

Compact
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Annual Annual Annual
Report Report Report
Report of the sixth annual meeting report of
Meeting Meeting Meeting

**Report to Parliament of the
Sixth Annual Meeting**

to review the Compact on Relations
between Government and the
Voluntary and Community Sector

Report to Parliament of the Sixth Annual Meeting to Review the Compact on Relations between Government and the Voluntary and Community Sector

Joint Foreword by Sir Christopher Kelly, Compact Working Group Chair, Paul Goggins, Home Office Parliamentary Under Secretary for Policing, Security and Communities, and Sir Sandy Bruce-Lockhart, Chairman of the Local Government Association

The Compact has continued to grow in importance with the increasing emphasis we now have on working in partnership. The meeting on 30 November affirmed Compact at the heart of the relationship between the public and voluntary and community sector whilst also setting recommendations to develop it further.

There has been visible progress since last year's meeting: the reach of the Compact has continued to spread and 98% of local authority areas have or are developing a Local Compact; more bodies are engaged, including at regional level; and the Compact has gained a firmer footing, for example in the Comprehensive Performance Assessment process.

In 2005 we published a revised Code of Practice on Funding to cover procurement; and the Volunteering Code was updated, in the Year of the Volunteer.

We're at a point of real change and there is room for improvement – as demonstrated by the findings in reports such as: the National Audit Office's report *Working with the Third Sector*, ACEVO's *Surer Funding* and NCVO's *Shared Aspirations*. This is why the Home Office published proposals in *Strengthening Partnerships: Next Steps for the Compact* in March 2005. The proposals centred around the areas where the relationship could work better. We were very keen from the start that any changes should be evolutionary.

The results of the consultation have defined the way forward for the Compact and will provide the ways in which organisations can demonstrate their commitment to Compact ways of working – through using a simpler and clearer approach to the Compact commitments which could involve accreditation – and the recruitment of a Compact Commissioner to oversee how the Compact and Codes operate, including Compact Plus. This will need to cover the practical aspects of government and sector engagement, at local as well as national or regional level. The Commissioner would offer support to organisations and identify good and poor practice. The crucial element will be the provision of a clear, independent and critical voice and greater accountability to bring about greater change.

Further research on the Compact, particularly at a local level, will be required to ensure Compact Plus supports and complements the development of Local Compacts. We also need analysis of existing accreditation schemes so that the work of the Commissioner can build on these, and avoid any unnecessary monitoring and regulatory burdens.

This raises challenges and we are keen to ensure that local areas maintain their momentum to implement Local Compacts. Local Compacts, Local Strategic Partnerships and Local Area Agreements naturally fit together and we look forward to working with ODPM on the forthcoming Local Strategic Partnership review. We also believe that Local Area Agreements can retain the focus for working together locally if Local Compacts are a central component. The Local Compact Developers Network and the Local Government Association will discuss the issue of accountability arrangements for Local Strategic Partnerships with the Compact Commissioner on this point.

Nationally the Active Communities Directorate will work with the Compact Commissioner towards better Compact delivery across government departments. The Compact Working Group will continue to engage the national voluntary sector in the Compact through Compact Plus.

Through these changes we hope to give greater weight and substance to the Compact and help it to achieve far greater outcomes. Central and Local Government and the Compact Working Group are fully committed to the Compact, at the local and national level, and the future work of the Commissioner's office for the benefit of everyone involved and for real community gain.



PAUL GOGGINS
Parliamentary
Under Secretary for
Policing, Security
and Communities



**SIR CHRISTOPHER
KELLY**
Chair of the Compact
Working Group



**SIR SANDY
BRUCE-LOCKHART**
Chairman of the Local
Government
Association

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Joint Compact Action Plan 2005-6

This plan is an extension of the action plan 2004-5 to take this through to April 2006 pending work on the outcomes of the *Strengthening Partnerships: Next Steps for Compact* consultation.

Summary of Targets

Local Compacts

1. Increase the number of public sector bodies involved in Local Compacts.
2. Increase the effectiveness of Local Compacts.

Involvement in local authorities' overview and scrutiny arrangements

3. Promote the involvement of VCS organisations in local authorities' overview and scrutiny arrangements.

Regional engagement

4. Promote the Compact at regional level.

Embedding the Compact in Government Departments

5. Central Government Departments – through Compact Champions and VCSLOs – to make further progress to deliver their VCS Strategies, and to work with NDPBs on Compact implementation.

Funding and procurement

6. Promote good practice in funding and procurement across Central Government.
7. Local public sector bodies, particularly local authorities, to open their procurement processes and opportunities more widely to the VCS.

Supporting Compact implementation

8. Engage the VCS so that organisations know, use and understand the Compact.
9. Encourage understanding by public sector bodies on need to implement the Compact and Codes.

Strengthening Partnerships: Next Steps for Compact proposals

10. Implement outcomes from consultation.

Background	Target	Actions required to achieve target	Measure of success	Leads*
Local Compacts				
<i>At September 05, 98% of local authority areas covered. To continue to extend the reach of Local Compacts.</i>	<p>1. Increase the number of public sector bodies involved in Local Compacts.</p> <p>2. Increase the effectiveness of Local Compacts</p>	<p>i) Target local authorities and public sector bodies to include as a minimum PCTs, NHS Trusts and Local LSCs, and encourage LSPs to take a leading role in Local Compact development. Action to include for example targeting the media, events, dissemination of information, influencing consultations and policy reviews, and GO assessment of progress.</p> <p>ii) Disseminate Local Compact Workbook.</p> <p>iii) Ensure ChangeUp is developed in a way that encourages Local Compact implementation.</p>	<p>i-ii) Surveys** and national register of Local Compacts indicate: 100% local authority areas covered by a Local Compact; increase in range of public sector bodies involved (eg number of Compacts where PCTs, LSCs, etc involved); LSP support for Local Compacts; arrangements for meaningful review, and BME and community groups engaged in Local Compact development. Evidence of effective use of Compacts.</p> <p>iii) Local Compact Developers Network reports that the framework has a positive impact on the development and implementation of Local Compacts.</p>	<p>i-ii) LGA, GOs, ACD, ODPM, DfES, DH, CWG</p> <p>iii) CWG</p>
Involvement in local authorities' overview and scrutiny arrangements				
<i>To encourage VCS participation in overview and scrutiny following publication of guidance by the Centre for Public Scrutiny.</i>	3. Promote the involvement of VCS organisations in local authorities' overview and scrutiny arrangements	i) Disseminate guidance, and promote the benefits to local authorities of including VCS organisations meaningfully in their overview and scrutiny arrangements	i) Survey of and/or feedback from local authorities that they are taking positive steps to actively involve the VCS in the overview and scrutiny process. Evidence of increasing involvement of VCS organisations in local authorities' overview and scrutiny process.	i) ODPM, ACD
Regional engagement				
<i>Focus has been on Local Compacts. Need to continue focus and encourage further engagement strategically at regional level.</i>	4. Promote the Compact at regional level.	<p>i) GOs promote and support Local Compact development;</p> <p>ii) GOs coordinate and facilitate regional engagement, including work on Regional Compacts with RDAs where partners agree to one.</p>	<p>i-ii) Surveys and feedback from GOs indicate increased number of regional bodies involved in Local and Regional Compacts, including through regional action plans. Evidence that Compact integrated in regional work.</p> <p>ii) Regional strategic relationships with the VCS to be recognised where appropriate and in line with RDA role, remit and objectives in the Regional Economic Strategies prepared by each RDA in consultation with key stakeholders in the region.</p>	<p>i) ACD, GOs, ODPM</p> <p>ii) GOs, RDAs, ODPM</p>

Background	Target	Actions required to achieve target	Measure of success	Leads*
Embedding the Compact in Government Departments				
<i>Departments have published or draft VCS Strategies. To be implemented. Work to engage NDPBs to be further progressed.</i>	5. Central Government Departments – through G3 Champions and VCSLOs – to make further progress to deliver their VCS Strategies, and to work with NDPBs on Compact implementation.	<p>i) Departmental G3 Champions, working with VCSLOs, to lead on implementation of Departmental Strategies on working with the VCS and regularly feed into ACU</p> <p>ii) Departments demonstrate evidence of progress and good practice on implementing the Compact, including:</p> <ul style="list-style-type: none"> • engagement of the VCS in Departmental policy development and programme design • identifying where the VCS capacity for involvement needs to be increased • implementing good practice in funding and procurement • ensuring the BME Code and Race Relations Amendment Act are integrated into Departmental policy • engaging NDPBs. <p>iii) Departments to have contacted all NDPBs with significant dealings with the VCS; all Departments to include Compact implementation as a requirement in annual grant letters or equivalent and business plans where appropriate; Departments to decide on level of work needed with NDPBs on implementation issues, for example including close working on VCS issues with selected NDPBs.</p>	i-iii) Evidence provided to ACU by Departments shows progress in implementation and good practice.	i-iii) All Central Government Departments, ACD to coordinate.
Funding and procurement				
<i>There is evidence, eg NAO report and ACEVO Surer Funding, that the funding relationship needs to work better.</i>	6. Promote good practice in funding and procurement across Central Government.	<p>i) Promote Code of Good Practice on Funding and Procurement, including through work under Next Steps for Compact (following the 2005 consultation).</p> <p>ii) Publish and disseminate second edition of Guidance to Funders.</p>	i-ii) Publication of guidance. Surveys show evidence of embedding in Departmental practice.	i-ii) CWG, ACD, OGC, HMT
<i>Good practice to be better implemented.</i>	7. Local public sector bodies, particularly local authorities, to open their procurement processes and opportunities more widely to the VCS.	<p>i) Guidance and good practice to be promoted with local authorities and other bodies.</p> <p>ii) Disseminate lessons learnt from the “lead funder” pilots into public sector (such as local authorities, PCTs, Local LSCs and other Government agencies operating locally) funding practice.</p>	<p>i) Surveys show evidence of progress on full cost recovery and satisfaction with funding processes. Survey of Evaluation of Local Government Procurement Agenda supports Compact engagement.</p> <p>ii) Lessons from “lead funder” pilots learnt – leading to greater efficient handling of VCS funding (eg reduced transaction costs etc).</p>	<p>i) ACD, ODPM</p> <p>ii) ACU, RCU, GOs</p>

Background	Target	Actions required to achieve target	Measure of success	Leads*
Supporting VCS Compact implementation				
<i>Compact awareness has been increasing but there is more to be done to embed the Compact within VCS organisations' and public sector bodies' work more effectively.</i>	<p>8. Engage the VCS so that organisations know, use and understand the Compact.</p> <p>9. Raise awareness with public sector bodies on need to implement the Compact and Codes.</p>	<p>i) CWG Secretariat to continue programme of work to support Local Compact development, deliver a programme of communications including to promote Compact Week, work with key public sector bodies and VCS organisations.</p> <p>ii) Increase awareness of role of Compact as tool for engaging the community in setting local priorities for Local PSAs, and as basis for partnership working in Local Area Agreements.</p> <p>iii) Disseminate and promote revised Volunteering Code.</p> <p>iv) Strategies, policy documents and guidance to highlight VCS engagement and relationships under Compact.</p>	<p>i) Outcomes of Local Compact Developers Network and other events, feedback from individual organisations, website monitoring, media evaluation.</p> <p>ii) covered in information disseminated in the VCS and government bodies</p>	<p>i) CWG</p> <p>ii-iv) CWG, ACD</p>
Strengthening Partnerships: Next Steps for Compact proposals				
<i>To follow up results of consultation conducted March-July 05, and decisions made on final proposals at Compact Annual Review Meeting November 05.</i>	10. Implement outcomes from consultation.	i) To put in place process for implementing joint recommendations by Government and the CWG coming out of the consultation.	i) Compact Commissioner set up, and plans in place for working with the Commissioner on introduction of <i>Compact Plus</i> .	i) CWG, ACD

*These are the lead bodies with responsibility for taking the target forward, but action will be required from a number of partners in each case.

**Survey information will come from either the State of the Sector Panel set up by ACD or an annual sector survey by CWG.

Explanation of acronyms

ACD	–	Active Communities Directorate
CWG	–	Compact Working Group
DfES	–	Department for Education and Skills
DH	–	Department of Health
GOs	–	Government Offices for the Regions
LGA	–	Local Government Association
LSP	–	Local Strategic Partnership
NDPB	–	Non-Departmental Public Body
ODPM	–	Office of the Deputy Prime Minister
PSAs	–	Public Service Agreements
RCU	–	Regional Co-ordination Unit (ODPM)
RDAs	–	Regional Development Agencies
VCS	–	Voluntary and community sector

Forward look for action plan from April 2006

To inform development of draft action plan a planning seminar (half day) for Compact Commissioner, Compact Working Group (CWG) and the Active Communities Directorate (ACD) will be held.

1. Local Compacts to form basis for partnership working/engaging the voluntary and community sector in local delivery
 - CWG, ACD, Office of the Deputy Prime Minister (ODPM), the Local Government Association (LGA), Government Offices for the regions (GOs) and other government departments (OGDs) to continue to target Local Strategic Partnerships (LSPs) on the development and implementation of Local Compacts, and the organisations involved, including local authorities, Primary Care Trusts (PCTs), NHS Trusts and local learning and skills councils (LSCs). To promote Local Compacts through input to strategies, reviews and guidance covering: community strategies, local area agreements, overview and scrutiny arrangements, and range of other initiatives involving public sector bodies. To examine how local area agreements and safer and stronger community fund agreements are negotiated in a way that is consistent with Compact principles.
2. Work with others to ensure the Compact/Local Compacts are firmly recognised as providing evidence of good partnership working in performance monitoring arrangements
 - Ensure introduction of a Compact Plus system avoids duplication, and begin negotiations with assessors (eg Audit Commission) and local bodies (eg local authorities) on integrating Compact Plus into existing performance monitoring.
3. Work with central and local public bodies to ensure procurement processes are accessible to the voluntary and community sector
 - Commissioner to ensure practices open to challenge through Compact Plus, and promote good practice, working with ACD, ODPM, Office for Government Commerce (OGC), Improvement and Development Agency (IDeA), HM Treasury, GOs and CWG.
4. Departments to show evidence of improved working with the voluntary and community sector
 - To implement voluntary and community sector strategies
 - ACD to work closely with key delivery Departments to identify areas for a step change in voluntary and community sector service delivery
 - ACD to work with Commissioner on timetable for Compact delivery in Departments.

5. Non-Departmental Public Bodies (NDPBs) to demonstrate use of the Compact to improve working with the voluntary and community sector
 - Departments to promote Compact working with relevant NDPBs
 - NDPBs to ensure the Compact is integrated in business planning.
6. Bodies to engage in the Compact at regional level
 - GOs to promote and support Regional Compact development and to sound out regional partners' views on the development of Regional Compacts where none exist
 - GOs to coordinate regional engagement, including working with RDAs
 - ACD and GOs to help regions wishing to pilot models of Regional Compact.
7. CWG to continue to engage the national voluntary sector in the Compact through *Compact Plus*.
8. CWG to review its remit and structure
 - CWG to reflect role on *Compact Plus* alongside continuing role to represent and support the sector on work on the Compact.
9. Establish office of the Compact Commissioner
 - ACD and CWG to work with appointed Commissioner to set up structure of office, including board and staffing.
10. CWG and ACD to inform the Commissioner's work on *Compact Plus*, a model to deliver a step change in the relationship including
 - Drawing up the final version of *Compact Plus* commitments;
 - Assessing and, if agreed, devising a *Compact Plus* voluntary opt-in accreditation scheme; and
 - Support mechanisms for opt-in process.
11. Commissioner, ACD and CWG to promote the Compact and *Compact Plus* in strategies, policy reviews and guidance.

Minutes of the sixth annual meeting to review the Compact between Government and the Voluntary and Community Sector

Date: Wednesday 30 November 2005

Time: 13.00 – 15.00

Location: Royal Institution of Chartered Surveyors, 12 Great George Street, London

Chairs: Meeting jointly chaired by Paul Goggins, Parliamentary Under Secretary for Policing, Security and Communities in the Home Office, and Sir Christopher Kelly, Chair of the Compact Working Group (CWG)

Secretariat: Active Communities Directorate

Present: See Annex

1 Introductions and Welcome

- 1.1** Paul Goggins opened the meeting, and introduced Sir Christopher Kelly, the new Chair of the Compact Working Group. The Compact was at the heart of the relationship between government and the voluntary and community sector. Therefore it was important to review progress on the Compact, where a great deal had been achieved and where more could be done, together.

2 Progress Report on the Joint Compact Action Plan 2004-5

- 2.1** Some of the highlights from the report to the meeting on progress since the last annual review were:
- Reach of Compact had continued to spread – there was evidence of increasing recognition of the need for the voluntary and community sector to have a voice in the work of local authorities, for example
 - 98% of local authority areas have or are developing Local Compacts
 - Compact is recognised in the Comprehensive Performance Assessment (CPA)
 - Regional bodies had become more engaged,
 - New Funding and Procurement Code published and Volunteering Code brought up to date.
- 2.2** It was clear that expectations had risen on what was required on the Compact, and more needed to be done to meet these, and there was a particular need to meet challenges for the Black and Minority Ethnic (BME) sector and small groups.

- 2.3** Progress on funding and procurement practice continued to be patchy and more needed to be done to be satisfied that those working with the voluntary and community sector had the necessary skills in order to make the partnership a strong one. It would be important to implement the new Funding and Procurement Code, and commitment on full cost recovery. There was a clear need for the public sector to build stability into funding arrangements with the voluntary and community sector.
- 2.4** Whilst the Department of Health had not published a voluntary and community sector strategy, it had already made substantial achievements in terms of positioning the voluntary and community sector within the Government's health and social care service reform agenda. This included the recent establishment of the Third Sector Commissioning Taskforce that would be addressing the main barriers to a strong commercial relationship between the public and voluntary sectors in the health and social care field.
- 2.5** OPDM while yet to publish their strategy had, for example, published strong guidance on engagement with the sector in local area agreements (*Local Area Agreements Guidance* June 2005). There was acknowledgement of the significant work they were doing on this agenda.

3 Report and recommendations on proposals to strengthen Compact

- 3.1** Helen Edwards, Home Office, gave a presentation about progress on the proposals from the consultation document *Strengthening Partnerships: Next Steps for Compact* published in March this year. This was based on the meeting paper which set out recommendations to take the proposals forward. The Compact was central to the relationship, and the intention was to see how it could evolve so that it could work better in practice.
- 3.2** The recommendations were to move forward on Compact Plus to refine a clear, more succinct statement of Compact commitments, and assess the feasibility of an opt-in accreditation scheme. Follow-up work included examining how Compact Plus could work in practice, in particular an analysis of the relationship between Compact Plus and Local Compacts to be certain that there was a robust bridge between the two. Unnecessary bureaucratic processes should be avoided in considering an accreditation scheme. The Home Office and Compact Working Group would continue to work together on the appointment of a Compact Commissioner to oversee Compact and Compact Plus, and work on the Office's structure and remit.
- 3.3** Paul Goggins stated that the proposals were about building on the existing Compact: this was not about replacing the Compact but taking it forward. Sir Christopher Kelly welcomed the stage reached with the proposals, and productive relationship between the Home Office and CWG. There was a need to appoint the

right person, ensure their independence and work together on commitments and potential accreditation scheme, to make sure a two tier system was avoided and to ensure BME and small groups were included.

3.4 Comments were invited from others present:

- There was the suggestion that a link with a Parliamentary committee would reinforce the independence of the Commissioner;
- It was noted that a significant shift had been made by health bodies and local authorities. This momentum needed to be maintained in moving towards Compact Plus to maintain momentum whilst recognising that an aggressive or mandatory approach to enforcement might not necessarily be the best way forward;
- Poor procurement practices were creating a barrier to voluntary and community sector opportunities to increase its working in partnership with the public sector therefore improving the funding processes, streamlining the Compact, and an opt-in accreditation scheme could all be important drivers for change;
- We need to go beyond process in recognising the importance of the sector's role in public service delivery reform and building capacity within communities to tackle many social problems;
- The gap between rhetoric and reality for the voluntary and community sector needed to be filled. Issues of capacity and skills for working in partnership needed examination and also the recognition that resources going into public service reform are used to maximum effect;
- The voluntary and community sector has become part of the appraisal process (through CPA) and was also involved in local strategic partnerships– these needed to be developed further rather than create new processes;
- It would be important to get the system right, and ensure we don't leave parts of the sector out.

3.5 The meeting agreed that work should move forward to appoint a Compact Commissioner. His or her remit (and any changes to it) should be jointly agreed between the CWG and Home Office, and the CWG would be involved with the Home Office in the appointment of the Commissioner. Work would move forward also on analysing the relationship between Compact Plus and Local Compacts, and on examining existing accreditation schemes and how a Compact scheme could link to these. The independence of the Compact Commissioner would be important, and to ensure this in making the arrangements we would be looking at:

- A joint appointment process, with the CWG involved with the Home Office on the appointment panel, and working in partnership with the Home Office on remit;
- Setting up the Office of the Commissioner as a company limited by guarantee.

On the idea of reporting to a Parliamentary committee, Paul Goggins had mentioned this to the Chair of the Home Affairs Committee. While it had not been decided whether this could be appropriate, he was prepared to give this further consideration.

- 3.6** It would be important for the Commissioner to have early involvement with Local Compacts, and ensure implementation of Compact Plus really makes a difference in terms of strengthening Compact. The point about building and developing existing systems was recognised and accepted because of the need to avoid unnecessary bureaucracy.

4 Relationship at local level

- 4.1** Phil Woolas, Minister for Local Government, spoke about Local Compacts, local area agreements, and the involvement of the voluntary and community sector in local authorities' overview and scrutiny arrangements.
- 4.2** The relationship between Local Compacts, Local Strategic Partnerships and local area agreements could be seen as the three points of a triangle. All three were fundamental to delivering service delivery reform and the engaging communities' agenda. He hoped the sector would play a significant part in the imminent consultation on Local Strategic Partnerships.
- 4.3** Involvement of the sector in overview and scrutiny was an action from the last Compact annual review meeting. OPDM had worked with the Centre for Public Scrutiny on guidance and examples to encourage the involvement of the voluntary and community sector in overview and scrutiny of local authorities' policy. OPDM was also supporting pilot projects in local authority areas to develop the capacity for this.
- 4.4** Richard Catherall, Chair of the Local Compact Developers Network, spoke about views coming from the nearly 150-strong network in the sector. Local Compacts need to deliver and he was encouraged to see the commendations for excellence highlighted in the Compact Working Group annex to the progress report. The network identified lack of resources for Compact work as a major barrier, and partnership funding programmes should cover contributions to Local Compact development in line with the resourcing formula in the Funding and Procurement Code. Also, most importantly Compacts needed to be embedded into existing structures to ensure successful implementation. The network was looking forward to working with the Compact Commissioner on this point. The network welcomed the inclusion of the Compact in the CPA and dialogue was expected with auditors and inspectors.

- 4.5** The Local Government Association (LGA) saw local area agreements as having great potential. But the voluntary and community sector were not normally on public service boards, and there was a need to target Local Strategic Partnerships in engaging with the sector. There were issues with how to engage and work with the sector, given its diverse nature. District councils might have different problems, and might find it easier to engage with the voluntary and community sector, but often on processes (eg CPA and local area agreements) they lagged behind first tier authorities.
- 4.6** There was a need to look at representation of the sector on Local Strategic Partnership boards. On overview and scrutiny, the LGA wanted to look at how the sector could be more involved, and were very interested in how the work with the Centre for Public Scrutiny developed. They suggested it could be legitimate to look at scrutiny of the voluntary and community sector in turn. The meeting felt this could be appropriate.
- 4.7** There is a difference between looking at representation on membership boards and focussing on what needed to be done to inform the devolution agenda, and relationships would need to meet the needs of local areas.
- 4.8** These challenges should be considered by key voluntary and community sector organisations present, and how the sector ought to respond to them.

5 Action Plans

- 5.1** There were two plans to be considered:
- (i) Proposed interim Joint Compact Action Plan for implementation in 2005-6 – to continue to drive work on the Compact, and
 - (ii) Forward look action plan for work from April 2006 – with proposed work to be taken forward following a planning seminar with the Compact Commissioner and others in March.

It would be important to work in partnership with the LGA and others in developing the action plan from April 2006. The meeting welcomed the suggestion that the NHS Confederation should be represented on the work on the Compact.

- 5.2** The meeting suggested that more attention should be paid to NDPB performance, due to the level of funding delivered through these, including the RDAs. More detail was needed on the programme of work departments were to deliver with their NDPBs.
- 5.3** There was need for work to improve capacity for partnership working (eg, like the IDeA does on leadership and peer review).

- 5.4** The meeting agreed the plans, with further work to be done with the LGA and NHS Confederation, and on NDPBs, particularly Regional Development Agencies, and on mechanisms for capacity building. Any further comments could be addressed to the Compact Working Group Secretariat or the Active Communities Directorate. A press notice would be issued on the recommendations for strengthening partnerships and next steps for Compact.

Close

Annex

Attendance list

Government Ministers

Karen Buck, DfT

Liam Byrne, DH

Paul Goggins, HO

David Lammy, DCMS

Ivan Lewis, HMT (also representing Dawn Primarolo, the Paymaster General)

Phil Woolas, ODPM

Local Government

Sir Sandy Bruce-Lockhart, Chair of the LGA

Sir Jeremy Beecham, LGA

Chloe Lambert, LGA

Voluntary and Community Sector

Nick Aldridge, ACEVO

Carl Allen, Islington BME Forum, Vice-Chair of Local Compact Developers network/BME

Code Champion

Paul Barasi, CWG Officer

Mark Blake, CWG Manager

Margaret Bolton, Funding Sub-Group Chair

Sylvia Brown, Action with Communities in Rural England

Stephen Bubb, ACEVO

Richard Catherall, Chair of Local Compact Developers network

Stuart Etherington, NCVO

Trevor Hazelgrove, Salisbury and District Council for Voluntary Service

Sir Christopher Kelly, Chair of the Compact Working Group

Ben Kernighan, NCVO

Elizabeth Ladimeji, NCVO

Barbara Lowndes, Tameside Association of Community Organisations, Community Groups

Sub-Group Chair, Community Groups Code Champion

Chris Penberthy, Volunteering England

William Plowden, Consultation Code Champion

Christopher Spence MBE, Volunteering England, Volunteering Sub-Group Chair

Richard Stone, CWG Communications Officer

David Tyler, Community Sector Coalition, Community Groups Sub-Group Vice-Chair

Government Officials

Amy Bishop, Cabinet Office (VCSLO)

John Bone, HMRC

Edel Boyle, DfT (VCSLO)
Simon Broadley, DCMS
Mark Carroll, HO
Lindsay Coombs, Regional Co-ordination Unit, ODPM (VCSLO for RCU)
Debbie Edwards, HO
Helen Edwards, HO
Amanda Finlay, DCA (G3 Champion)
Flora Goldhill, DH (G3 Champion)
Dan Gregory, HMT (VCSLO)
David Hale, Charity Commission (VCSLO)
Anne Jackson, DfES (G3 Champion)
Shivarni Matharu, FCO
Jay Modhwadia, CPS (VCSLO)
Miranda Pascal, DfES
Amogene Parris, ODPM
Stephen Pickford, HMT (G3 Champion)
Roger Pugh, DWP (VCSLO)
David Rayner, ODPM (VCSLO)
Alan Riddell, ODPM (G3 Champion)
Tracey Sisley, HO
Rear Admiral Peter Wilkinson, MOD (G3 Champion)
Holly Yates, Defra (VCSLO)

Stuart Deaton, Audit Commission
Andrew Denney, NAO
Grace Williams, NAO

Press

Nathalie Thomas, Third Sector

Apologies

Government Ministers

Baroness Ashton, DfT
Rt Hon the Lord Goldsmith QC, AGO
Rt Hon Margaret Hodge MBE, DWP
Beverley Hughes, DfES
Jim Knight, Defra
Rt Hon Alun Michael, DTI
Gareth Thomas, DfID
Don Touhig, MOD
Lord (David) Triesman, FCO
Cabinet Office

From devolved administrations (invited as observers)

Malcolm Chisholm, Scottish Executive
David Hanson, Northern Ireland Office
Edwina Hart, Welsh Assembly Government

Voluntary and Community Sector (Compact Working Group)

Caryl Agard OBE, Social Business Company
Annie Bell, Norwich and Norfolk Voluntary Services
Shamsher Chohan, Community Development Exchange, BME Sub-Group Vice-Chair
Kevin Curley, NACVS
Fazilet Hadi, RNIB
Shakila Sharif, NACVS
Liz Stuart, Nuneaton and Bedworth CVS

Government officials

Andrew Campbell, Regional Co-ordination Unit, ODPM
Rosie Chapman, Charity Commission
Alan Davey, DCMS
David Evans, DTI (G3 Champion)
Ann Frye, DfT
Vic Hogg, HO
Peter Kane, Cabinet Office
Mark Lowcock, DfID
John Mills, Defra
Jonathan Portes, DWP
Caroline Rookes, HMRC
Seamus Taylor, CPS
Graeme Thomas, FCO
Jane Todd, Government Offices for the Regions

Marilyn Lister, Audit Commission

Helen Hughes, IDeA

Those invited to the meeting included government ministers with responsibility for VCS issues, members of the CWG, departments' Grade 3 Champions, representatives from the NAO and Audit Commission.

Progress Report against the Joint Compact Action Plan 2004-5

Summary of progress

The reach of the Compact has continued to grow. At least 98% of local authority areas now either have or are in the process of developing a Local Compact. A wider range of bodies have become involved. The Comprehensive Performance Assessment gives greater recognition to the way in which councils are increasingly using partnership working to deliver local services. There is new guidance on involving the voluntary and community sector in local authorities' overview and scrutiny arrangements. The Compact principles are being used to strengthen local area agreements. Government Departments and Government Offices for the regions (GOs) have been working with Non-Departmental Public Bodies (NDPBs) and Regional Development Agencies (RDAs) respectively. All Departments have now published or are finalising voluntary and community sector strategies.

We have published a new Funding and Procurement Code of Good Practice, to bring guidance on contractual relations into the Compact framework, which was not covered in the original Funding Code. The Volunteering Code has also been revised and updated.

This is a summary of some of the highlights from the progress report.

The full progress report should be available at www.activecommunities.homeoffice.gov.uk.

Report and recommendations on proposals to strengthen Compact

These recommendations have been prepared in the light of responses to the Home Office's proposals in *Strengthening Partnerships: Next Steps for Compact*. After the consultation period was over, representatives of the Home Office's Active Communities Directorate (ACD) and the Compact Working Group (CWG) met to present recommendations on next steps for Compact in the light of responses to the proposals in *Strengthening Partnerships*.

The members of the working group were

For CWG

- Nick Aldridge – ACEVO (deputy Mark Hunter)
- Carl Allen – Vice Chair of Local Compact Development Network
- Mark Blake – CWG Manager
- Shasher Chohan – CWG BME Vice Chair
- Elizabeth Lademeji – NCVO

For Home Office

- Debbie Edwards (ACD) – Chair
- Nick Montgomery-Pott (ACD) – deputy Balraj Sandhu
- Tracey Sisley (ACD) – secretary

The Home Office is very grateful to the members of the CWG who attended the Next Steps for Compact working group and for their help and advice in taking matters forward.

The ACD also commissioned MORI to analyse the responses. MORI presented its findings both to the Next Steps working Group and the CWG. MORI's report will be available at www.activecommunities.homeoffice.gov.uk.

In general, the responses indicate that the Home Office's proposals in *Strengthening Partnerships* have support in principle. Work needs to be done to ensure that any implementation of the proposals is achievable, realistic and that it underpins Compact and enables it to develop. The existence of Compact demonstrates the willingness of both sides to improve their relationship – the following recommendations are proposed in order to ensure that the relationship can be a robust and strong one.

The recommendations below can be categorised as follows:

a) **action now:**

- i) start the process for appointing an independent Office of the Compact Commissioner;
- ii) agreeing the remit for the Commissioner;

- iii) commission consultancy work into building the bridge between Compact Plus and Local Compacts;
 - iv) commission consultancy work into a comparative study of existing accreditation schemes, drawing from public sector examples and also those used in the VCS sector;
- b) **action for the Commissioner to take forward:**
- i) refining the core commitments proposed for Compact Plus in consultation with key stakeholders to be sure that the commitments are achievable and realistic, and can deliver results
 - ii) work on assessing the feasibility of an accreditation scheme
- c) **Structural issues** – ie the role of CWG and the ACD in the Home Office.

Recommendation 1: Compact and a set of core commitments

Whilst the proposals in *Strengthening Partnerships* have broad support in principle, there needs to be further work to refine them in consultation with key stakeholders to be sure that they are achievable and realistic, and can deliver results. This work is to be done by the Compact Commissioner – see recommendations 3 and 4.

In addition, the Compact Commissioner will be asked at the outset to work with government departments to ensure that Compact is being properly observed by individual departments and their agents. To demonstrate Home Office's recognition of the importance of the Commissioner, Home Office ministers would like the Commissioner to have the Home Office first on the list of departments to visit.

The responses to *Strengthening Partnerships* indicate that it is clear that the principles at the heart of the set of core commitments proposed for Compact Plus have received strong support.

This work should ensure that the Compact Plus commitments remain closely related to Compact and the associated codes. The Commissioner should work with public authorities to see how they can properly observe Compact ways of working, in particular by opting-into Compact Plus as soon as possible, especially when considering purchasing services from VCS bodies.

In order to assist the Commissioner in this, the Home Office will take forward analysis in December 2005 on establishing how the links between Compact Plus, Compact and local Compacts can work. A particular part of this analysis will be to assess the feasibility of local Compact partners to agree to opt-into Compact Plus, thus developing their commitment to working in partnership through individual Compacts.

In taking this work forward, the following points need to be remembered:

- Compact Plus should best build on existing Compacts (particularly those at the local level) so that agreed Compacts should continue to apply whilst partners consider when might be a good time to opt-into Compact Plus;
- any set of core commitments should be implemented so as to enhance existing agreed Compacts or those shortly to be reviewed;
- a two-tier VCS sector should be avoided (ie not exclude those who choose not to opt into Compact Plus – this is a particular concern for small bodies, rural bodies and BME groups).

Recommendation 2: taking forward work on assessing the feasibility of an accreditation scheme

This recommendation builds on the recognition that an accreditation scheme if well implemented can indicate and clearly demonstrate a body's willingness and ability to adopt best practice. Thus, for example, a Compact Plus accreditation scheme would demonstrate how organisations are prepared to operate within the Compact Plus commitments, and because these link to Compact and the associated codes, to Compact. The response also indicated that there needs to be a mechanism to address poor practice, particularly over funding and procurement. Accreditation schemes can lead to incentives to promote best practice. Equally, for them to be effective, they should not lead to red tape or over-regulation. In taking this forward, the Commissioner could also take forward work on the feasibility of introducing an accreditation scheme or kitemark, drawing from lessons learned from other similar schemes, most notably IIP.

Therefore, in recognition of these points, recommendation 2 asks the Commissioner to assess the feasibility of such a scheme. If this indicates that an accreditation scheme can and should be introduced, the Commissioner would be invited to take it forward, including the following:

- any proposals would need to weigh up the pros and cons of introducing an accreditation scheme, in particular to ensure that the VCS is not exposed to onerous monitoring requirements or duplication of effort with any other schemes;
- how to create incentives for opting-into Compact Plus and operating properly with the principles of Compact;
- how some form of redress could be introduced if behaviour is not compliant;
- how to build on, or draw from, existing accreditation schemes, thus avoiding placing unnecessary monitoring and regulatory burdens.

To help this work in the early stages, ACD is prepared to commission consultancy work on comparing and contrasting existing accreditation schemes, drawing from public sector examples and also those used in the VCS sector.

Recommendation 3: the Compact Commissioner should be independent of government and the VCS in order to promote and oversee Compact and Compact Plus

To that end:

- The Home Office is to start process of appointing the Compact Commissioner as soon as possible after Compact Annual Meeting on 30th November;
- The Home Office and CWG will agree the terms of reference for the Commissioner (and subsequently agree any changes to the terms of reference);
- The appointment process should involve the sector, either through Sir Christopher Kelly or his designated representative;
- As the appointment will be at a senior level, it will be subject to the guidelines set out by the Office of the Commissioner of Public Appointments (OCPA);
- The Home Office will also assist the Commissioner on establishing his or her board and supporting staff, in conjunction with CWG.

Behind this recommendation is the agreed view that the Commissioner:

- should have the ability and status to achieve the step change needed to make the relationship between government and the sector more effective;
- have access to an advisory board, consisting of representatives of government and VCS organisations (including at least one of a small or medium VCS);
- should create links with other regulatory and inspectorate bodies (eg Audit Commission, NAO, Local Government Ombudsman) to avoid overlap and to create economies of scale;
- be based in an independent body, preferably a company limited by guarantee (as alternatives do not give the right degree of independence).

Recommendation 4: Commissioner's functions

Broadly, these should be to:

- promote all aspects of Compact, including Compact Plus, including the necessity that Compact works in an inclusive way across all parts of government and the VCS;
- oversee Compact, including Compact Plus, through adjudication, arbitration and review (including be responsible for the Compact Mediation Scheme);
- run the Compact annual review, in partnership with CWG and Home Office;
- foster networks of those working on Compact and Compact Plus;
- evaluate and develop Compact/Compact Plus (including the Compact codes);
- provide support at national and local level on Compact and Compact Plus;
- be someone to turn to should a body breach Compact Plus commitments and ultimately any Compact agreements;
- arrange peer and thematic reviews of rules of engagement;

- assist in the engagement of BME, rural and small groups, raising awareness of Compact and Compact Plus and promotion of diversity and inclusiveness;
- ensure that the effectiveness of the Office of the Commissioner is properly evaluated and reviewed.

These functions reflect the desire to ensure developments of Compact and the introduction of Compact Plus:

- work at the local level and not undermine existing partnerships or Local Compacts; and
- do not marginalise VCS bodies that may not want to sign up to Compact Plus formally and that still want to work within Compact ways of working.

Recommendation 5: Role of CWG to be reviewed so that it

- represents the sector on work on Compact and Compact Plus;
- continues to assist local networks in support of Compact and Compact Plus development and implementation;
- is a first point of contact for the VCS on Compact related initiatives;
- assist the Commissioner in accessing the VCS;
- reviews Compact Codes with the Commissioner;
- reviews its current remit and structure to reflect these roles.

Recommendation 6: Role of Home Office (ACD) should be to:

- resource the work of the independent office and staff whilst respecting the arm's length nature of the relationship between it and the Office;
- help promote the wider role of the VCS in public sector reform and delivery;
- assist the Commissioner in accessing public authorities;
- support networks at all levels of government in relation to Compact/Compact Plus;
- retain commissioning/funding of CWG;
- be a first point of contact for public sector bodies in relation to wider initiatives that have an impact on the VCS.

A regulatory impact assessment will be published shortly following decisions on funding issues.

Contact information

This publication and further information
is available on the Compact website at

www.thecompact.org.uk

or at

www.activecommunities.homeoffice.gov.uk

Or for hard copies of this publication, please contact:

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