

**RESPONSE TO “REFRESHING THE COMPACT: A FRAMEWORK FOR
PARTNERSHIP WORKING”**

FROM YORKSHIRE & THE HUMBER REGIONAL FORUM

The Regional Forum is the strategic organisation for the voluntary and community sector (VCS) in the Yorkshire and Humber region. The Forum promotes and supports the contribution of the VCS in improving the quality of life for people, and especially those who are disconnected from society and the economy, or who live in disadvantaged communities across our region.

This response has been informed by the views of the Yorkshire and Humber Voluntary and Human Rights Equalities Network and Regional Forum members.

1. Scope of the Sector

- **Is the Compact relevant and applicable to the wide range of organisations that make up the third sector? If not, who is excluded and what would need to change in the refreshed Compact to secure their engagement?**
- **What further steps need to be taken to ensure that the Compact is adopted and implemented by organisations in the public sector beyond central government, including organisations in the NHS, specifically Primary Care Trusts (PCTs), who will already be party to Local Compacts?**

This revised Compact recognises the great diversity of the third sector and it is right to do so. It is therefore inevitable that the Compact itself will be more relevant and applicable to some organisations than to others. For established VCS organisations working directly with public agencies it will be particularly significant; but for small community groups organised around their own local issues it will be less so. We do not see that this is a problem. The Compact cannot be a “one size fits all” solution to a diverse range of needs. In reality, for most of the third sector, we believe that the real issues are to do with Commissioning and Procurement and how these shape the

relationships with public agencies. The Compact does have a role to play here but it is only part of the answer.

We endorse the statement in Part 3 of the proposals that the Compact applies to NHS strategic health authorities, primary care trusts; this is something we specifically asked for in our response to the Compact Debate in November 2008. In the Yorkshire and Humber region, there is increasing evidence to show that PCT's are taking the Compact seriously, (for example in Sheffield), and that the NHS understands the third sector better than some local authorities do. However, we think that the Compact should apply to all public bodies and not just those listed in Part 3.

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?**

We do not believe that the statement in Compact Values on Page 18 goes far enough in recognising the importance of this issue for the third sector. Our view is that it is not just about "respecting" this independence but about "cherishing" and "valuing" it, and we would like to see this reflected throughout the document. This is at the heart of the issue about commissioning and procurement, and the dangers of third sector bodies delivering services under the control of public bodies. We believe that it is crucially important to safeguard the role of the third sector in maintaining an independent voice on behalf of those who are disconnected from society and the economy.

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?**

The Commitments under 'Effective Engagement' in Part 4 cover good practice for sector responses to consultation. There are, of course, other ways in which the sector engages with government which include representation via national organisations and campaigning, but these are not referred to. We welcome this light touch approach to accountability, because the sector is already accountable in a variety of ways and in a variety of contexts. These include statutory regulations and funders. It is worth pointing out that the third sector's unique accountability is to the users of its services, and there is often a tension between satisfying the needs of people in communities and those of statutory organisations.

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?**

The Regional Forum believes that the links between national and local Compacts should be clearer. It is right to give Local Compacts the autonomy to reflect local needs and issues, but simply saying that local compacts are based on the same values and commitments as the national compact is not enough.

There are clearly links between the local and national in terms of achieving national indicator 7 'creating a thriving third sector'. 'Compact Voice' have published a useful pamphlet to raise awareness of this and NI6 (volunteering), and NI4 (influencing decisions). Reference to this link should be made in the refreshed Compact. There is also the potential to make clearer statements about some key principles that the national and local compacts have in common, and must be respected by both. For example; minimum funding agreements, minimum periods of time for effective consultation, and time limits for the payment of funds.

We believe that the Compact should take account of new arrangements emerging at sub regional levels, including City Regions and Multiple Area Agreements. It is important to ensure that Compact principles are flexible enough to apply to all levels of public decision making and governance, and to the way that these may develop over time.

No reference is made in the short section on 'How the national Compact links to Local Compacts' to Regional Compacts. Is this deliberate? There is the potential for the regional and local levels to complement each other and to add value, but, if they exist at all, it is sometimes on paper only. We believe that there should be some clear lines of responsibility from the national, through to regional and local compacts to enable them to function and develop to their full potential.

5. Prime/ sub contractor relationship.

- **How can the subcontracting commitment be strengthened to ensure that the Compact applies to the entire supply chain?**

The Regional Forum welcomes the emphasis on allocating resources and commissioning which is a feature of the refreshed compact proposals. We also agree with the statement in 7.1 'managing the supply chain' to 'ensure that sub-contractors and all other public and private bodies distributing public money apply Compact principles'. The problem is that these principles, (transparency, reasonable timescales etc), are often at odds with the principles of commissioning, (short term, confidential, competitive free market delivery, etc). It is about reaching a pragmatic balance between these that places the end user as the priority.

It might help if the Compact principles were included in sub contracted funding agreements, but there has to be some kind of redress if they are ignored.

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?**

This depends on the circumstances. Most third sector organisations would probably say that 12 weeks was reasonable given limitations on capacity. This is particularly the case for organisations who are consulting widely to inform the response. We believe that there are alternatives to the standard written consultation/ response which central government could use more widely. These include direct face to face contact with organisations, holding open and targeted events in regions with the help of government offices, and a more imaginative use of electronic forms of communication and consultation.

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 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?**

The Regional Forum does agree that a specific commitment on European funding should be included in the Compact. We support the statement in 6.4 which states that the Compact should form the start of a conversation on how best to address concerns in this regard. The Compact Commission carried out research into the applicability of the Compact to European Funding but its findings will not be published until early next year. However, the basic message that EU funding is not exempt from the Compact commitments is clearly accepted.

European rules and protocols are fairly clear about the need to include social partners in projects and programme management arrangements. The issue is about

how the UK Government interprets and applies these through its own departments, agencies, and non-departmental public bodies

We do not believe that it would be sensible for the Compact to attempt to cover 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 whom they buy services or facilities?**

The Regional Forum does not believe that this is an area the Compact should cover. The Compact should focus on the interface between the third sector and public sector in terms of their relationship. It should not attempt to get into the relationship between individuals and the organisations they purchase services or facilities from. Such a move would interpose the Compact between organisations and their beneficiaries, and this would be outside the remit of the Compact.

9. Content and length

- **Are their parts of this document that could be worded more economically so as to shorten it?**
- **Are their parts of this document that are not required?**

We believe that the document is of appropriate length and does not repeat itself. In our response to the Compact debate in 2008 we asked for a re-write of the Compact into one document and for it to be written in clear language. This has been achieved.

10. Equalities strands

- **Does the Compact provide enough focus on the individual equalities strands and the needs of these groups?**
- **If your organisation falls under an equality strand, please let us know the impact of the revised Compact on your organisation's beneficiaries.**

In the section 'How the third sector works with diverse groups' Page 43, examples are given of ways in which the sector works with communities protected by the existing equality duties (race, gender, disability). This section does not however, contain information about how the distinctive needs and characteristics of individual equalities strands. This may be contained in the proposed 'implementation' documents which will explain in more detail how the

Compact will be relevant to particular audiences. If not, some groups may be concerned that the refreshed Compact is not as strong as the original in this respect.

We believe that the Compact should reflect the same principles as other key legislation, including the Equalities Bill, by recognising the differing needs of the wide spectrum of Third Sector organisations, regardless of the equalities strands they represent. Relationships between the Third Sector and statutory agencies should be informed by a human rights based approach which reflects the needs and purpose of each organisation.

11. Further Comments

We would like to reinforce our earlier comment about the changing relationship between the third sector and the state, and the need to maintain the independence and heterogeneity of the former.

We believe that where people and organisations work well collaboratively the Compact has helped to “cement” this existing relationship. The Compact cannot however be used to force this collaboration and cooperation on agencies and individuals where they don’t want to do it.

We believe that the Compact could usefully make reference to the specific challenges presented by the recession, when public funding is in short supply and the need to safeguard the interests of disadvantaged citizens is at its most acute. Clearly the third sector itself is also under threat in times like these.

Finally, we are not clear about the role of the Audit Commission in investigating the role of the Compact when it conducts Comprehensive Area Assessments. If it does have such a role perhaps this need to be referred to in the document?

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