

Guidance: The case for statutory sector support for local Compacts

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This guidance addresses some previously given reasons that statutory bodies have given when they have been reluctant to sign up and give their full support to their local Compact. It aims to challenge inaccuracies and misconceptions, and also gathers together background information about the Compact. It also provides several examples of where the Compact has had a positive impact on local partnerships.

What is the Compact?

The Compact is an agreement between government and the voluntary and community sector (VCS) in England. It outlines a way of working that improves their relationship for mutual advantage. The Compact can help partners from all sectors to come together to break down barriers and identify shared goals for the benefit of communities and individuals. Every area in England is encouraged to have developed a local Compact which meets local needs and includes different groups and organisations within a community.

Local Compacts: What they are and how they can help

A local Compact is a mutually agreed document and approach to partnership working between sectors. According to a recent Compact Voice annual survey, there are 203 active local Compacts, covering all but 9 local authorities in England - of those 9, most were small districts with plans underway to sign up to a countywide Compact.

Local Compacts have become an established feature of local partnership working in most parts of England, and in most cases provide tangible benefits for all partners - and more importantly - the local community.

In the 2010/11 Compact Voice survey of local Compacts, 88% of respondents (82% of local authority respondents) agreed that “the Compact is important and effort needs to be made to implement it in full”. Local Compacts can work anywhere and where they do, they are highly valued by all.

Why sign up to your local Compact?

Some statutory sector bodies may question why they should sign up to their local Compact – asking questions like ‘why should we sign up to something when our local partnerships

work well at the moment anyway?'. This guidance points out that signing up to a local Compact does not need to be about fixing relationships, but can act as a way of strengthening them.

Signing up to a local Compact also represents standing behind something which has a clearly defined role and recognised purpose, and which is supported across the country and by central government. The Compact has brand recognition and goes beyond being merely a list of activities – it signifies a sense of spirit and an approach which people can understand and respond to without ever needing to read a case study or action plan.

As a statutory sector body, you shouldn't be fearful of signing up to a local Compact – if you are good at partnership working, then why not sign up to it?

Finally, local partnerships in your area might be working well now, but how can you be sure they will always be this good? A Compact way of working is about not only doing things the right way, but committing to continue doing so. It is a way of showing to other partners that you will take a collaborative approach to working together, and that you can be trusted.

The national Compact: Increasing implementation

Sometimes, statutory partners have been reluctant to sign up to their local Compact because of a perception that central government has not prioritised the national Compact.

While it may be true that government hasn't always given the Compact the profile it merits, the current government has prioritised Compact implementation very highly. The Compact was renewed and strengthened by the Coalition government in 2010. Acknowledging the patchy implementation of the Compact prior to this, Prime Minister David Cameron said:

"One of the other elements we've been able to agree very rapidly in our coalition agreement is support for co-ops, for mutuals, for charities, for social enterprises – making sure that the Compact you've got already with government, which we think has been honored more in the breach than the observance, really means something. And one of the early bits of work, I think, is to refresh and renew that Compact."

David Cameron, Big Society launch event 2010

Since then, the improved implementation of the Compact nationally is beginning to have an impact locally. The [Best Value Statutory Guidance](#), published by the Department for Communities and Local Government in late 2011, is evidence of this. The Guidance reaffirms the expectation that local authorities should implement and follow locally agreed Compact principles:

"Authorities should be responsive to the benefits and needs of voluntary and community sector organisations of all sizes (honouring the commitments set out in Local Compacts) and small businesses".

Best Value Statutory Guidance,
Department of Communities and Local Government, September 2011

Recently, the National Audit Office published a report following an investigation about how government departments are delivering their Compact. The report contained a number of recommendations, which called for better implementation of the national Compact by government departments:

"The Compact is important in helping to encourage effective partnerships between central government and the civil society."

Review: Central government's implementation of the national Compact,
National Audit Office, January 2012

In response to the National Audit Office report, Number 10 has made implementing the Compact one of 6 cross-departmental business plan priorities. This means that departments will have to specify how they plan to implement the Compact in their on-going business plans.

"The report highlights that departments are supportive of the Compact and its principles, and identifies a clear way forward for departments to further strengthen their work to ensure the Compact continues to be implemented in a transparent and accountable way... Government and Compact Voice will continue to work closely together to support and promote Compact working in Government."

Nick Hurd MP, [Cabinet Office](#)

How local Compacts can be used to deliver better partnerships

Local Compacts can help to deliver results

Local Compacts can play a crucial enabling role in helping to identify and achieve mutual goals.

The most basic function of a Compact is to provide a space for partners to come together and talk. The nature of the Compact means that partners can talk openly - on an equal footing - and the contents of the Compact ensure that conversations focus on areas of mutual concern.

Case study: Kent Fire and Rescue Service (KFRS)

A group of Fire Service officers in Kent have come to understand more about voluntary sector organisations via a series of seminars about the Compact. They have gained a better understanding of the range and diversity of the VCS and about the advantages of working in partnership with them. Robust steps are now being taken to build relationships with infrastructure charities and local VCS organisations, so that Community Safety officers can extend their work supporting vulnerable people in their own homes.

Working with local voluntary and community organisations will make it easier for KFRS to find people who most need their help, especially those who would not normally access their services, and thus improve community safety.

Local Compacts can help with managing cuts

A common misconception within the statutory sector is that local Compacts make it more difficult for public bodies to decommission their VCS partners.

The Compact recognises that public bodies have a duty to be responsive to economic circumstances. Compact principles around funding arrangements exist to ensure that where cuts need to be made, they are done so in a way which protects service users, manages relationships and promotes sustainability in the VCS.

The Compact offers a template for using the right methods to reach the right decisions. The Compact does not make value judgements on who gets funded or to what extent. Rather, it promotes a continuous conversation between funder and recipient - the VCS can provide information and expertise to inform funding decisions, and funders can raise potential issues at the earliest point.

Case Study: Merton

Conversations between the sectors about how to respond to the recession began in Merton as early as 2008. In July 2010, the Council began consulting with the VCS on how to mitigate the impact of forthcoming cuts. This conversation, which has continued subsequently, helped to identify actions for both parties. The VCS has been able to get a head start on making efficiency savings through collaboration and mergers. This enabled them to lessen the impact of a 10% cut in grant funding for 2009/2010. The Local Authority has since decided to maintain funding at these levels for 2010/2011 after recognising that grants can provide excellent value for money.

Despite making cuts to the VCS, the Council has not only maintained a good relationship with the organisations they fund, but has managed to improve relations by involving them in the process, and earning their trust as a result.

Local Compacts can improve the outcomes of commissioning

Good commissioners need to have a strong understanding of their responsibilities when dealing with the VCS. Embedding the Compact, particularly if a procurement process is being used, can help provide this, and improve outcomes by:

- **Ensuring decisions are evidence based:** Engaging the VCS throughout the procurement cycle helps to ensure that the right outcomes are identified and that the process is well informed.
- **Improving relationships:** The VCS will play an increasingly important role in local service delivery in the years to come. Embedding the Compact into commissioning processes shows a commitment to VCS partners and can help to build stronger, more trusting local partnerships. Equally, when Compact principles are not being followed the VCS may lose trust in the process.
- **Improving outcomes:** Put simply, a process which is fair and transparent for all partners is likely to have the most positive outcomes.

Case Study: Essex

In 2010, a working group made up of representatives from local business, VCS organisations and public bodies sought to simplify and provide helpful guidance on the council's tendering process.

They set about embedding the principles of the Essex Compact into their procurement processes, to ensure they were fair and transparent.

Essex's 'Funding and Procurement Code of Conduct' formalises Compact compliance as an expectation, and Procurement Officers now see compliance as part of their job. The council has sensibly included guidance in this code on how to engage with the voluntary and community sector as well as on the proper procedure for assessing the impact of procurement. As such, more VCS organisations now feel empowered to bid and thanks to a more transparent process feel less aggrieved if their bids fail. The result is an increase in bids that are better informed, and are more likely to be judged on merit.

Local Compacts can drive efficiency and innovation

The voluntary and community sector has unique access to service users, and invaluable experience in navigating and joining up the various points of service provision in a local area. At the heart of this local network of provision are statutory bodies. These large public bodies have both a mandate and the resources to innovate and improve local service delivery. The potential benefit of bringing these two sectors together (along with private sector providers where appropriate) is therefore obvious. Nevertheless, a culture of funder and subordinate recipient persists in many areas.

Whilst the Compact can be perceived as being a set of minimum standards for cross-sector partnership working, it is also true that when it really works well, it aspires to much more. The Compact lays the foundations for a trusting and open relationship which in turn leads to the cross-pollination of ideas between sectors. This can result in better policies and better, more efficient services.

Case Study: Warrington

The implementation of the Compact in Warrington has changed the way the VCS and local public bodies work with each other.

The response to the Council's budget consultation is an example of the positive impact of their local Compact. The Third Sector Network Hub is a partnership group in the area which is linked to both the council and the CVS. Rather than simply making the case for continued funding for their own organisations, the group made suggestions as to where savings could be made without affecting service delivery. A number of these suggestions were ultimately included in the Council's budget.

In dealing with budgetary shortfalls, the Council and the VCS realised that they had a shared interest in identifying joint efficiency savings, which led to practical measures such as sharing envelopes in combined mailings, and enabling local VCS organisations to purchase stationery and office equipment under the Council's contract agreements.

Local Compacts can help public bodies to manage risk

Local Compacts are all about getting things right - but being Compact-compliant can also ensure that costly mistakes are not made.

Local Compacts typically set out standards that bring together strands of Procurement Law, Public Law and statutory duties around equality and diversity. In addition, the expectations laid out in the recent [Best Value Statutory Guidance](#) reaffirm principles already included in most local Compacts.

More importantly, aside from helping to navigate regulatory requirements and statutory expectations, local Compacts can help prevent mistakes that damage the sustainability of local service delivery. In an era of reduced public sector funding, local VCS capacity must be nurtured and developed. The Compact is the best established way to avoid damaging the sustainability of the VCS.

About Compact Voice

Compact Voice represents the voluntary and community sector on the Compact. We are co-signatories on the national Compact, and negotiated its content on behalf of the sector, based on its views.

Our activities and output are determined both by our membership, currently numbering 2800 individuals and organisations across England, and our board, who include representatives from infrastructure organisations such as NAVCA, NCVO, ACEVO, Volunteering England and others. We provide training, support, advice and information about better partnership working to both sectors both nationally and locally, representing the voluntary and community sector's interests and views to government, and championing the Compact.

Resources

The Compact

The National Compact can be downloaded from:

www.compactvoice.org.uk/sites/default/files/the_compact.pdf

View the accompanying Accountability and Transparency Guide at:

www.compactvoice.org.uk/sites/default/files/the_compact_accountability_guide.pdf

Local Compacts: A User Guide

This publication provides a comprehensive overview of local Compacts, and is available as a whole guide or as separate sections covering areas such as 'communicating the Compact to different partners' and 'addressing non-compliance'. Download the Guide from our website:

www.compactvoice.org.uk/resources/publications/local-compacts-user-guide

You can also request a free print copy by emailing us: compact@compactvoice.org.uk.

Compact Voice online resources

Compact Voice have also developed a wide range of publications including toolkits, guidance documents and a wide range of case studies. Visit our Resources section at:

www.compactvoice.org.uk/resources

Compact Voice Engagement team

The Engagement Team operates regionally and provides advice and support to local Compacts. To find out more visit our online Support Menu:

www.compactvoice.org.uk/supportmenu

Other important documents

Best Value Statutory Guidance, Communities and Local Government

www.communities.gov.uk/publications/localgovernment/bestvaluestatguidance

Central Government's Implementation of the national Compact, National Audit Office

www.nao.org.uk/publications/1012/national_compact.aspx



For more information about Compact Voice and how we can help support your organisation or department to better implement the Compact, visit www.compactvoice.org.uk or call 020 7520 2451.