

Refreshing the Compact: A framework for partnership working

Compact on relations between
the Government and the Third
Sector in England

A Consultation
Paper

July 2009





CabinetOffice
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for the **Compact**



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A consultation paper

Topic of this consultation	This consultation is about the national Compact on Relations between the Government and the Third Sector in England.
Scope of this consultation	The consultation document contains, and seeks comments on, the draft of a “refreshed” or revised version of the Compact. The draft was produced by the Commission for the Compact in collaboration with the Office of the Third Sector, Compact Voice, the Local Government Association and others. The revised draft is intended to bring the Compact up to date with the changes in the law, policy and practice that have occurred since the Compact was established. The purpose of the consultation is to allow people and organisations - national, regional or local - in the public sector and in the third sector to give their views on the draft revised Compact and to influence the final text.
Geographical scope	England only. The Compact does not apply in any of the other territories of the UK.
Impact assessment	Evidence collected from the responses to this consultation will be used to assess the impact of the proposed changes on organisations in the public sector and in the third sector.
From	The consultation is being conducted by the Commission for the Compact.
To	Anyone interested in the conduct of relations between organisations in the public sector and organisations in the third sector, at national, regional or local level.
Duration	The consultation starts on Monday 20 July 2009 and ends on Monday 12 October 2009.
Enquiries	To download copies of this consultation paper or to complete an online version of the consultation questions, and for general information about the consultation, please visit: www.thecompact.org.uk www.compactvoice.org.uk www.cabinet-office.gov.uk/thirdsector

A consultation paper

Enquiries (cont.)	<p>For printed copies of the consultation document please telephone Ben King at the Commission for the Compact on 0121 237 5918. He will also consider any requests to receive the document in an accessible format.</p> <p>To ask about the content, scope, timing or any other aspect of the consultation please telephone Andy Forster at the Commission for the Compact on 0121 237 5916.</p>
How to respond	<p>To respond to the consultation by email</p> <p>If you are in the third sector, please email: refresh@compactvoice.org.uk</p> <p>If you are in Local Government, please email: info@lga.gov.uk</p> <p>If you are in other public sector organisations including National or Regional Government, please email: refresh@thecompact.org.uk</p> <p>To respond to the consultation by post</p> <p>Please write to: Compact Consultation The Commission for the Compact 77 Paradise Circus Queensway Birmingham B1 2DT</p>
Other ways to become involved	<p>There will be a series of consultation events organised by, or on behalf of the Compact partners: the Commission for the Compact, Compact Voice, the Office of the Third Sector, and the Local Government Association. Details of these events will be available at: www.thecompact.org.uk</p>
After the consultation	<p>Responses to the consultation will be carefully analysed by the Compact partners and a summary published. The final version of the refreshed Compact, taking account of the views expressed during the consultation, will be published in November 2009.</p>
Code of Practice on Consultation	<p>This consultation complies with the Code of Practice on Consultation (July 2008), whose consultation criteria are set out on page 6.</p>

Handling of information provided in response to this consultation

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Commission for the Compact. The Commission will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

The consultation criteria

1. When to consult

Formal consultation should take place at a stage when there is scope to influence the policy outcome.

2. Duration of consultation exercises

Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

3. Clarity of scope and impact

Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

4. Accessibility of consultation exercises

Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

5. The burden of consultation

Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

6. Responsiveness of consultation exercises

Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

7. Capacity to consult

Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

Introduction

Since the Compact was launched in 1998, the size, scope and dynamics of the third sector have evolved rapidly. Relationships with public bodies have become more complex, while public bodies better understand the distinctive value of the sector. Many third sector organisations also play a dual role, both as a partner of the Government, and as part of a dynamic civil society campaigning for change, identifying need and providing services.

The Government and the third sector use the Compact as a framework for partnership working because it recognises and supports the contribution each partner can make to better services, facilities and opportunities for individuals and communities. This reflects the fact that a genuine partnership allows each partner to do what they do best, making a difference by improving quality and increasing effectiveness. Working together in this way also brings wider benefits; it facilitates better working relationships across the Government and the third sector, deepens mutual understanding and develops trust and respect.

Earlier this year, the then Minister for the Third Sector, Kevin Brennan MP, and the Chair of Compact Voice, Simon Blake, asked Sir Bert Massie, the Commissioner for the Compact, to begin the process of “refreshing” the Compact documents.

There is a consensus that a refresh of the Compact is needed to bring the documents up to date while preserving the sound and enduring principles on which the Compact was founded. The refreshed Compact must look and feel relevant to public bodies and third sector organisations of all sorts. It must be free from duplication or repetition. It must be clearer as to what organisations have to do to implement it and to fulfil their commitments under it.

The process by which the draft refreshed Compact in this consultation document has been produced was designed to ensure that, although the language of the Compact has been improved, it has retained the key commitments of the original. Indeed, in several respects commitments have been strengthened and new commitments introduced on subjects (such as the commissioning of public services, and subcontracting) on which the original Compact was largely silent. There is a clear audit trail of how specific undertakings from the original documents have been translated into the refreshed document. Details are available on request.

The refreshed Compact will be supplemented by implementation documents which explain in more detail how the Compact should be put into practice. They will explain the relevance of the Compact to particular audiences, how the commitments relate specifically to that audience, and provide other useful information such as examples which practitioners can follow. Suggestions for topics are welcome.

If there is a lesson to be learnt from the first 10 years of the Compact, it is that policies, however admirable and widely agreed, need support to be implemented. A significant part of refreshing the Compact documents is to improve implementation of both the specific commitments which the documents set out as well as the broad principles on which they are based, so that the benefits of partnership working between the public sector and the third sector can be more fully realised. The object of this consultation paper is to stimulate debate on the contents of the Compact. We invite readers to comment on the draft refreshed Compact and to address the consultation questions listed on pages 10 to 12.

Consultation questions

1. Scope of the sector

The Compact should be relevant and applicable to the wider third sector. However, the level of engagement of individual organisations with the Compact depends on their relationship with public bodies.

- 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. This commitment was added in response to concerns that Compact implementation in this area is sometimes problematic, and that there is confusion about whether the Compact applies to 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?
- 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, or do you have any other comments on the consultation document?

The rest of this consultation paper contains the proposed content for the refreshed national Compact on relations between Government and the Third Sector in England.

Compact on relations between the Government and the Third Sector in England

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Part 1 About the Compact

What is the Compact

The Compact is a partnership agreement between the Government and the third sector in England. It sets out commitments on both sides which, if met, improve the quality of partnership between sectors and the outcomes from these relationships. This national Compact also provides a framework for Local Compact negotiation.

It was developed from recommendations made by the Deakin Commission Report on the *Future of the Voluntary Sector*¹ and from the policy document *Building the Future Together*². The Deakin Commission concluded that the Government should recognise the legitimacy of the third sector's diverse roles and its own responsibility to promote a healthy sector.

Third Sector, Voluntary and Community Sector and Civil Society are just a few of the terms used to describe some or all of the organisations that are not part of government or the private sector. There is no agreed or universal definition with groups self-defining and determining who and what they are. However, their defining characteristic is that they are value-led for public benefit.

The Government uses the term 'third sector' to describe voluntary and community organisations, charities, faith groups, social enterprises, cooperatives and mutuals both large and small. This term is used throughout the document to reflect the wider group of organisations potentially included in the Compact. However, it is understood that each term comes with values attached and that no term is acceptable to all.

¹ Future of the Voluntary Sector, Deakin Commission Report, 1996

² Building the Future Together: Labour's policies for partnership between Government and the voluntary sector, Labour Party, 1997

Why the Compact is still relevant

Since the Compact was launched in 1998, the size, scope and dynamics of the third sector have evolved rapidly. Relationships with public bodies have become more complex, while public bodies better understand the distinctive value of the sector. Many third sector organisations now play a dual role, both as a partner of the Government, and as part of a dynamic civil society campaigning for change, identifying need and providing services.

As well as engaging in independent, voluntary and community activity, there is now widespread recognition that the third sector is a critical and integral provider of a wide range of public services. The Government acknowledges the third sector's role in designing and delivering these services, and also recognises that this should not compromise the independence of the sector in providing a voice for individuals and communities to be heard.

It is this breadth and depth of partnership working that makes the Compact even more relevant today. Its first decade established a shared understanding and language of partnership working. By building on this, the Compact continues to underpin the vibrant partnerships between the Government and the third sector, which ensure:

- Better outcomes
- The ability to build capacity
- Increased choice, voice and access
- Joint service planning
- Reduced costs of working together
- Personalised, flexible services that are tailored to needs
- Reach to all regardless of background or means
- Value for money.

What the Compact can help achieve

A genuine partnership allows each partner to do what they do best, making a difference by improving quality and increasing efficiency. The Government and the third sector use the Compact as a framework for partnership working because it recognises and supports the contribution each partner can make to better services, facilities and opportunities for individuals and communities. Working together in this way also brings wider benefits; it facilitates better working relationships across the Government and the third sector, deepens mutual understanding and develops trust and respect.

The Compact sets out how the Government and the third sector, by meeting their respective commitments, can achieve the maximum benefit from partnership working.

Following and implementing the Compact can help partners achieve:

- Equity in relationships
- Informed policy decisions based on the expert knowledge of groups working directly with people on the ground
- Better services that reflect the needs of users
- Progress towards a more equal society by identifying and tackling inequality and discrimination.

Part 2 Compact values

Values shape our behaviour. Although Compact partners have different accountabilities, there are shared values, principles and behaviour which should govern the way they work together.

The Compact is a statement of these shared values, and upholding them will help the Government and the third sector work together successfully. They underpin, and form the basis of, the relationship. These values reaffirm the original principles of the Compact, but also renew and extend them.

Compact shared values:

- **Voluntary action:** This is at the heart of a free and democratic society. Volunteer time is of significant value, and the contribution of volunteers should be recognised.
- **Independence:** This needs to be respected whatever financial or partnership relationships exist. Third sector organisations remain entitled to campaign, within the law, to advance their aims, to manage their own affairs and to highlight issues which are important to them.
- **Partnership:** The Government and the third sector achieve more through cooperation and collaboration than they can achieve separately.
- **Trust and respect:** It is only through openness and honest communication that a strong partnership can be maintained; meaningful dialogue should be the basis for resolving difficulties.
- **Accountability:** The Government and the third sector are answerable to different people in different ways, but the need to act with objectivity, transparency, accountability and integrity is common to all.
- **Diversity:** A diversity of organisations and approaches brings innovation and choice that is of value to all.
- **Equality:** The Government and the third sector working together will promote equality for all people, and to tackle discrimination on the basis of race, age, disability, gender, sexual orientation or religion or belief.

Part 3 Who does it apply to?

The public sector

Central government is signed up collectively to the Compact. It applies to all central government bodies in England, principally:

- Government Departments (including Non-Ministerial Departments)
- Executive agencies
- Non-Departmental Public Bodies
- Government Offices for the Regions.

Along with other public bodies at regional and local level, including:

- NHS organisations including Strategic Health Authorities and Primary Care Trusts
- Local government.

The diversity of the third sector

Unlike the Government, the third sector consists of independent organisations. There are around 140,000 general charities in England, the majority of which are very small, community based organisations with incomes of less than £10,000. Many of these organisations rely on the contribution of volunteers. Beyond charities, there are estimated to be around 55,000 social enterprises, over 4,500 cooperatives with 11.2 million members, housing associations with assets of £55.6 billion, as well as many further parts of the sector such as mutual organisations and faith groups³.

³ The figures in this section are drawn from the UK Civil Society Almanac, NCVO, 2009, where you can find more information on the size and scope of the sector.

Who does it apply to?

The Compact's relevance and application includes but extends beyond registered organisations to encompass wider civil society. This includes organisations and groups active at a local or community level, of which there are estimated to be around another 500,000, making them by far the most numerous part of the sector. These are usually small, unfunded or modestly funded and largely dependent on voluntary effort. They are unlikely to be engaged directly in delivering publicly-funded services and should be recognised as distinct from the larger, professionally staffed agencies, which are most visible in third sector profiles.

Community groups' main relationship is with local public bodies through Local Compacts rather than through central government via a national Compact.

Community groups organise around their own local issues, working together directly on areas of concern and learning through active participation and reflection on their actions. This contributes to the development of specific knowledge and experience which, among other things, leads to:

- Providing an authentic and distinctive voice for residents and service users
- Building relationships and networks in neighbourhoods and communities, providing self-help and mutual support that builds social capital and community cohesion
- Developing and delivering services, often locally and informally, based on direct knowledge of community needs.

Within the third sector, there are many equality organisations that give a voice to the most marginalised groups and individuals in society. These equality organisations identify and provide services that would otherwise not be carried out by mainstream provision, and campaign for permanent change to secure the provision of a more equitable future.

The contribution and value of volunteers and voluntary action is one of the distinguishing characteristics of the third sector and is intrinsic to the Compact. The Compact establishes conditions that enable and encourage all to give their time freely. Volunteers commit their time and energy to benefit society and communities in many different ways, by providing services and activities, trusteeship, through to active engagement as citizens in sustaining communities.

Who does it apply to?

For the purposes of the Compact, volunteering is defined as an activity that involves spending time, unpaid, doing something that aims to benefit the environment or individuals or groups other than (or in addition to) close relatives. There are four principles which are fundamental to volunteering: choice, diversity, mutual benefit and recognition.

- **Choice:** Volunteering must be a choice freely made by each individual
- **Diversity:** Volunteering should be open to all
- **Mutual benefit:** Both the volunteer-involving organisation and volunteer should benefit from the relationship
- **Recognition:** There should be recognition of the value of the contribution of volunteers.

By following the Compact, third sector organisations ensure that their partnership with public bodies is as effective as possible.

How the national Compact links to Local Compacts

Compact values underpin successful local partnerships. They are also reflected in the local performance framework for local authorities and their statutory partners. The majority of relationships between the third sector and public bodies exist at a local level. When the Compact was first published in 1998, it included a commitment to be rolled out to local areas for adoption and adaptation. Now, all areas across England are covered by Local Compacts.

Local Compacts are based on the same values and commitments as the national Compact, which sets the context and provides the framework for Local Compact negotiations between the third sector, local government and other public bodies. The vision of effective partnership and a Compact way of working are common to all. However, Local Compacts vary from area to area in their detail, to reflect distinctive local issues and partnership arrangements.

Part 4 The Compact commitments

For all relations between public bodies and third sector organisations, the Compact agreement is a tried and tested framework for developing positive partnership working and resolving disagreements and disputes.

The Compact commitments encompass:

Involvement in policy development (pages 23 to 27)



Allocating resources and commissioning (pages 28 to 40)



Achieving equality (pages 41 to 50)



Involvement in policy development

This section explains:

- How involving the third sector early on in policy development helps the Government to make informed policy decisions
- How involving a wide and varied range of groups in developing policy results in more responsive policies and services
- What principles and actions underpin effective consultation.

Third sector organisations have expertise in many areas, often because they work directly with people and groups on the ground and understand their needs, providing innovative approaches rooted in the needs of their beneficiaries. Some organisations provide a voice for their users, and have knowledge of alternative ways of working or types of support that work for particular individuals and equalities groups. Other organisations are potential providers of services, able to inform the Government of the impact of proposed changes to the funding environment.

Involvement is a continuous process from the earliest stages of policy development to ensure engagement on policy issues by both sectors. It includes a range of methods at different stages from informal engagement with third sector organisations on a particular issue to full scale public consultation, or anything in between.

Involving and consulting the third sector effectively helps the Government make informed decisions that result in effective policy for people and communities.

This part of the Compact is consistent with the Government Code of Practice on Consultation⁴, which sets out criteria to be followed for formal, public, written consultation exercises. However, the Compact applies to both consultation under the Code of Practice and also to other types of consultation involving the third sector. The effect of the Compact may therefore be broader in scope than the Government Code of Practice and should be used in conjunction with it as well as Cabinet Office's report and handbook entitled *Better Together: Improving Consultation with the Third Sector*⁵. As both the Code and the Handbook emphasise, the principles set out there are underpinned by public law. Public bodies should always ensure that they take appropriate legal advice on the scope of their legal duties when entering into consultation exercises.

⁴ Code of Practice on Consultation, HM Government, July 2008
www.berr.gov.uk/files/file47158.pdf

⁵ Better Together: Improving Consultation with the Third Sector, Cabinet Office, 2008
www.cabinetoffice.gov.uk/third_sector/consultations/improving_consultation.aspx

Commitments for the Government and public bodies

1 When to involve

The earlier the third sector is involved in policy development, the more likely that the Government can fully benefit from the sector's contributions, and draw on them to develop effective policies and services for communities. Giving advance notice of forthcoming consultations makes it more likely that organisations will be able to plan their work effectively and make time to respond. Government or public bodies should:

- 1.1 Inform the sector of progress in developing policy, through ongoing dialogue.
- 1.2 Involve the sector from the earliest stages of policy development, on all issues likely to affect it. This can include empowering communities to start discussions within affected communities themselves.
- 1.3 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.

2 Who to involve

Third sector organisations should be at the heart of contributing to policy development that affects them, bringing their relevant knowledge on policy issues. However, many find it difficult to respond to consultations or cannot be reached directly. Often, equalities groups will fall into this category as well as many community groups. Spending time and resources helping these groups and those they represent to be heard, ensures their knowledge contributes to policy development and enables the Government to develop better and more responsive policy. Government or public bodies should:

- 2.1 Identify and remove barriers which may prevent certain parts of the sector being heard. Be mindful that some organisations are entirely volunteer run or use other languages, and be aware that sometimes those attending meetings may not be able to cover their own expenses.
- 2.2 Encourage and facilitate the full range of third sector organisations that are likely to have views on an issue, such as community groups, to respond to the consultation.
- 2.3 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.

3 How to involve

Third sector organisations can provide the best and most informed responses if consultation methods are suited to the purpose and the audience, and enough time is allowed for response. Some organisations are asked to respond to many consultations, so it is helpful to consider how to reduce the potential burden and ensure each consultation is not duplicating other current or previous exercises.

While written consultation is often one of the most effective approaches, in some cases alternative methods of involvement such as focus groups, surveys, and open meetings are more appropriate and may draw out better responses⁶. Such methods may particularly help to involve smaller groups who find it difficult to respond to written consultations.

These alternative methods can be used alone, to supplement a more formal approach, or as part of a programme of broader ongoing dialogue with the sector. Taking care to ensure these methods provide real opportunities for influencing policy and are not tokenistic, leads to better quality engagement from the sector. In addition, keeping third sector partners informed of the different consultation methods being used and the reasons for this, helps to build trust and good working relationships. Government or public bodies should:

⁶ For guidance on different methods, please see Better Together: Improving Consultation with the Third Sector, Cabinet Office, 2008
www.cabinetoffice.gov.uk/third_sector/consultations/improving_consultation.aspx

- 3.1 Where possible, give early notice of forthcoming consultations so that organisations can plan ahead.
- 3.2 Publicise consultation exercises widely and design them to be accessible to the people they are intended to reach. Informal discussion prior to the consultation can help with this.
- 3.3 Use a variety of different consultation methods that are suited to the intended audience and resources available. Be clear about the reasons for selecting particular methods.
- 3.4 Consult the sector in an open and meaningful way. Make it clear upfront which matters are open to change, analyse responses carefully and provide feedback afterwards to explain how respondents have influenced policy decisions.
- 3.5 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 to known busy periods or holidays.
- 3.6 Make third sector organisations aware of the consulting organisations obligations under the Freedom of Information Act 2000 and, where it is appropriate to do so, protect the confidentiality of information that has been supplied by a third sector body for the purposes of the consultation.
- 3.7 Welcome and respond to feedback from consultation exercises in partnership with relevant organisations.

Commitments for the third sector

4 **Effective engagement**

The Government and public bodies need to receive good quality responses to consultations, so they can ensure they are basing policy decisions on sound and relevant information. Taking care to respond effectively to consultations helps to build the Government's trust in the sector and a commitment to listening to its views in future. Working in this way also helps the sector to build good communication and relationships within and between organisations on issues of shared concern. Third sector organisations should:

- 4.1 Involve members, beneficiaries, volunteers, and trustees, when preparing responses to consultations. Provide feedback to them on what information is presented to the Government and the outcomes of doing so.
- 4.2 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.
- 4.3 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.
- 4.4 Give voice to the specific needs, interests, or contributions of equalities groups.
- 4.5 Be aware of the consulting organisation's obligations under the Freedom of Information Act 2000 and, where it is appropriate, respect the confidentiality of information which has been supplied by Government or a public body for the purposes of the consultation.
- 4.6 Encourage other organisations to get involved in government consultations, for example, by circulating information on consultations using networks or mainstream and specialist infrastructure bodies.

Allocating resources and commissioning

This section explains:

- How third sector organisations can help government and public sector design and deliver better services
- How creating the right conditions for service delivery can help ensure outcomes are achieved
- What principles and actions are required to create a healthy financial relationship with third sector organisations.

Third sector organisations are often well placed to understand what people want and how their needs can be met. Using the experience and expertise of third sector organisations to co-design services and programmes will contribute to achieving services that focus on outcomes and reflect the needs of individuals and communities. Although many of these organisations receive no public funding, they still have an important role in shaping and reviewing policies and programmes by representing the views of users and communities.

An effective process for managing resources encourages the widest range of organisations to bid or apply. This increases the opportunity to select the most appropriate organisation to deliver services. Third sector organisations can focus best on achieving outcomes when contract and delivery terms are proportionate and manage risk appropriately.

In an increasingly complex environment, consistency of approach can be difficult. Following these commitments helps to ensure a positive financial relationship, which maximises consistency and the achievement of positive outcomes.

This section reflects good practice in commissioning and is relevant to the entire commissioning cycle from the pre-consultation stage through to evaluation. It is consistent with the HM Treasury's *Guidance to Funders*⁷, the National Audit Office's *Decision Support Tool*⁸, HM Treasury's *Managing Public Money*⁹, and HM Government's *Intelligence Monitoring: Principles of Proportionate Monitoring and Reporting*¹⁰. It is also reflected in the *NHS Framework for Managing Choice, Co-operation and Competition*¹¹, as well as the *Principles and Rules for Co-operation and Competition*¹², and relevant aspects of the *PCT Procurement Guide for Health Services*¹³.

⁷ Improving financial relationships with the Third Sector: Guidance to Funders and Purchasers, HM Treasury, May 2006
www.hm-treasury.gov.uk/spend_ccr_guidance.htm

⁸ Decision Support Tool, National Audit Office
www.nao.org.uk/guidance_and_good_practice/toolkits/better_funding.aspx

⁹ Managing Public Money, HM Treasury, February 2009
www.hm-treasury.gov.uk/psr_mpm_index.htm

¹⁰ Intelligence Monitoring: Principles of Proportionate Monitoring and Reporting, Cabinet Office, September 2008
http://www.nao.org.uk/guidance_and_good_practice/toolkits/intelligent_monitoring.aspx

¹¹ Framework for Managing Choice, Co-operation and Competition, Department of Health, May 2008
www.dh.gov.uk/en/publicationsandstatistics/publications/publicationspolicyandguidance/dh_084779

¹² The NHS in England: The operating framework for 2008/9 Annex D - principles and rules for co-operation and competition, Department of Health, December 2007
www.dh.gov.uk/en/publicationsandstatistics/publications/publicationspolicyandguidance/dh_081098

¹³ Primary Care Trust Procurement Guide for Health Services, Department of Health, May 2008
www.dh.gov.uk/en/publicationsandstatistics/publications/publicationspolicyandguidance/dh_084778

Commitments for the Government and public bodies

5 Programme planning and service design

Third sector organisations are often well placed to understand the needs of service users and provide innovative responses based on those needs. Involving organisations in the design of services and focusing on outcomes can help ensure resources are directed appropriately, risks and solutions identified, and that services are delivered to reflect users' needs. This does not compromise competitive neutrality when done appropriately¹⁴. The involvement in policy development section of this document identifies how best to involve the widest possible range of organisations. Government or public bodies should:

- 5.1 Focus on outcomes in programme planning and service design, providing scope for innovation where possible.
- 5.2 Recognise that programme and service design takes time and begin the process well in advance of the expected start date.
- 5.3 Involve all organisations likely to have a view from across the sector and provide early notice of the need to be involved and plan for the time and resources they may need to contribute. This is especially important for volunteer-led groups that do not meet regularly.

¹⁴ Buy and Make a Difference - How to Address Social Issues in Procurement, The Office of Government Commerce (OGC), 2009
www.ogc.gov.uk/documents/social_issues_in_public_procurement.pdf

6 Selecting finance and funding options

Choosing the most appropriate funding model helps increase the success of a programme or service. Making a decision requires consideration of the outcomes, knowledge of the current provider market, contract size and the market development objectives of your organisation. This will help to secure the most appropriate organisation to deliver outcomes. Government or public bodies should:

- 6.1 Consider the full range of financial options available to deliver outcomes. This can include grants, competitive procurement, loan finance, training, use of premises and other support. It may be appropriate in some cases to use a combination of these. Provide an explanation for the chosen decision.
- 6.2 Ensure the size and scale of the funding arrangement reflects the objectives and attracts those organisations best placed to deliver the desired outcomes.
- 6.3 Consortia and partnership bids take time to be developed. Discussion with stakeholders can help understand the time required.
- 6.4 Apply Compact commitments when distributing European funding. Where conflicts with European regulations arise, the Compact should form the start of a conversation on how best to address outstanding concerns.

7 Managing the supply chain

The way public services are delivered is becoming increasingly complex and devolved, with prime and sub-contractors from different sectors and large and small organisations working together. Government or public bodies should:

- 7.1 Ensure that sub-contractors and all other public and private bodies distributing public money apply Compact principles.

8 Application and bidding processes

Organisations have different capacity and resources to develop and respond to financial opportunities. A well managed application stage will encourage a diverse range of organisations to apply. Government or public bodies should:

- 8.1 Ensure documents are:
 - Publicised widely
 - Proportionate in length to the amount being allocated
 - Accessible and in Plain English and in other suitable languages
 - Consistent and contain enough information for organisations to make an informed decision on whether to bid or apply.
- 8.2 Ensure criteria and other information requested is relevant and ensure that organisations are not unreasonably excluded. Aim to standardise and coordinate forms across funding bodies.
- 8.3 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.
- 8.4 Consider approaches to how organisations can be supported in making their applications. This could, for example, involve briefing sessions or training sessions.
- 8.5 Be clear and transparent about how bids will be assessed.

9 Understanding costs

Third sector organisations, like any other, cannot operate effectively without resources for their core functions. Funding bodies have an interest in ensuring that organisations are able to manage and administer their activities properly. Back office functions are as vital to achieving success as other more visible activities. They are often ignored by funders, which can lead to funding gaps and instability for the third sector organisation concerned. Government or public bodies should:

- 9.1 In grant programmes, allow organisations to appropriately allocate and recover relevant and reasonable overhead costs.
- 9.2 Recognise volunteering time as a match funded contribution and give due consideration to other legitimate costs including those associated with enabling access to volunteering roles, training, involving and managing volunteers and reimbursement of their expenses.
- 9.3 In procurement, recognise that organisations will need to include relevant administrative costs in the price they consider appropriate to deliver the required service.
- 9.4 For the delivery of contracts, the requested breakdown of costs should be consistent for organisations in all sectors.

10 Making decisions

Selecting the most appropriate organisation to deliver services is vital; it helps achieve objectives and improve outcomes. The award criteria need to be selected to enable the funder to choose the provider who is best placed to achieve the desired outcomes. Government or public bodies should:

- 10.1 Ensure financial commitments are made on the basis of value for money with consideration given to social impact and the value provided by the involvement of volunteers.
- 10.2 Award financial commitment for three years or more. Where this is inappropriate, provide a clear explanation about how social or economic benefit or other desired outcomes are best met by shorter-term funding.
- 10.3 Make funding decisions and inform organisations in advance of the expected start date. Three months' notice should be the norm and any departure from that should be justified and explained.
- 10.4 Provide feedback to unsuccessful organisations, with an emphasis on learning, as this will help in future applications.

11 Agreeing delivery terms

Discussing and agreeing terms in advance creates a clear and shared understanding of respective responsibilities and allows organisations to focus on delivery. Government or public bodies should:

- 11.1 Discuss the financial and other risks to the project and agree delivery terms before a financial agreement is signed. Delivery terms and risk should be proportionate and risks allocated to the organisation(s) best equipped to manage them.
- 11.2 Ensure that terms are reasonable and appropriate to the nature and value of the financial opportunity and standardise these where appropriate.
- 11.3 Agree, before signing a contract, a process for managing performance and responding to changing circumstances. Discuss all changes when they occur, including any resource implications.
- 11.4 If outcomes are at risk, discuss and agree a timetable of actions to improve delivery before making a decision to end a financial relationship.
- 11.5 For grants, agree how under spend will be managed.

12 Making payments

Payment terms that are appropriate to the nature of a service and organisation increase the chances of outcomes being achieved. Smaller community organisations may not have the reserves to cover delays in payments. Discussing payment terms helps build positive working relationships and allows organisations to focus on delivering the best possible results. Government or public bodies should:

- 12.1 Payments should be made in advance of expenditure where there a clear need and where it represents value for money.
- 12.2 In all cases, payments should be made within 10 days of invoices being received.

13 Monitoring and reporting

Appropriate monitoring reduces costs, time and resources for both sides and means that time and effort can be focused on delivering services. Appropriate monitoring can encourage potential organisations to bid or apply, minimise risk and can provide assurances that value for money is being achieved. Government or public bodies should:

- 13.1 Discuss and agree how outcomes will be monitored as early as possible and before a contract or funding agreement is signed.
- 13.2 Be clear as to why information is being requested and how it will be used.
- 13.3 Work towards monitoring and reporting arrangements which are joined up, obtained from existing sources or standardised.
- 13.4 Ensure that monitoring and reporting is appropriate to the nature and value of the financial opportunity. A successful approach focuses on evidence that is meaningful to beneficiaries as well as funders.
- 13.5 Consider how service users can be involved as this helps organisations focus on service delivery and provide a service user led perspective of performance.
- 13.6 Ensure that monitoring is not discriminatory, for example, by considering the impact on smaller community organisations and equalities groups.
- 13.7 Offer feedback from assessments and monitoring.

14 Concluding a financial relationship

Funding may end for a variety of reasons including the expiry of a grant or contract period, as a result of decommissioning or changes in service user needs, where outcomes have been achieved, or where performance has not met agreed standards. How this is managed will have implications for beneficiaries and the organisations concerned. Careful consideration is required to minimise any negative impacts on individuals, organisational stability or future partnership working. Government or public bodies should:

- 14.1 Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding and take steps to ensure that paid staff posts are not displaced by volunteer roles.
- 14.2 Where there are future resource constraints, engage organisations in early, honest conversation. This can lead to positive partnership working to jointly tackle difficulties.
- 14.3 Give a minimum of three months' notice when ending a funding relationship and provide clear reasons as to why the decision was taken. Give organisations an opportunity to respond and consider the response before making a final decision.
- 14.4 Review programmes or services in conjunction with relevant third sector organisations to inform future practice.

Commitments for the third sector

15 Contributing to planning and service design

The contribution of the third sector to the design of services and programmes is a key role. It is an opportunity to use specialist experience and expertise to ensure that planned services accurately reflect the needs of service users and that any risks in delivery are addressed. Third sector organisations should:

- 15.1 Involve service users, contribute constructively and focus on how outcomes can be maximised when designing or reviewing services and programmes. Respect confidentiality.
- 15.2 Be transparent about who is being represented and where the legitimacy comes from.
- 15.3 Provide feedback to contributors on representations made, the outcomes, and any consequences.

16 Making applications and bids

By making sure organisations are eligible to apply for funding, and that the financial objectives meet their aims, organisations will make best use of resources. Having clear partnership or consortia working arrangements demonstrates to funders that the risk to outcomes not being achieved has been minimised. Third sector organisations should:

- 16.1 Ensure eligibility. Be clear on the reason for bidding or applying to deliver services or programmes and how the tender or application process will be managed.
- 16.2 Ensure there is understanding of how taking on a funding stream will impact on the organisation, relate to its mission and contribute to the organisation's income mix.
- 16.3 When developing partnership or consortia working arrangements, be clear which organisation is ultimately accountable.
- 16.4 Properly allocate costs or price when applying or bidding, considering the cost of monitoring.

17 Agreeing delivery terms

Clarity over the terms of delivery helps services to be delivered more effectively. Proportionate conditions and acceptable payment terms allow the focus to be on service delivery and maximising outcomes for service users. Third sector organisations should:

- 17.1 Be clear on the risks associated with service delivery and negotiate and agree delivery terms before a contract or funding agreement is signed.
- 17.2 Have appropriate governance arrangements in place and ensure all those involved understand and agree to delivery terms.
- 17.3 Be clear on payment terms and, if appropriate, demonstrate why payment in advance is required.
- 17.4 Recognise it is legitimate for funders to ask for public recognition of their funding.
- 17.5 Have proportionate systems in place to manage and account for finances.

18 Monitoring and reporting

Managing funding effectively requires good monitoring. Monitoring also promotes better working relationships with funders where information is shared. Third sector organisations should:

- 18.1 Discuss and negotiate monitoring and reporting requirements before a financial agreement is made.
- 18.2 Ensure that there are systems in place to deliver the reporting prior to commitment.
- 18.3 Be honest and transparent in reporting and provide early notice of significant changes in management, financial or other risks.

19 When a financial relationship ends

Contingency planning for the end of a contract or grant helps minimise the impact on service users, identify alternative income sources and fulfil obligations as good employers. Planning in this way can help with long-term sustainability. Third sector organisations should:

- 19.1 Plan for the end of funding to reduce any potential impact on service users and the organisation.
- 19.2 Contribute positively to any review of programmes or services to inform future practice.

Achieving Equality

This section explains:

- The importance of the relationship between Government Departments, other public bodies and the third sector in tackling discrimination and promoting equality
- How the partners can work together to eliminate discrimination and advance equality and good relations.

The framework for equality

Delivering equality and fairness for everyone, regardless of their background, is a core value of our society, shared by the public sector and the third sector. Challenging economic times make this more important, not less: fairness is the best foundation for individual rights, a prosperous economy and a peaceful society.

Over the last four decades, discrimination legislation and related policy has played an important role in helping to make Britain a more equal society. This has included duties on public bodies in relation to race, disability and gender equality. Much has been achieved, but there is still much to do, and new law under consideration by Parliament looks to extend such duties to other equality strands. Society has changed enormously over the last few decades and is continuing to change: society is more diverse, and the population is ageing. This brings both new opportunities and new challenges to tackle.

Both public and third sectors have roles to play in achieving the vision of equality and fairness for everyone. Working together on this agenda means we are stronger. The Compact provides the framework for us to do this.

The role of the third sector in promoting equality

Organisations within the third sector play an important role in representing, acting as advocates for and providing services to people who have explicit protection in equality law, for example, because of their race, age, sex, sexual orientation, religion or belief, or disability. If they deliver services or provide goods or facilities on behalf of public bodies, they will also be bound by the race, gender and disability duties which exist in equality law.

Approaches to delivery can never be “one-size-fits-all”, and people in each “equality strand” (which include race, gender, age, sexual orientation, religion or belief, disability, gender reassignment) are diverse. While inclusiveness should generally be the hallmark of efforts to promote equality, it may sometimes be necessary to provide services specifically targeted at individual groups within the community. This can promote community cohesion by giving disadvantaged groups the tailored support they need to play a full part in the community as a whole, for the benefit of themselves and others.

Locally, equality organisations within the third sector, which work to promote equality for people who possess specific shared characteristics, often work together with the local public sector, and may also be involved in designing and delivering services to them. At national level, the Equality and Human Rights Commission works with equality organisations within the third sector, representing BME communities, women, older people, disabled people, and lesbian, gay, bisexual and transgender people, and monitors the implementation of the equality duties.

A good working relationship with these organisations, based on the Compact and through the work of the Equality and Human Rights Commission and the Government Equalities Office, will help the public sector foster good relationships with such organisations, and therefore better understand the needs of the people they represent which, in turn, should lead to better outcomes for those people and reduced inequality.

This section puts in place principles to ensure both sectors work together better to reap the benefits of diversity and to meet their mutual duties to promote equality.

How the third sector works with diverse groups

The third sector already works with diverse communities in many different ways - indeed, many organisations have sprung from the communities themselves in response to expressed needs or to promote greater equality of opportunity. The following examples cover ways in which the third sector works with communities protected by the existing equality duties (race, gender, disability).

- **Organisations representing Black and Minority Ethnic (BME) communities**

BME third sector organisations are fundamental to achieving equality and fairness for diverse communities. There are an estimated 17,000 third sector organisations in England, led and managed by BME communities. They deliver a range of services from health and social care, housing, employment, education, advice and advocacy, cultural and recreational services and immigration support. The sector is not homogenous and, as a result, a single BME organisation will be supporting people from a diverse cultural heritage.

BME third sector organisations range from very small self-help groups to those that provide support to front-line organisations. An intrinsic aspect of their role is addressing discrimination based on race, religion and ethnicity. The majority of BME groups rely on public sector funding for their survival. However, BME groups have also been vital in delivering public service contracts because of their reach and understanding of local communities.

- **Organisations representing the interests of women**

Women's third sector organisations range from informal self-help and community groups to large charities. Of the registered charities in England and Wales, 7 per cent have a specific focus on women. These organisations provide a range of (often life saving) services to some of the most disadvantaged women in society. Because effort is needed across the board to ensure women's equality, specialist women's organisations cover every major issue including health, violence against women, employment, education, rights and equality, the criminal justice system, and the environment.

Because of the wide-ranging nature of issues which affect women, organisations which represent the interests of women can advise on the development of "gender neutral" policy across the spectrum of services. Sometimes the sensitive nature of such services may require women-only provision to be developed.

- **Groups based on an affiliation to, or the ethics of, a religion or belief**

Religion and belief are protected under English law. In law, the term "religion" is broadly defined by reference to a clear structure or belief system, and includes (but is not restricted to) the major world religions: Christianity, Islam, Hinduism, Judaism, Buddhism, Sikhism, Rastafarianism, Baha'ism, Zoroastrianism and Jainism. The term "belief" is defined as an idea or system of ideas (for example humanism) which has achieved a degree of cogency, seriousness, cohesion and importance, is worthy of respect in a democratic society and is not contrary to human dignity. The term "religion or belief" is also taken to include a lack of religion or belief.

Organisations which are based on principles of religion or belief have a long history of promoting social action within communities and form an important part of the third sector.

Groups based in particular churches, or in communities founded on particular philosophical or social ideas, often have a greater understanding of the needs and cultural norms of particular groups, and public bodies often work in partnership with such groups in order to provide better services to these hard-to-reach communities.

- **Organisations representing older people**

Public bodies and third sector organisations will need to serve a growing number of older people as well as a new generation of young people, meaning that service providers need to age-proof their work effectively to serve different age groups. For instance, young people may want information to be relayed to them through new technological solutions, but many older people have never used the internet and would prefer to receive information in a more traditional manner.

However, providers must be careful to avoid making generalised assumptions; service users across the age ranges may have a need for different services, but chronological age should not be relied upon on its own as an indicator of an individual's need for services. Third sector organisations that focus on age will often be providing vital services to people who also belong to other equality strands and cover a wide range of areas, including employment, financial advice, education, training, advocacy, health and care services, and crisis intervention.

- **Organisations representing people with a disability**

There are 11 million disabled people in the UK and over 1,000 Disabled People's Organisations (DPOs) covering a wide range of impairments and community issues. DPOs make up a specific and distinct part of the third sector, local communities and wider civil society. They are often run and controlled by disabled people and therefore well placed to represent their views, and can help mainstream public service providers to achieve a better understanding of disabled people's everyday experience.

DPOs have a strong role to play in promoting human rights and inclusion, challenging disablism and discrimination, delivering innovative and enabling services, and promoting disability pride. They actively support the public sector and wider society in becoming more inclusive of disabled people, and provide a wide range of services, advocacy and support to disabled people.

- **Organisations representing lesbian, gay, bisexual and transgendered people (LGBT)**

The diversity within the LGBT community represents a microcosm of society - as such, their areas of interest are wide ranging, including health and social care, housing, domestic violence, hate crime, employment and education. LGBT organisations endeavour to provide both services and policy representation in these areas.

Although a comparatively small component of the third sector, and often small-scale and run by volunteers, LGBT organisations are important in undertaking campaigning, providing specific or specialist support services, or simply bringing LGBT people together for social activities, interests or peer support. Accordingly, they often work in partnership with public authorities to provide sensitive and tailored services to LGBT people.

Commitments for the Government and public bodies

20 Promoting equality and tackling discrimination

Promoting equality and diversity is a shared goal of the public and third sectors, which benefits both sectors. In order to support this approach and actively promote co-operation on promoting equality, Government or public bodies should:

- 20.1 Have strategies in place for how it will work effectively with the third sector on equality and diversity issues, and in meeting its duties under equality law. Relevant organisations should be involved in the development of these strategies.
- 20.2 Work together with organisations in the third sector, and in particular those which represent equality groups, to understand the specific needs of people from equality groups, and to design services that can accommodate those needs.
- 20.3 Have due regard to the need, in partnership with third sector organisations, to eliminate discrimination, advance equality of opportunity and foster good relations between groups.
- 20.4 Ensure that equality organisations have fair and equal opportunities to access Government funding programmes, including funds to build capacity, prepare and deliver projects
- 20.5 If it contracts with third sector organisations to deliver services on its behalf, be clear about the equality goals or actions such organisations should undertake.
- 20.6 If withdrawing a strategic grant from an equality organisation, evaluate the impact and consider whether the funding can be re-allocated to another organisation in the same part of the sector

- 20.7 Take reasonable steps to 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.
- 20.8 Undertake an assessment of the equality impact in advance of all relevant policy and funding decisions.
- 20.9 Work with the third sector to identify and remove any barriers which prevent volunteering by particular groups.
- 20.10 Continue to work to ensure that there are no charges for volunteers when accessing Criminal Record Bureau (CRB) checks and commit to free registration of volunteers with the Independent Safeguarding Authority (ISA) .

21 Representation and infrastructure

The Government and public bodies, central and local, already provide support for organisations in the third sector that enable the voices of diverse groups to be heard, and provide for representatives of diverse groups to sit on partnership boards and decision-making bodies. There are simple steps that the public sector can take to improve the effectiveness of this engagement. Government or public bodies should:

- 21.1 Ensure that equality groups are represented on partnership and boards which make decisions that affect them, or are consulted on such decisions, and that the value of their input is recognised.
- 21.2 Recognise and value the work of organisations which involve or serve specific equality groups, and that such provision can promote cohesion and is valid under equality law.
- 21.3 Enable specialist infrastructure organisations to participate in policy development, consultation or other activities, by supporting them appropriately and building their capacity to be involved.
- 21.4 Provide a broad range of funding options to support those organisations within the third sector working with diverse groups.
- 21.5 Recognise that groups which involve people from equality groups at community level are often small and informal, and apply policy and regulations to such groups in proportion to their size and capacity.

Commitments for the third sector

22 Promoting equality and diversity

The third sector has a strong part to play in promoting equality by ensuring that it works together with the Government on equality issues and meets the highest standards of equality practice. Where it delivers services on behalf of public bodies, it needs to ensure that it complies with its duties under equality law. Third sector organisations should:

- 22.1 Take practical action, in partnership with the Government, to eliminate discrimination, advance equality of opportunity and foster good relations between groups.
- 22.2 Show committed leadership at senior levels in the effort to promote equality, and put strategies in place where necessary to achieve it.

23 Representation and infrastructure

Third sector organisations are ideally placed to represent the views of people from equality groups. However, it is important that they should be credible and inclusive in this representative role. Third sector organisations should:

- 23.1 Be clear on who is being represented and how their views have been gathered, when views from particular communities of interest are put forward.
- 23.2 Engage with the Government and the public sector in the selection of representatives from organisations and communities, to achieve clarity on who they represent and with what legitimacy they do so.
- 23.3 Build responsive representative infrastructure organisations that can promote the broad range of interests of equality groups.
- 23.4 Identify groups which are currently under-represented in voluntary activity and put in place measures to ensure their involvement.

Part 5 Resolving differences

Meeting the commitments contained in the Compact is a serious undertaking. Government and the third sector are committed to implementing the Compact and ensuring compliance with it as far as possible, except when Compact commitments simply cannot be met. In such instances, the parties to it should be prepared to explain why and show how social and economic outcomes have been achieved by other means.

As far as possible, disagreements over meeting those commitments should be resolved between the parties through open dialogue and negotiation and ideally resolved amicably and informally. It is hoped that the Compact commitments provide a framework for settling differences before they escalate.

The Compact values form the basis of the relationship and where issues are not covered in the commitments, compromise and discussion should be based on these values.

For further advice on how to resolve disagreements, please contact the Office of the Third Sector (for the public sector) and Compact Voice (for the third sector). Contact details can be found in the further information section.

Part 6 Implementing the Compact

Government and the third sector share responsibility as partners for the implementation of the Compact. This involves a joint commitment with regard to Compact principles, championing them at an organisational level, nationally and locally. This will help ensure that it is known, used and followed both through tackling poor practice as well as promoting the wider application of good practice. In this way, the Compact should win the hearts and minds of officials and people in the sector as being good for meeting their objectives and a catalyst to improving how they work in partnership.

Effective implementation requires linking the Compact to policy and processes. Government is making meaningful mentions of the Compact and Local Compacts in relevant policies, procedures, consultations, guidance and publications. Regulatory bodies involved in audit and inspection are already expected to consider the Compact and Local Compacts in their frameworks. By these means, and in co-operation with local partners, links between Local Compacts and policy processes such as Local Area Agreements will be strengthened, Compact principles applied and partnership governance underpinned.

The Joint Compact Action Plan between the sectors is key to implementation, with a Compact Annual Meeting to agree the plan and review progress. These meetings will ensure public bodies respond to issues reported by the third sector and, in turn, that the sector responds to issues raised by public bodies.

Part 7 Further information

Key organisations associated with the Compact

- **Compact Voice**

The independent body representing the voluntary and community sector on taking forward the Compact. It is made up of an autonomous alliance of leading voluntary sector infrastructure organisations with national, regional and local reach, who provide the voice of the sector on Compact issues. It provides an effective source of information and advice for the sector.

Compact Voice has a network of over 1,000 local and national voluntary sector representatives across England. This network provides expertise to support Compact implementation, facilitates the sharing of information and advice between members, and enables them to develop Compact policy and practice.

For more information, please visit:

www.compactvoice.org.uk

- **Compact Advocacy**

The Compact Advocacy Programme advocates on behalf of the third sector to ensure the Government treats the sector fairly. It handles cases for individual organisations when they are having problems with the Government at a national and local level and campaigns on a wider level. The Programme is based at the National Council for Voluntary Organisations and is funded by the Big Lottery Fund.

For more information, please visit:

www.ncvo-vol.org.uk/compactadvocacy

- **Office of the Third Sector**

The Office of the Third Sector leads work across government to support the environment for a thriving third sector (voluntary and community groups, social enterprises, charities, cooperatives and mutuals), enabling the sector to campaign for change, deliver public services, promote social enterprise and strengthen communities.

The department was created in May 2006, incorporating the responsibilities of the Active Communities Directorate in the Home Office, and the Social Enterprise Unit in the Department for Trade and Industry. It is part of the Cabinet Office, at the centre of government in the Cabinet Office in recognition of the increasingly important role the third sector plays in both society and the economy.

For more information, please visit:

www.cabinetoffice.gov.uk/thirdsector

- **Commission for the Compact**

Established in April 2007, the Commission for the Compact is an independent public body responsible for overseeing and promoting use of the Compact. The Commission is sponsored by the Office of the Third Sector and by the Minister for the Third Sector. It was set up to support the Commissioner for the Compact, improve awareness of the Compact and to address the barriers to its adoption and implementation.

For more information about the Compact, please visit:

www.thecompact.org.uk

Further information

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