduct impact assessments when needed.

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- Identify whether organisations will incur costs due their involvement, and offer support on a clear and consistent basis. This can be especially important for infrastructure bodies helping to facilitate consultations, and community and equalities groups.
- Where possible, give early notice of forthcoming consultations so that organisations can plan ahead.
- Allow enough time for organisations to involve their members, beneficiaries, volunteers, and trustees, when preparing their consultation responses. Small, informally-constituted community groups will often need to be allowed more time to assemble, consider and submit their views than will larger, professionally-run organisations. For formal written consultations, 12 weeks should be the norm with an explanation given for shorter time frames, and consideration given for known busy periods or holidays.

Third sector commitments

As well as a commitment to involve members etc (the converse of above) more detailed commitments about evidence and diverse views which reflect difficulty of reaching consensus -

- Be clear about whose views are being represented and how strong they are. This includes stating whether views have been gathered directly, or whether a response is on the basis of accumulated knowledge and experience.
- Make sure that all information and research presented to the Government is accurate and credible. Explain where information comes from and whether there is conflicting evidence.
- Give voice to the specific needs, interests, or contributions of equalities groups.

Allocating resources and commissioning

This is the largest section and is a very significant change in emphasis reflecting how practice has passed the Compact by. This section fits well with the recent Commission for the Compact guide on Compact and Procurement Law.

Government commitments reflect good commissioning practice and third sector commitments reflect good governance and planning. Commitments are much more specific than the original and are broken down into different stages of the commissioning process:

- Programme planning and service design
- Selecting finance and funding options (government only)
- Application and bidding process
- Understanding costs (government only)
- Making decisions (government only)
- Agreeing delivery terms
- Payments (government only)
- Monitoring and reporting
- Concluding the financial relationship.

Particular commitments to note are:

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Government commitments

- Focus on outcomes.
- Begin the programme and service design process well in advance.
- Involve all organisations likely to have a view, provide early notice - especially important for volunteer-led groups that do not meet regularly.
- Consider the full range of financial options available – grants to open tender contracts.
- Ensure criteria and other information requested are relevant and ensure that organisations are not unreasonably excluded.
- Aim to standardise and coordinate forms across funding bodies.
- Plan for the time and resources required for the widest range of organisations to apply. Where appropriate, build in sufficient timescales for consortia and partnership working bids.
- Consider approaches to how organisations can be supported in making their applications - briefing sessions or training sessions.
- In grant programmes, allow organisations to allocate appropriately and recover relevant and reasonable overhead costs. *[note: not explicitly full cost recovery]*.
- Recognise volunteering time as a match funded contribution and give due consideration to other legitimate costs.
- In procurement, recognise that organisations will need to include relevant administrative costs *[note: as above]*
- Inform organisations in advance of the expected start date – normally three months. The same notice at the end.
- Provide feedback to unsuccessful organisations, for learning.
- Delivery terms and risk should be proportionate and risks allocated to the organisation(s) best equipped to manage them.
- Agree, before signing a contract, a process for managing performance
- If outcomes are at risk, discuss and agree a timetable of actions before making a decision to end a financial relationship.
- Payments should be made within 10 days of invoices being received.
- Work towards monitoring and reporting arrangements which are joined up, from existing sources or standardised and ensure appropriate to the nature and value of the funding.
- Assess the impact on beneficiaries, service users and volunteers before reducing/ending funding.
- Minimum of three months' notice when ending a funding relationship

Third sector commitments

- In contributing to programme and service design involves service users, focus on how outcomes can be maximised and be transparent about who is being represented.
- Ensure your eligibility for a programme and be clear why you are bidding.
- Understand how taking on a funding stream will impact on the organisation, relate to its mission and contribute to the organisation's income mix.

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- When developing partnership or consortia working arrangements, be clear which organisation is ultimately accountable.
- Properly allocate costs or price when applying or bidding, considering the cost of monitoring.
- Be clear on the risks associated with service delivery
- Have appropriate governance arrangements in place.
- It is legitimate for funders to ask for public recognition of their funding.
- Have proportionate systems in place to manage and account for finances.
- Ensure there are monitoring and reporting systems in place prior to commitment.
- Plan for the end of funding to reduce any potential impact on service users and the organisation.

Achieving equality

This is markedly different from the original - covering a range of "equality strands" rather than BME voluntary and community sector. There is a discussion of the diversity of the third sector itself and the contributions of third sector organisations covering the following "equality strands":

- Organisations representing BME communities
- Organisations representing the interests of women
- Groups based on an affiliation to religion or belief (including lack of theistic belief)
- Organisations representing older people
- Organisations representing people with a disability
- Organisations representing lesbian, gay, bisexual and transgender people.

There is then a set of commitments under the following headings

Government commitments

- Promoting equality and tackling discrimination:
 - Have strategies in place for how it will work effectively with the third sector, and in meeting its duties under equality law. Relevant organisations should be involved in the development of these strategies.
 - Work together with organisations which represent equality groups, to understand the specific needs of people from equality groups, and to design services that can accommodate those needs.
 - Ensure equality groups have fair and equal opportunities to access to funding [*note: not a commitment to any specific share of funding*].
 - Help third sector organisations be aware of their own obligations to comply with their duties under equality law where they are providing services on behalf of the public sector.
 - Undertake an assessment of the equality impact in advance of all relevant policy and funding decisions.
- Representation and infrastructure

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- Ensure that equality groups are represented on partnership and boards, or are consulted on decisions.
- Enable specialist infrastructure organisations to participate in policy development, consultation or other activities, by supporting them appropriately and building their capacity to be involved.
- Provide a broad range of funding options to support those organisations within the third sector working with diverse groups.
- Recognise that groups which involve people from equality groups at community level are often small and informal.

Third sector commitments

- Promoting equality and diversity *[note: these reflect the government's duty but the third sector does not have such a legal duty]*.
 - Take practical action, to eliminate discrimination, advance equality of opportunity and foster good relations.
 - Show committed leadership at senior levels to promote equality, and put strategies in place to achieve it.
- Representation and infrastructure:
 - Be clear on who is being represented and how their views have been gathered, *[note: as for involvement generally]*.
 - Engage with the Government and the public sector in the selection of representatives from organisations and communities.
 - Build responsive representative infrastructure organisations that can promote the broad range of interests of equality groups.
 - Identify groups which are currently under-represented in voluntary activity and put in place measures to ensure their involvement.

Commentary

It would be good to have cross-referencing between the Involvements in Policy Development, Allocating Resources and Commissioning, and Achieving Equality sections. Many organisations will at different times be involved in each of these aspects.

It is disappointing that there is no specific section on volunteering - the original Compact had statements recognising the value to individuals and society as a whole. As the government is very actively encouraging volunteering especially as an alternative to work and training for young people and long term unemployed, then specific commitments of the government and sector to each other – and to volunteers – seem to be more important.

The style and detail also make the “refreshed” Compact less immediately appealing to small, unfunded, and volunteer only organisations.

The inclusion of questions on personalisation and prime and sub contracting arrangements is good but are difficult to reach a consensus on. For example in the case of personal budgets it would not be right for individuals who control

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their personal budget for care to be bound by the Compact as it undermines the notion of personal choice. However if the budget is actually spent on an individual's behalf then it is similar to any other public commissioning and processes should comply with Compact. There is also a legitimate interest for third sector organisations – especially user and carer groups to influence how personal budgets are introduced. With prime and sub-contracting roles there are also issues - if the Compact does not apply to the lead organisations then it is very easy for the Compact to become irrelevant – however if lead third sector bodies are bound by government commitments do they essentially become state agents and lose independence?

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