



Problems, Issues, Solutions: The Future of the Compact

A Position Paper by Compact Voice

www.compactvoice.org.uk
Tel: 0207 713 6161
Email: compact@compactvoice.org.uk

Compact Voice

Compact Voice is the independent body representing the voluntary and community sector on taking forward the Compact.

Compact Voice runs three networks to discuss Compact issues, concerns and priorities as well as exchange information, experiences and best practice.

Join the National Network at
<http://compact.ning.com/>

To join the Local Network contact
paul.barasi@compactvoice.org.uk

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Evidence used in this paper

This paper has been informed by views taken from more than 400 voluntary organisations from across the sector:

- Compact Voice's online consultation on the future of the Compact
- Member surveys conducted by NCVO, NAVCA and ACEVO on the future of the Compact
- DSC's debate response paper
- Commissioned research into the views of harder-to-reach groups
- Compact Voice's focus groups on voluntary sector independence
- Local Compact Voice evidence
- A range of experts on the Compact from across the sector

'...' words in direct quotes are taken from survey respondents

Overarching comments

Compact Voice welcomes the opportunity to discuss the future of the Compact and to use the momentum of this debate to improve partnerships across the country. However, it is also important to recognise the widespread cynicism about the Compact within the voluntary sector, particularly amongst harder-to-reach groups. Many voluntary organisations were concerned about public bodies ignoring the Compact and felt that giving the Compact some 'teeth' was desirable. Yet they also felt the debate's perceived focus on documents and powers risked missing bigger issues. There must also be a recognition of some of the key barriers to the Compact working, including:

- The Compact not being integrated into relevant policies and mechanisms in central government
- Confusion between the national and local agreements
- Lack of implementation at a local level
- Low awareness in all sectors

The most important step, therefore, is to rebuild trust by establishing robust mechanisms for implementing, monitoring and evaluating the Compact.

'...it needs to deliver and be seen to deliver. If the Compact is a set of commitments which does not deliver it is unlikely to gain or regain people's trust. It cannot be a road map bolstered by the hope that it may somewhere deliver.'

The Compact can be a powerful tool for transforming relationships for mutual gain. However, there is also a need to recognise the limits to what the Compact can achieve. Some problems are caused by broader changes in the external environment such as rapid policy shifts and economic pressures. The failure of the Compact to address these issues should not be seen as a failure of the Compact itself.

Despite the above concerns, the Compact has been highly beneficial in improving relationships between government and the voluntary and community sector for mutual benefit. There are many places around the country where the Compact in its current form has worked well. The Compact Advocacy Programme has had significant success in using the Compact to benefit both voluntary and public sectors. Comments from organisations supported include:

'Well done, a round of applause for the Compact!'

'Thanks for a very excellent service. Through your service our relationships are improving.'

'Thank you! Will look forward to meeting you and feel quite re-vitalised regarding the Compact.'

Two-thirds of NAVCA's survey respondents stated that their relationships with government had improved since the Compact was introduced. Further evidence can be found in the Commission for the Compact's recent research on what makes a Local Compact successful. In 1998, three-year funding, 12-week consultations and full-cost recovery were barely part of the vocabulary, now they are the expected norm. A review of the Compact should take into consideration

its successes as well as its shortcomings. In order to take this work forward, there must be creative and productive stakeholder engagement, but without focusing unduly on extended consultation.

The recommendations outlined in this paper will help to ensure it is as relevant and powerful as possible and in as many areas as possible.

General Overview

1. The review of the Compact should be wider to address issues of lack of awareness and implementation

Whatever changes are made to the Compact document or its legal status, both sectors need significant support if they are to have the knowledge and skills to use the Compact to improve their relationships. There should be a balance between measures to enforce compliance and efforts to shift hearts and minds. A large-scale programme of training, advice and resources for implementation and awareness at all levels is an essential next step. Many survey respondents emphasised this point and commented that *‘it is not about bits of paper’* but about people and relationships.

‘Commitment comes when it means something to the individuals. If it is seen as extra work or as an ineffectual process no-one will bother. It must be the best way for individuals to achieve their aims and objectives.’

‘The Compact should not be a tool to be used against each other. It should be one of many tools used to change the culture of cross sector partnership working. Both sectors need to understand the positive benefits of cross sector working and this needs to be advocated by senior colleagues in both sectors.’

Survey respondents suggested including the Compact in training, inductions, secondments, objectives and job descriptions. There is a need for a full analysis of the available channels for embedding the Compact in order to make this action effective. There should also be an increased focus on marketing, communications and guidance on the importance of the revised Compact and how it can be used.

‘Promotion, Promotion, Promotion! Across all tiers of Government and all departments etc. Ditto with the VCS.’

‘In our area fundamentally there needs to be evidence of greater understanding and buy in from all parties to the Compact. This is primarily about awareness raising, training and commitment at all levels.’

2. There should be a review of the Compact’s architecture

Compact Voice is supportive of the work of the Commission for the Compact, however, this debate provides a useful opportunity to reflect on the Commission’s scope, role and limits of authority, as well as those of the Compact partners and other bodies. Even if given legal powers, the Commission cannot be all things to all people. Whilst exercising caution about the roles of key

partners versus stakeholders, there is a need to ascertain which organisations are best placed to take on different roles such as communications, mediation and research, for example.

Most of the voluntary sector surveys did not find support for putting the Compact itself in statute. However, there may still be scope for using law to increase implementation of key Compact principles. The Consultation and BME Codes of Good Practice have significant crossover with principles of public law. Some aspects of the Funding and Procurement Code of Good Practice also link to contract and procurement law. Making these links explicit, possibly through specialist guidance, would be useful. Analysing the most pressing problems in Compact compliance would yield suggestions of other areas that could be backed up by law, for example, three months' notice when ending funding. Conducting an analysis of these possibilities seems timely and may link to work on review mechanisms suggested below.

The Commission for the Compact

3. The Commission for the Compact should be a fully independent body

An independent Commission may also require the Compact itself to be given a legal personality. The Commission and its board should be independent of both government and the voluntary and community sector. It should be accountable to parliament through a select committee such as the Public Administration Select Committee (PASC).

4. The Commission for the Compact should have legal powers of investigation for both national and local cases

Surveys by ACEVO, NAVCA and NCVO all confirm that only a minority of organisations want to see the Compact itself put into statute. However they all show significant support for the idea of a Commission for the Compact with some legal powers to deal with breaches. Compact Voice's consultation adds to this evidence, with 88% of respondents supporting some powers for the Commission.

'Without statutory powers and sanctions, the Compact only works with sympathetic authorities who of course are the ones which don't need it.'

'It would add weight to an agreement which is currently only acknowledged and implemented by those local authorities that already work well with the voluntary sector. Those that have a poor relationship with our sector or do not consider us equal partners will continue to ignore it until they are forced to do otherwise.'

'It would offer us greater protection from the vagaries of government behaviour and allow us to concentrate on providing services.'

Regarding breaches at a local level, 83% of Compact Voice's survey respondents felt that national support was needed as the *subsequent* stage to an effective local disputes procedure. This would help to preserve relationships and partnership working wherever possible. A National Compact which set expectations and guidance for local dispute procedures, as suggested below, would ensure further consistency in this area.

Thought is needed to be given to how the Commission would select which cases to investigate. This is a complicated area and more development is needed around the implications of such powers and the potential overlap with existing mechanisms such as the Local Government Ombudsman.

It is important to note that a substantial minority of respondents, for example to NCVO's survey, were also unsure about whether too much focus on legal avenues could undermine positive relationships based on a voluntary agreement and mutual benefit.

5. Legal powers should recognise the need for proportionality when examining the actions of the statutory and voluntary sectors

Many survey respondents saw the Compact as a recognition of the uneven balance of power and the importance of consistent government practice for voluntary and community organisations. Any arbitration or dispute resolution role must therefore be independent and unbiased but also take into account the differences in capacity and accountabilities in each sector. Investigations should take into account both proportionality and intent when identifying fault in a given situation. It is also important that support is made available to small organisations wishing to access services offered by the Commission. Harder-to-reach groups also felt strongly that those who challenge a government body must be protected from reprisals for their actions.

'The Compact came about because of a recognition that government (central and local) has significantly more power than the VCS...'

'It should be about levelling the playing field.'

6. There should be help for organisations before any breaches are elevated to official dispute resolution stage

It is essential that a full package of support is put in place for organisations beyond those cases handled by the Commission. NAVCA's survey found that 70% of respondents wanted to see further support for existing advocacy work. 85% of the enquiries handled by the Compact Advocacy Programme are resolved between the parties themselves. A key desire for many organisations using this programme is, where possible, to solve the issue constructively between the parties involved, with support from the Compact Advocacy Programme, rather than in an antagonistic manner.

Compact Voice also found strong support for this work, for example in survey respondent's written answers, and desire to see it rolled out at a local level. One area of particular need evidenced by the Advocacy Programme is the lack of free or low-cost support for the voluntary sector on private law issues such as

contracts and commissioning. Compact Voice's survey respondents also expressed some interest in the development of an appropriate mediation service.

Form and Content of the Compact

7. The Compact should be updated to reflect changes in policy and the operating environment

Looking at changes to the actual Compact itself, this was the highest priority for Compact Voice's survey respondents, with 72% stating that the Compact needed to be revised to reflect recent policy developments. The codes should include details of links to key policy documents and legal commitments, including equalities duties, and should be kept up-to-date over time. Any updated Funding Code would also need to take account of developments in contractual agreements, sub-contracting and commissioning and procurement.

8. The Compact should be clearer and written in a more accessible way

65% of respondents to Compact Voice's survey support a clearer Compact. Compact Voice therefore believes the Compact should be updated in terms of its structure and language in order to ensure it is clear, accessible and easy to use.

'Other than myself I don't know anyone else who's actually read these codes! They should be shorter, the language should be more accessible and they need to be more relevant to today's climate and the whole of the VCS.'

There was balanced support for the idea that the Compact should form one document, with 50% of respondents in favour in Compact Voice's survey.

9. There should be a core set of key commitments

Compact Voice found strong support (85% of respondents in favour) for the concept of 'key commitments'. This idea dates back to the last review of the Compact in 2005, 'Strengthening Partnerships', when it also received significant backing from both the voluntary sector and government. The key commitments would summarise the core elements of the Compact agreement but could also link to targeted guidance for different stakeholders, including information currently set out in the Codes of Good Practice. They would help to ensure the core of the agreement is easy to communicate and memorable for all parties. A successful example of this is the 'Every Child Matters' aims.

These key commitments should underpin, and not replace, the rest of the Compact and would not remove the need for the detail currently contained in the Codes of Good Practice. Compact Voice's survey showed only 31% of respondents felt the Compact should be shortened, which may reflect the anecdotal evidence that the sector is keen to ensure that any updates to the Compact do not result in watering down the commitments which currently exist.

10. The National Compact should set minimum standards for all local Compacts

NAVCA found 69% of its survey respondents were in favour of this option for strengthening local agreements, as were 85% of those surveyed by Compact Voice. Many of the harder-to-reach groups and NCVO's respondents also commented that minimum standards would help to avoid problems caused by variable quality and content of Local Compacts and the 'postcode lottery' of widely diverging practice in different areas.

'Locally, we have eight Compacts across the area I operate in so need to commit to all. There needs to be a way to simplify, still build from bottom up but be more simple for organisations working in more than one district.'

'I feel there should be one Compact as it can get very confusing as to which Compact to use. Example of boroughs and counties some areas could have 5 local compacts. I feel a lot has been learnt about the Compact and one over riding Compact, with every body adopting the principles makes logical sense.'

'I liked the idea of advocating 5 or 10 compulsory commitments as this would ensure more of a level playing field with regard to Local Compacts. There is currently no equity between one LA and another and the voluntary, community and faith sector find themselves operating in a 'postcode lottery' type situation.'

A revised National Compact would set minimum standards for all Local Compacts, including the key commitments and the technical detail they refer to in the Funding, Consultation and Volunteering Codes. Some have proposed that this might work in a similar way to the Charity Commission's Model Governing Documents, which allows organisations to add their own text to a non-negotiable core set of standards. Local Compacts could thereby avoid drafting a raft of technical codes which merely paraphrase the national documents. This would enable a clearer focus on issues particular to the locality and free up resources and time for implementation. It would also clarify the relationship between national and Local Compacts, strengthen awareness of what the Compact says, and achieve consistency at all levels and across local boundaries.

'Not only is too much time spent by local areas re-producing the agreement and its codes, but even within a county, districts 'tweak'/rewrite a code. Seems to come down to wording - just get on with it.'

Guidance for Local Compacts could also be an opportunity to share good practice on effective local disputes procedures, Compact Champions, Compact-proofing and mechanisms for planning, implementation and review. 89% of respondents also emphasised the importance of resources, in the form of time or funding, in order to ensure proper implementation. The Commission for the Compact's recent report on successful Local Compacts also provides evidence in this respect.

'I am absolutely convinced that for any Compact to truly work effectively, dedicated resources for staffing and activity need determining. The 'voluntary' arrangement means this does not have to be in place and even in an area...where relationships between the public sector and Third Sector (on the whole) are good, the Compact is very 'optional'. Central government needs to consider resourcing this across the country.'

'I would like to see some serious resourcing for local Compacts - paid Compact Development Workers working at a local level with an operating budget to cover publicity and promotional activities.'

Considering that the majority of the voluntary sector's relationships are at a local level, it is particularly important that local and regional dimensions form a central part of any changes to the Compact.

11. There should be further work looking at the possibility for embedding the Compact in policy processes and review mechanisms.

Many survey respondents suggested further links between the Compact and the work of the Audit Commission and other regulators. In particular, there may be opportunities around the new Comprehensive Area Assessments. There are also examples of success where Local Compacts are formally linked into policy processes such as Local Area Agreements and Local Strategic Partnerships. This was mentioned by many of the longer responses in surveys, and recent evidence of where it has worked well has been produced by the Commission for the Compact.

'For central government to build expectations around use of Local Compact into guidance issued to local authorities, it was disappointing to note there was little to no mention of Compact in key LAA guidance issued by CLG over the last year.

Any areas which central government suggests local statutory partners should work with the VCS must include references to the Compact. Central government has a strong role in 'message reinforcement', that it consistently fails to deliver.'

'The performance inspection regimes, eg CAA, could be better used to ensure that the Compact is a vital part of Government policy.'

'... the Audit Commission to insist on evidence that the Compact is being adhered to.'

Therefore the possibilities for embedding the Compact in the Local Area Agreement, CAA, IDeA's Beacon Scheme for local authorities, overview and scrutiny committees, the work of Government Offices and the National Audit Office's work with national government bodies, for example, should be fully explored.

Other Issues

12. The Compact should be extended to wider civil society as appropriate, subject to consultation with those organisations

This was supported by 72% of our survey respondents. The Compact sets out good practice for working in partnership and should therefore be applicable to a wide range of circumstances, not just the relationship between government and the voluntary sector. Once the work outlined above has been undertaken, Compact Voice would support widening the Compact to other bodies, subject to their agreement, as a subsequent stage of development.