

Partnership working toolkit

For local Compacts and
the voluntary sector



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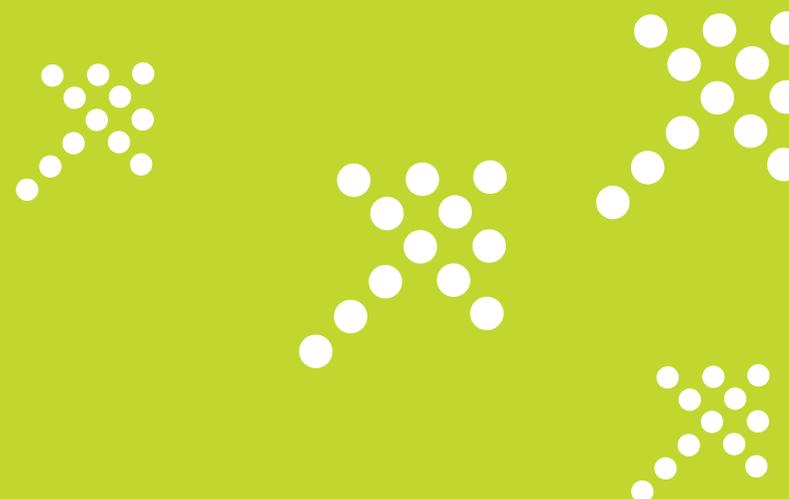
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How Compact Voice can help

Section 1: About the Compact

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Who is this guide for?

This guide is for anyone involved in partnership working across different sectors in England. It is especially useful for those implementing their local Compact agreement, but is equally useful for anyone wishing to improve or strengthen cross-sector partnerships in their area.

This includes:

- Voluntary and community sector (VCS) organisations, which in this guide includes faith-based organisations, social enterprises and community interest companies (CICs)
- Local health services and consortia, including Health and Wellbeing Boards and Clinical Commissioning Groups
- Councils at all levels
- Government departments and civil servants who work with the voluntary sector or who are involved in commissioning services from prime contractors
- Prime contractors distributing public funds to the voluntary sector
- Police services and Police and Crime Commissioners
- Fire and rescue and ambulance services who, for example, work with community groups
- Social housing providers, Housing Associations



- Local Enterprise Partnerships (LEPs) who want to better engage with the VCS
- Any organisation or company responsible for distributing public money to the voluntary sector locally, or who support and resource the voluntary sector in other ways
- Businesses/private sector organisations, especially small and medium enterprises (SMEs) who work within the community or who have Corporate Social Responsibility (CSR) programmes.

About the Compact

The Compact is the agreement between government and the voluntary and community sector. It sets out key principles to establish a way of working that improves their relationship for mutual advantage. It considers areas such as:

- Involvement in policy design and consultation
- Funding arrangements (including grants and contracts)
- Promoting equality
- Ensuring better involvement in delivering services
- Strengthening independence.

Initially launched in 1998, it is in its third incarnation, with the latest version published in December 2010 at the formation of the Coalition Government, to reflect policy developments resulting from the change in government.

Every government department is signed up to the principles of the Compact, and its implementation across government is overseen by the Office for Civil Society which is based within the Cabinet Office.

As well as the national Compact, most areas in England also have a local Compact, which interprets the principles set out in the Compact to reflect local need and circumstances.

The national Compact

The national Compact focuses on five key outcomes. These are:

- A strong, diverse and independent civil society
- Effective and transparent design and development of policies, programmes and public services
- Responsive and high-quality programmes and services
- Clear arrangements for managing changes to programmes and services
- An equal and fair society.

Specific commitments and undertakings for both government and the voluntary and community sector show how each of these outcomes will be delivered.

The principles of the national Compact apply to every public sector body including government departments, non-departmental public bodies, arms-length bodies and executive agencies.

The principles of the national Compact also apply to all bodies distributing funds on the government's behalf to the voluntary and community sector. This includes the relationship between prime contractors and their supply chains. The national Compact is accompanied by an Accountability and Transparency Guide, which outlines steps to take at national and local level if relationships break down, including dispute resolution, internal complaints procedures and ombudsmen functions.

About local Compacts

VCS organisations and local public sector bodies should work together for the benefit of local communities.

A local Compact is a mutually agreed document outlining an approach to partnership working and principles and commitments that are shared across sectors. Following these principles and commitments has enabled communities to benefit from greater involvement in policy design, improved reach and understanding, better commissioning and procurement, and better support for the vital role of voluntary and community sector organisations.

Local Compacts cover different local government areas, and can be established at borough, district or county level.

Different partners will have developed and signed up to the principles contained in their local Compact. Signatories can include representation from councils, voluntary sector infrastructure organisations, healthcare organisations, social care organisations, police, fire, housing associations and others. Increasingly, new commissioners such as Police and Crime Commissioners and Clinical Commissioning Groups are signing up to local Compacts. Additionally, other areas have representation from the local Chamber of Commerce and encourage their local Compact to be inclusive of local businesses.

Central themes of local Compacts are:

- Funding arrangements, including procurement
- Consultation and involvement in policy and service development
- Promoting and advancing equality
- Supporting the independence of the voluntary and community sector
- Good volunteering practice
- Working together to continually improve the relationship between sectors.

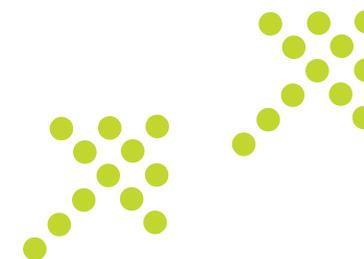


Key strengths of local Compacts include:

- Giving a clear sense of how to work together, and what to expect of each other
- Recognition that sectors working together brings more benefit to communities than working alone
- Clear links between national policy and local policy, accompanied by the understanding that each area is different and has its own approach to meeting needs
- Working together to develop, implement and embed a local Compact builds stronger partnerships
- Enabling both sectors to better manage any disputes or disagreements that may arise by clearly outlining expectations.

Every year, Compact Voice undertakes a thorough survey of every local Compact to determine where they are working well or need support, how many Compacts there are and what areas they cover. The 2013 Annual Survey revealed that there were 165 local Compacts. 97% of local authorities are signed up to a local Compact.

There is an up-to-date list of every local Compact on the Compact Voice website at www.compactvoice.org.uk/compacts-map





Local Compact structures

Local Compacts take the principles of the national Compact and interpret them to reflect local need. Many local Compacts were developed by a 'Compact Group' of decision-makers from local organisations, such as the council, police, NHS, voluntary and community sector organisations and business representatives.

Compact Groups (sometimes known as Compact implementation, working or steering groups) take the lead on making their Compact relevant to local partnerships, community needs and circumstances.

A local Compact is usually supported by a mutually agreed action plan, which may link to other local policies and strategies. Refer to the section 'Action planning, monitoring and evaluation' for more information.

In some local areas, individual organisations will sign up to a local Compact. In others, lead organisations sign up on behalf of the organisations they represent, for example a Council for Voluntary Service (CVS) might sign the Compact on behalf of local voluntary and community sector organisations. Everyone who signs up to the Compact is expected to follow Compact principles when working in partnership across sectors.

The Compact is designed to be responsive to changes in the environment, such as changes to commissioning bodies, reductions in public sector funding, changes in funding opportunities from the EU, or different laws coming into effect. The important thing is that the principles in the Compact should be at the heart of partnership working.

What areas are covered by the national and local Compacts?

The national Compact discussed throughout this document covers England only. The other nations in the United Kingdom have their own versions of the Compact.

Local Compacts exist in almost all 'top tier' local authority areas. 'Top tier' authorities are County Councils, Unitary Authorities, Metropolitan Districts and London Boroughs.



Compacts also exist in second tier local authorities which include District Councils and Borough Councils. The appropriateness of having a Compact at this level is usually determined by local circumstances.

Although the Compact does apply to Town and Parish Councils, they usually do not have specific Compacts. Compact Voice and the National Association of Local Councils (NALC) published 'Guidance for Local (Parish and Town) Councils on the Compact' in 2012, which can be downloaded from www.compactvoice.org.uk.

At a regional level, there are a number of Compact networks. At these, partners from across the region will come together and share what is working well or ask for advice from representatives from other local Compacts in the region. If you would like to find out more about getting involved in a Compact network in your region, or establishing one, contact Compact Voice on compact@compactvoice.org.uk.



A brief history of the Compact

- The first national Compact was established in 1998 and was developed from recommendations in the Deakin Commission Report which concluded that government should recognise the legitimacy of the voluntary and community sector's diverse roles, as well as its responsibility to promote a healthy sector
- The first national Compact was accompanied by a set of codes that helped clarify how the Compact applied. The codes covered Funding and Procurement, Volunteering, Consultation and Policy Appraisal, Community Groups, and Black and Minority Ethnic organisations
- Areas were encouraged to develop local Compacts, using the national Compact as a basis
- The national Compact was refreshed in 2009. The set of codes were adapted to a list of principles covering three areas of commitment: Involvement in Policy Development, Allocating Resources and Advancing Equality

- The national Compact was renewed in 2010, following the establishment of the Coalition Government. An extensive consultation with the voluntary sector was held to determine its contents.
- The Office for Civil Society (OCS) is responsible for implementing the Compact across every government department. Compact Voice works closely alongside OCS to ensure that the views and needs of the voluntary and community sector are represented and understood
- The Compact has cross-party support, and is one of only six priorities outlined in government departmental business plans.

About Compact Voice

Compact Voice is an independent charity with a small team. Compact Voice works to ensure that strong, effective partnerships are at the heart of all relationships between the voluntary sector and government – locally and nationally.

We support the use of the Compact through influencing, sharing positive examples of partnership working in practice and providing expertise. We aim to ensure that communities benefit from the most effective and diverse public services and support.

Compact Voice has members of staff based locally around the country, who can provide practical help and advice on how to get the Compact working effectively in your area.

We:

- Provide training, information and advice on partnership working and the Compact
- Use our influence to ensure that any changes to the policy landscape, which might affect how the Compact is used, reflect the needs and interests of the sector
- Arrange and attend relevant events and conferences
- Work with government departments to make sure they understand why involving the voluntary and community sector is so important
- Develop and publish free briefings, guidance notes, case studies and blogs sharing best practice and new opportunities for partnership working.

The Compact Voice board is made up of representatives from leading voluntary sector organisations, with national, regional and local reach.

A full list of the Compact Voice board members is available at

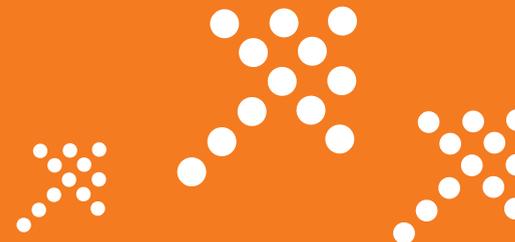
www.compactvoice.org.uk/board



Section 2: Creating, revising and renewing local Compacts

In this section:

- ❖ Creating a local Compact: 6 points to consider
- ❖ Why should you renew or refresh?
- ❖ How to renew or refresh your local Compact: the process
- ❖ Who should be involved in the process?
- ❖ Who should sign up?
- ❖ Establishing a steering group
- ❖ Learning from other areas: case study
- ❖ Next steps



Creating a local Compact: 6 points to consider

There are no rules about how a Compact should be structured or presented, but what follows are some useful guidelines:

1. Good local Compacts are those which reflect the needs, circumstances and aspirations of local partners. A local Compact should be the product of an open discussion between local partners. In fact, a local Compact's strength will likely be determined by the extent to which partners have been engaged in the process.



2. The national Compact provides a useful template on which local Compacts can be based, or from where they can take their inspiration. Indeed, some areas have adopted the national Compact as their local Compact as a temporary measure whilst they update their local document. Other areas have successful local Compacts that are virtually the same as the national Compact, with additional sections such as local dispute resolution processes and local signatories. Local Compacts that are directly based on the national Compact will often swap 'national government' for the name of the local authority to make it more localised.

Local Compacts contain principles which provide a crucial framework for local relationships, but sometimes people find it hard to see how they affect their work on the ground. By providing practical examples (either real or hypothetical) it is possible to make the commitments in the document come alive to new audiences.

3.



4.

Some Compacts are professionally designed documents with pictures and consistent branding, whilst others are simple word documents. There is an argument that says that giving the Compact a distinctive local visual brand can help to raise its profile – but style should not be substituted for substance.



5.

Backing a local Compact up with supporting documents, such as practical guides and toolkits can ensure that people know how to use it, turning it from a wish-list into a powerful tool.



6.

Why do all the hard work when you can look at other local Compacts and copy the best ideas from them? You can find a comprehensive list of local Compacts on the Compact Voice website: www.compactvoice.org.uk/compacts-map



Why should you renew or refresh?

Some local areas will go through a structured process of renewing or refreshing their local Compact. When a renewal or refresh is undertaken will vary from area to area. The average renewal takes place every three to four years.

This guide outlines why it is important to update your local Compact regularly, lists a number of steps to take and things to consider when doing so.

Renew...

Renewing a Compact is the process of giving it a more or less complete overhaul – revisiting each section, deciding if the whole document is fit for purpose, consulting on its contents and in some cases, rewriting it.

... or refresh?

Refreshing refers to a more light touch approach which can be useful when, for example, the actual text of a local Compact is technically up to date, but awareness is poor and it's no longer clear if local partners find the document useful.

Why renew or refresh?

While it is entirely plausible that an older document could be fit for purpose, it is likely that some elements of the text will be out of date. Updating a local Compact should be seen as an important and necessary tool for raising the profile of the Compact with new audiences, alongside aligning it with any new commissioning structures or relevant policy developments– for example, Clinical Commissioning Groups and Police and Crime Commissioners.

Updating a local Compact does not need to be an expensive, lengthy process. Regular Compact renewal can help support and promote partnership working, despite funding cuts and policy changes. It can help to bring new partners on board, remind existing partners of how the Compact is helpful and why it is important. Many local areas will also technically have a local Compact agreement which is rarely used or referred to – refreshing or renewing can help to get local Compacts like this 'off the shelf'.



How to determine if you need to renew or refresh your local Compact

Some things to consider:

1. Is awareness of your local Compact poor?
2. Does it sit on the shelf unused?
3. Is it understood and used by one sector and not another?
4. Has the local landscape changed dramatically with new structures or the closing of some organisations? Or have new policies come into existence?
5. Is the wording out of date?

If the answer to any one of the above items is yes, and it's been more than a year or so since you last renewed, it can be a very worthwhile exercise to undertake.

In some areas, a local Compact is a constantly evolving document that is always changing and is always a work in progress. That's fine – but it can be really useful to consider taking part in a properly structured refresh or renewing process, where all relevant partners are involved in making sure the document is as helpful to all partners as possible.

How to renew or refresh your local Compact: the process

Different areas approach renewing or refreshing a local Compact differently, in a way that suits them. This section presents some steps you can follow, drawing on the experiences of other areas.

Whether renewing or refreshing, the process is much the same. Renewing will be a more in-depth process where the local Compact might be completely rewritten, whilst refreshing often means consulting on and working with an existing document.

1. Determine if you need to review your Compact

Many areas find it useful to send out an initial questionnaire or survey to their contacts, members and partners asking if the local Compact is meeting their needs.

This can be combined with questions about the positive and negative aspects of the local Compact: what partners would like the Compact to look like, what it should include, how it could be improved upon and how it is currently used.



Another approach is to hold an event to answer these questions, encouraging attendees to think about whether the Compact should be renewed, what they think it should include and what they think it should look like.

2. Do a small amount of background research

Have a look at some of the good practice taking place across the country. It can be enlightening to see how the Compact is being used elsewhere and what benefits it can bring.

Speak to others in your region or neighbouring areas about what works for them – you can find a list of every local Compact, sorted by region, on the Compact Voice website at www.compactvoice.org.uk/compacts-map.

Compact Voice also has a library of case studies available at www.compactvoice.org.uk, which provide insights into good practice from across the country.

3. Draft the Compact

It is best to have one person take the lead on the drafting process. It can be very difficult to find the resources and staff capacity to take this on. If your area is particularly pushed, it might be easier to refresh an existing document rather than starting from scratch.

Additionally, some of the most used and well-functioning local Compacts are based almost entirely on the national Compact, with additional principles relating to the local area included. This can be an efficient and low-cost route to take.

Consider drafting a **solid introduction**, with a view to attributing this to a senior local figure, like the leader of the council, mayor or voluntary sector infrastructure chief executive. Use this opportunity to **highlight the benefits** the Compact can bring to both sectors and what difference following its principles can make to fostering open, transparent and trusting relationships.

It is also worth considering a **'tag-line'** for your local Compact. This can help with promotion of your local Compact by making it stand out, can explain its purpose in a sentence and can make it more memorable. 'Working Together – Better Together', or a variation on it, is used by several areas.

It is very helpful to include a **glossary** defining terms used throughout, and clarifying any language that may be unfamiliar to some partners. It's also useful to include **definitions of the terms 'public sector', 'statutory sector' and 'voluntary and community sector'**. This ensures consistency, clarifies which organisations are included in each term and helps both sectors to understand where other organisations sit.

If you have a lengthier local Compact that contains different codes of practice or runs to several pages, consider including a **short summary** of the key principles, commitments and values contained within. Many areas will publish a separate summary document to sit alongside the longer version.

4. Consult on the draft

Consulting widely on the draft Compact may seem like a hassle that will make the whole process take much longer, but it's vital. Areas that take the time and effort to consult widely on a draft invariably end up with a document that suits the needs of all partners, is mutually owned by all sectors, is most responsive to the needs of the wider community, and is easily understood by everyone.

Consulting is also an excellent way of raising awareness of what the Compact is and how it can be useful. The process of consulting on a draft can also be used to encourage local groups from all sectors to sign up to the new local Compact. Some areas also recruit 'Compact Champions' or 'Compact leads' who take on an informal, voluntary role to raise awareness within their own organisations. Compact champions/leads will often place items about a renewal or refresh of a local Compact in internal bulletins and newsletters, put it on the agenda in meetings and let new staff know what the Compact is and how it can help.



A suggested route to follow when consulting is to hold 2-3 events to introduce the draft to relevant parties, who can feedback comments or fill out questionnaires then and there.

Some areas have used an approach at events whereby attendees can mark the commitments in the Compact that they consider to be most important, or to write three recommendations on notecards or post-its and submit these.

It can then be useful to conduct a short online survey and/or mail questionnaire.

The questions you ask will be dependent on the contents of the draft, but you could consider asking questions like:

1. How well does the draft succeed in making the Compact short, simple, clear, definite, relevant and useable?
2. Are the principles/commitments clear and easy to understand?
3. Do you think the local Compact is sufficiently clear about the commitments for the VCS/statutory sector?
4. Are there any sections that could benefit from further explanation?
5. Are there any terms used that need to be defined or explained?
6. Do you think anything needs to be added to the local Compact?
7. Are you happy with the overall aim of the Compact?

8. Are there any commitments you feel are not important or are irrelevant?
9. What is the value of the Compact to you?
10. Do you think the draft Compact addresses arrangements for dealing with disputes in a satisfactory way?

Make sure you publicise the consultation as widely as you can. Email your contacts and ask them to spread the word via newsletters and encourage their colleagues to respond: the more responses received, the more useful the resulting document will be.

Be transparent about how you have taken on board responses. Publish a report providing an overview of responses and how you have taken them on board.

Who should be involved in the process?

It is advisable to get as many 'key' partners involved in the process as possible.

Key partners would be groups or organisations who have a say in how the local area is run. So your two fundamental partners must be the local authority and the local VCS. This can be

difficult as not all areas have a body that could be said to speak for the local VCS, but many do have a local voluntary sector infrastructure body and these organisations are often best placed to represent their local sector. After these two core partners it is also worth considering involving others, for example the Police Authority and the Police and Crime Commissioner. These two partners hold influence within your area and getting them on board with a Compact refresh or renewal ensures good partnership working at the earliest possible stage.

Other partners to consider, alongside voluntary sector infrastructure and the local authority:

- The Fire Authority
- The Local Housing Association
- Job Centre Plus
- The Clinical Commissioning Group
- The local Chamber of Commerce
- The local Healthwatch
- Local Health and Wellbeing Board
- Local Enterprise Partnerships (LEPs)



Who should sign up to a local Compact?

While we would expect a wide range of local groups and organisations to follow the principles of local Compacts, who actually signs up to them differs from place to place.

It may be that like the national Compact, signatories are limited to representatives signing on behalf of a wider group. In other places, key organisations may individually sign up.

Who signs a local Compact (and indeed who contributes to a local Compact working group) should be based on what is right for the area and what will contribute to better partnerships. As a starting point, consider asking the organisations and groups listed in the previous section – in addition, some areas will have signatures from their local Citizens Advice Bureau, mental health or homelessness charities and women's shelters. It can also be very beneficial to encourage the local business partnership or Chamber of Commerce to get involved.

Sometimes signing up to a local Compact involves including the names of the signatories in the text of the local Compact, along with their logo. However, lists of signatories are often subject to change, so many areas will have an online list of signatories which can be easily amended. When a local Compact is created or renewed, there is often a launch event, which is a good opportunity to have a sign-up sheet or board. Signatories can then be invited to attend any steering group meetings (more on this below).

Encouraging a range of different signatories can help to show that the process of refreshing or renewing your Compact has been representative and has tried to include a variety of groups from across your area.

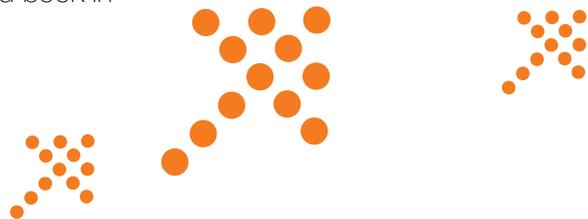
Establishing a steering group

If your area doesn't already have one, it's a good idea to invite representatives from both sectors to sit on a Compact Steering Group. Some Compact Steering Groups appoint an independent chair. This is usually a voluntary role, which can keep momentum going and book in regular dates to meet.

This group can be set up to guide the process of creating or renewing a local Compact, but many continue to meet quarterly to discuss any issues they may have and to ensure the Compact is embedded in local partnerships.

It is best if a steering group has a purpose and focus, preferably with a Terms of Reference. Members of the Steering Group can meet to discuss different topics and issues related to the local Compact. Steering Groups can also be part of the local dispute resolution process by acting as independent advisors or mediators. Steering groups can draft the action plan to implement the new or renewed Compact, including a communication strategy, activities to monitor and review the Compact, recruit or be Compact Champions.

An active Steering Group can ensure the Compact stays 'off the shelf' as a useful, regularly referred-to document that all partners are aware of. Steering Groups can also be a good environment for discussing issues at the earliest opportunity. Doing so can help to create trusting, open partnerships across sectors, where issues are raised early – before escalating into a serious dispute.



Learning from other areas

Case study: refreshing the Sutton local Compact

Partners from across sectors in the London Borough of Sutton refreshed the contents of their local Compact. This was a process which resulted in the development of a number of additional projects that benefitted both the public sector and voluntary sector, and how they work together – as well as having a positive impact on the local community.

As part of the process of developing the refreshed Compact, Sutton's steering group was enhanced to include representatives of all the main commissioning directorates within the borough of Sutton, and voluntary and community sector representation was broadened.

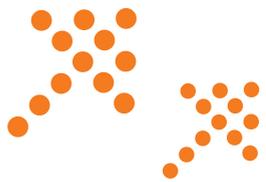
The actual process of discussing and agreeing the new Compact has had a positive effect on clarifying and enhancing the working relationships across all sectors, and has been an important way of renewing the joint commitment to working

together for the benefit of the local community.

In addition, as a result of the new Compact, a joint project was undertaken by the local authority and the voluntary sector to develop a framework to measure social value in commissioning processes. Another project that was undertaken as part of the refresh involved examining the capacity building needs of the local voluntary sector and agreeing a framework and action plan for addressing these.

Finally, the process of renewing the Compact also led to the establishment of a transformation fund for the voluntary sector. The fund aims to enable organisations to pilot innovative ways of working to equip them better for any challenges they may face in the coming years.

Finally, the consultation process undertaken as part of the renewal process received extensive feedback from the local VCS. This feedback was used to make improvements to local commissioning processes and to the e-tender portal used locally.



Next steps

It's a good idea to arrange a 'launch' of your renewed Compact, as a way of publicising and promoting it. Invite all the key partners and contributors and make sure you have representatives from a range of sectors and organisations. This will help illustrate your commitment to working in partnership. It's also a good way of raising the profile of the Compact – inviting local press to the launch event is good idea, as is circulating practical case studies providing a short overview of any of the good cross-sector

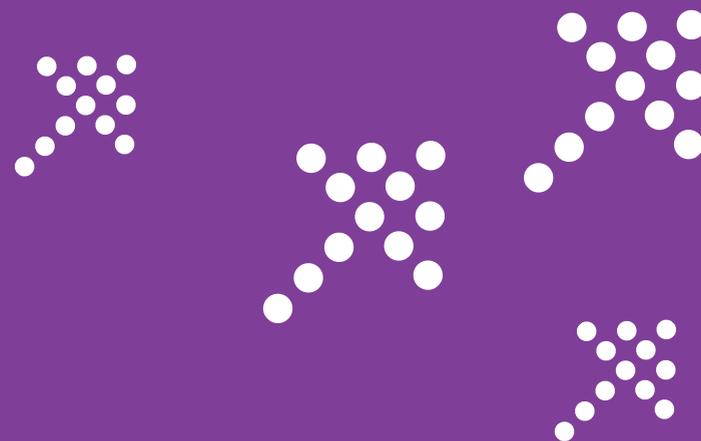
partnerships happening locally. A launch event can be a great way of encouraging attendees to become signatories, too. A launch event does not need to be a stand-alone event – it can be more cost effective to hold it as part of another meeting, for example an AGM or a larger conference during Compact Week (which is the first week of November every year).

After renewing or refreshing your Compact, it's vital to develop an action plan and monitor its effectiveness – this can be a role for the Steering Group. For more information, see the section 'Action planning, monitoring and evaluating'.

Section 3: Action planning, monitoring and evaluating

In this section:

- ❖ Why develop an action plan?
- ❖ Compact action plan: sample template
- ❖ Evaluating your Compact
- ❖ Compact evaluation self-assessment toolkit





Why develop an action plan?

An action plan is essential for making local Compacts work. It shows clearly what is needed from partners and who needs to take responsibility for embedding it. A clear action plan can help you work towards being in a place where the Compact forms a framework for all partnership working in your area to be based upon. Action plans are a key tool for monitoring progress and can form the basis for showcasing successes.

A Compact action plan can be something that is shared widely, or just for the reference of the Compact group.

It can be useful for organisations or departments to develop their own action plans, detailing how to embed Compact principles in their own day-to-day work and monitor implementation using internal processes.

When establishing an action plan, it can be useful for each partner to identify their biggest challenge and what they most want to achieve. These can then be linked with existing strategies and activities addressing community engagement, partnerships and the role of the voluntary and community sector. These can then be combined into an action plan.

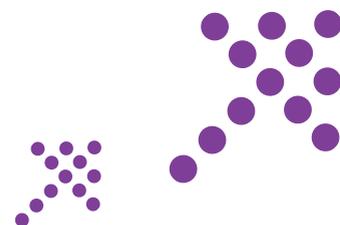
As a starting point, some areas find it useful to develop a short action plan with a few quick wins in the coming months and include in it agreeing a more detailed action plan. Consider having an ambitious 3 year rolling action plan and include what success will look like to ease subsequent evaluation.

Compact action plan: checklist and sample template

The following action plan is based on one originally developed by the Bristol Compact (www.bristolcompact.org.uk).

You can copy and tailor the following table into an action plan that is useful for your local Compact, or for your wider partnership working.

Begin by using this checklist to develop an action plan. Put a tick in the column that best describes your organisation, and then use these to inform your action plan, a template for which also follows.



Electronic, editable versions of toolkits and templates can be downloaded free of charge from www.compactvoice.org.uk.

	We already do this	We could do this better	We need help with this
Staff Awareness (including volunteers):			
Compact information is included in recruitment packs and induction programmes			
Briefing notes on the Compact are provided to our trustees/ management committee members			
Opportunities are taken to cover the Compact in our existing training courses			
Promoting & Communication of Compact:			
There is a named lead person (or Compact Champion) in our organisation for the Compact			
There is a cascade system for sharing Compact information to all staff e.g. Intranet, e-bulletin			
Compact information and/or links are on Council and partnership members' websites			
Compact web pages list signed partners			
There is a Compact section in our newsletter			
The Compact is included on meeting agendas			
We make reference to and have displays on the Compact at our events and conferences			
We advertise that we are signed up to the local Compact with posters and reference in policies, annual reports and on our website			

	We already do this	We could do this better	We need help with this
Compact Development:			
We are signed up to the local Compact			
We contribute to development of local Compact or partnership working guidance			
We have an annual action plan for our Compact work			
We conduct an annual review of our Compact work			
We capture and promote positive Compact engagement and record and monitor poor Compact engagement			
We publish a report on our Compact work			
We target marginalised and small groups for Compact engagement			
Funders:			
We give appropriate advance notice of new or revised funding programmes and contracting opportunities before the application process begins, through multiple media methods			
We provide support for any potential bidder			
We ensure processes are clear and have a realistic timetable, that takes into account the time it takes to form appropriate partnerships and develop accountable working arrangements for partnership/ consortia bids			
We recognise that it is legitimate for VCS organisations to use Full Cost Recovery methods in their estimates for providing a particular service			

	We already do this	We could do this better	We need help with this
Consultations:			
We build consultation into our regular planning cycle and carry it out at an early stage			
We consult all relevant stakeholders in designing and developing services			
We leave enough time to respond when consulting with the VCS. We will aim to allow at least 12 weeks for all consultations			
We analyse carefully the results of the consultation and report back on the views received, and actions taken as a result			
Supporting the Compact:			
We challenge where there has not been Compact compliance			
We challenge external forces that affect our ability to comply with the Compact			
We make publicly available reasons for issues where we do not comply with the Compact			



Creating your Compact action plan

Follow these easy steps to build an action plan that will help your organisation to embed the Compact in your partnership working. Remember to promote this commitment and any resulting success.

1. If you put a tick in the 'we could do this better' or 'we need help with this'

column in the previous table, copy out that commitment or requirement into Column A called 'Area for Improvement'

2. Complete each of the next 6 columns for that particular issue.
3. Look up your local Compact representative/s and ask them how you can work to better embed the

Compact in your work (a list of these can be found on the Compact Voice website if you are unaware who this is: www.compactvoice.org.uk/compacts-map). Similarly, contacting your local Compact group can be helpful.

4. Make it happen! Use your usual work planning processes to build this work into your plans for the next few months or years. Review it regularly to make sure you are keeping to your target timescales.
5. Don't forget to report back to your stakeholders when you successfully meet the different requirements.

Compact Action plan template

(Column A)

Area for Improvement	Action to be taken	Person responsible
Use this column to write in the commitment, or aspect of good practice where you identified that you could do better.	Use this column to explain exactly what you are going to do to improve. If you don't know what to do, then your first action might be to research the problem, or attend a training course. You might have more than one action for each area of improvement.	Use this column to identify the person who will be mainly responsible for making sure that the action happens. You might want to list any people who are helping them too, but you should make it clear who is in overall charge so that there isn't any confusion.

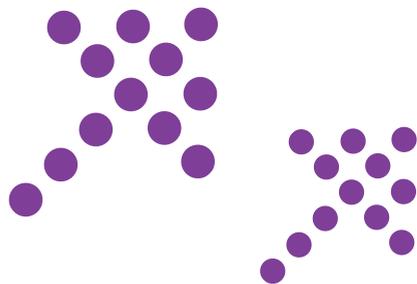


Resources needed	Timescale	Measure of success	Priority
Use this column to identify what resources you will need, including time, from both paid staff and volunteers. If you will need to spend money, e.g. on printing costs, then give an estimate of how much this will cost.	Use this column to show how long it will take you to finish. Action Plans with deadlines are more likely to result in something happening.	Use this column to show how you will measure the success of what you've done. Think about how you would know that your action has worked, but try not to create too much extra work for yourself.	Use this column to show which actions you will tackle first, by numbering each action according to how high a priority it is. Use 1 for High Priority and 5 for Low Priority.

Evaluating your Compact

A local Compact does not – in and of itself – bring about positive change. It is the commitment and hard work of those who use and advocate for it that helps to spread its message and embed continuous improvements in partnership working. It is essential to monitor the effectiveness of local Compacts in order to identify where gaps in relationships may affect the quality of services to communities, and how they can be improved.

Information gathering is crucial for the effective implementation of the Compact locally and nationally. While quantitative data is useful (for example, how many times a Compact group has met throughout the year, or the number of noncompliance issues recorded and resolved) it is the collection and sharing of experiences, perceptions and good and bad practice that adds most value. This qualitative information is the currency which enables a Compact to improve by allowing ideas to spread and trends to be identified.



Why evaluate your Compact?

Understanding the context of partnership working in your area can be extremely important to helping you implementing your Compact effectively. Knowing what barriers there are to better partnership working, what issues are looming on the horizon, and how/if local commissioning bodies are engaging with the voluntary sector can prove vital to building open, trusting relationships across the sectors.

Reasons to evaluate your Compact:

- To benchmark and learn where you are
- To learn what works and what doesn't
- To find good practice and report it
- Identify any problems that may arise at an early stage
- To find out what people really think – do perceptions match the facts? If not why do people think what they do?
- People act differently when they know their performance is being monitored – asking about performance can act as a wake-up call
- Evaluating will allow you to compare performance between organisations and areas and track progress from your previous results.

What should you evaluate?

It is helpful for those involved with a Compact to focus on achievable outcomes that are measurable. There are a number of approaches to deciding this. You could ask overarching questions and then think about what measures would allow you to answer them.

For example:

Question: Are partners satisfied with the Compact?

Measure: Partners rate satisfaction level from 1 – 5.

Or,

Question: What is the evidence that partners are effectively implementing the local Compact in their work?

Measure: Number of non-compliance cases, attendance at Compact group meetings or events.

How to evaluate your Compact

Undertaking a short survey can enable you to collect information quickly and easily, especially benchmarking information. A survey can also provide additional benefits, such as reminding people to take action: for example, a

question about whether the Compact was included in inductions and in contracts can encourage this to happen. Surveys can also be a good way of identifying new local trends: for example, if a local Compact has been used in conjunction with measuring social value, or if local organisations feel that corners are being cut in procurement of services.

This information is crucial in gaining an understanding of barriers to good relationships between the sectors – reading between the lines to locate the realities behind negative perceptions and suggest positive actions to be taken.

Involving people in the evaluation process

One of the best ways to measure the effectiveness of a Compact is to ask the people who use it (or who should be using it) what they think about it. There are lots of options to choose from when consulting an audience, from social networking tools to facilitated evaluation sessions (which Compact Voice can deliver – see the 'support' section of www.compactvoice.org.uk). However, there are some which are particularly useful. The following table provides a framework for assessing how well a local Compact is working.





Compact evaluation self-assessment toolkit

The purpose of this tool is to enable a review of local Compact operations according to commonly agreed procedures, questions and values. This is aimed at making the Compact

stronger and more effective in your region, thus creating a fairer and more productive relationship between the statutory and voluntary and community sectors for the benefit of people and the environment in the region.

Evaluation Toolkit

Electronic, editable versions of toolkits and templates can be downloaded free of charge from www.compactvoice.org.uk.

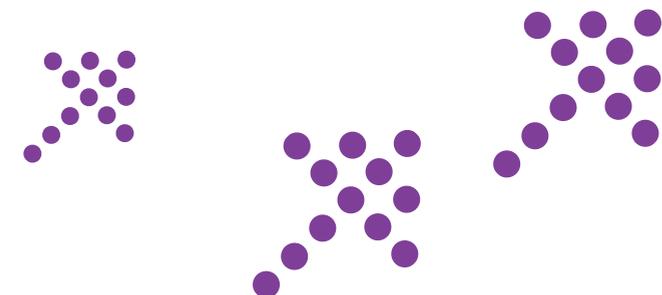


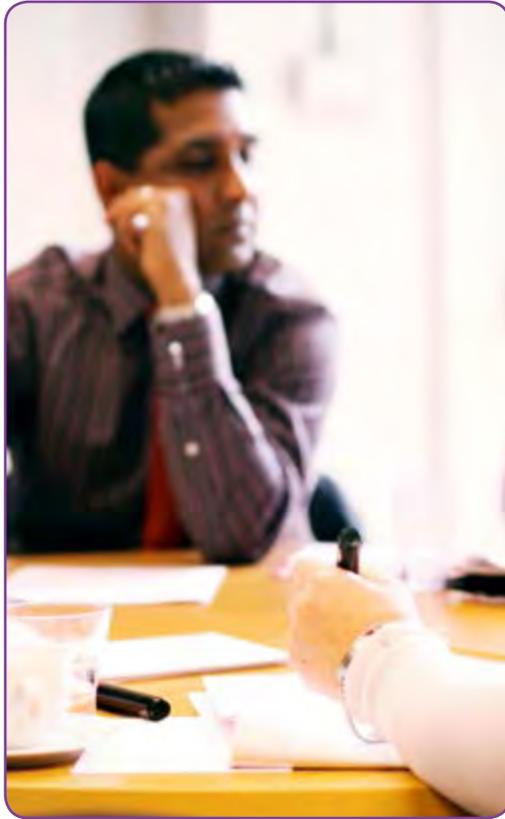
1: Membership and level and reach of involvement	Notes
Is the process for becoming a signatory to the local Compact clear and easy to find?	
Are the benefits of being a signatory to the local Compact widely promoted to, for example, new commissioning bodies or prime contractors?	
Are new commissioning bodies such as Clinical Commissioning Groups or Police and Crime Commissioners signed up?	
Are local private sector bodies encouraged to sign up? Have any signed up?	
2: Policy and priorities	
What influence does the voluntary sector and the Compact group have on statutory sector policy formulation, including deciding what to commission and how?	
Do both sectors, through the Compact Group or otherwise, develop joint responses to central government programmes or consultations?	
Are major policy decisions by the statutory sector generally in line with Compact principles?	
What consideration has been given by the local authority to the Public Services (Social Value) Act 2012 and/or any relevant subsequent legislation? With what impact? What consideration have the local Compact Group and lead bodies for the voluntary sector given to the Social Value Act?	
3: Procedures and systems	
Is there a local Compact working, steering or implementation group? Are members elected and is membership updated annually?	
Is there an annual Compact meeting or event in the area? Is it well-attended and by a good range of representatives (both sectors, young and old, BME and disability organisations, all main parts of the area)? Does it generate lively discussion?	



3: Procedures and systems	Notes
Does the Compact group have a clear agenda for its meetings and activities? Are discussions relevant and helpful?	
When was the content of the local Compact last reviewed? Does the Compact take into account policy changes or changes to the commissioning landscape?	
4: Training and induction	
Is the Compact covered in induction for staff of some key agencies, for example CVSs and local authorities? To what extent and with what impact?	
Is the Compact covered in induction for members (of councils, NHS boards, CVS boards and so on)? To what extent? Is there evidence of this having an impact?	
5: The condition of the voluntary sector and voluntary-statutory relations	
To what extent does the local voluntary sector speak its mind to the statutory sector and its private sector contractors?	
When the voluntary sector needs to speak with one voice to agencies outside the sector, can it do so (for example, through a Forum)? Does it do so in an effective and timely way?	
How often does the statutory sector give three months' notice before cutting or allocating funding?	
Does the statutory sector seriously consider social, environmental and economic value when making funding decisions, including the contracting process?	
6: Publicity and communication	
Do key partners like the local authority and CVS make clear their commitment to the Compact on their websites?	

6: Publicity and communication	Notes
How are success stories of Compact work publicised? Is there reason to think they reach a lot of people?	
Do key decision-makers in both sectors understand the Compact and know where they can find Compact information?	
7: Trouble shooting	
Does the local Compact have a clear Dispute Resolution Procedure?	
Is it known about and used?	
If someone has a problem which they think is a Compact issue – or if they are uncertain about a Compact issue – do they bring it to the attention of Compact champions (or their equivalent) or the Compact group?	
8: Looking ahead and being proactive	
Do the local Compact group and its partners prepare for eventualities such as loss of funding or departure of key people?	
Does the local Compact group discuss key issues in the area (for example, decreasing infrastructure support for the VCS) and discuss ways to address these innovatively?	
Does the local Compact group proactively contact new commissioning bodies?	



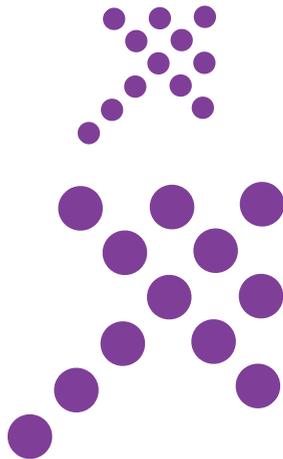


When should you use this tool, and when should you evaluate your local Compact?

Local Compact groups may choose to have regular reviews automatically after, say, four years. The frequency of such reviews should be set in light of perceived local need.

A local group may decide to have a peer review when they spot signs that their Compact may be experiencing problems under the radar, or when it runs into substantial criticism or adverse survey results.

The table opposite lists a number of 'warning signs' to look out for – this can act as a starting point for evaluating, or help you decide if you need to evaluate.

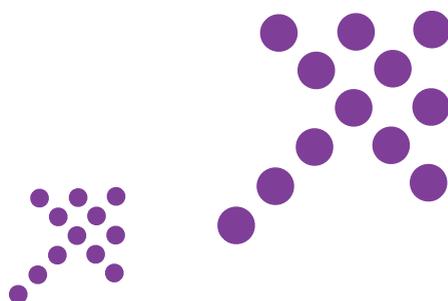


Dropping membership	Procedures for signing up to the local Compact are complex or require some effort, and as a result membership of the local Compact group or numbers of signatories has dropped.
Process for becoming a signatory is unclear	New commissioning bodies such as Police and Crime Commissioners and Health and Wellbeing Boards aren't aware of the Compact and don't know how, or why they should, sign up to it.
Declining attendance at meetings	If attendances have fallen considerably, this is a warning sign. However, in the first year after a major renewal or re-launch, some falling off is expected.
Growing imbalance in the apparent commitment of the two sectors	For example, if similar levels of enthusiasm and attendance in the two sectors changes so that one sector is seriously underrepresented.
Difficulty in recruiting to membership of the Steering Group (or equivalent)	Especially if recruitment was not previously a problem.
Minimal reporting of Compact issues	This might mean that no problems are occurring, but is more likely to mean that the Compact has lost credibility or is not known about.
Dismissive reactions to the Compact by influential people	For example, Chief Executives in either sector or leading councillors – especially if not balanced by strongly supportive reactions.
Increasing incidence of problems or familiar problems becoming worse	However, awareness of more problems does not necessarily mean there actually are more problems.
Little success in resolving Compact issues brought to the Steering Group's attention	Especially if it seems clear that there was a breach of the Compact.

Action not being taken to address Compact breaches	Compact leads (such as the Compact Group chair or the local lead) becoming aware of a high proportion of cases where someone felt there had been a breach of the Compact, but took no action because they had no confidence it would do any good, or feared victimisation ('our own grant is up for review next year').
Disappointing levels of response to or answers to surveys on Compact issues	For example, from Compact champions or leads, or VCS organisations.
Lack of coherent communication between sectors	Statutory and voluntary organisations appearing to be talking different languages or pursuing different agendas that do not intersect.
Partnership activity not linked back to the Compact	Partnership activity is occurring but is not linked to the Compact.

Using the above table, if more than three or four of the lines apply to your local Compact, it is time to consider undertaking an evaluation. Evaluating your Compact can be an important way of reinvigorating commitment, raising awareness and getting new partners on board: ultimately leading to improved cross-sector partnerships in your area.

Compact Voice can work with you to undertake an evaluation of your local Compact, and help decide what steps to take next. Contact us on **compact@compactvoice.org.uk** for more information.



Section 4: Understanding and engaging with commissioning

In this section:

- ❖ Partnership working and commissioning
- ❖ Defining commissioning
- ❖ Myths around commissioning
- ❖ The commissioning cycle
- ❖ Putting commissioning in context
- ❖ The four stages of the commissioning cycle explained
- ❖ How the Compact can help with commissioning
- ❖ Action list for local Compact groups

This section is a condensed version of 'Understanding Commissioning and Procurement: A guide for Local Compacts' which can be downloaded at www.compactvoice.org.uk/resources/publications/commissioning

Partnership working and commissioning

Partnership working is central to effective commissioning. For the VCS, this means:

- Participating at every stage of the commissioning process.
- Forming consortia¹ to deliver new forms of service design.
- Acting as trusted and collaborative providers of services.

The VCS is key to ensuring the success of commissioning, but only if it can influence all the central players in commissioning at the key points of the commissioning process. This section helps to identify those central players and key points, providing hints and tips and drawing on the experience of those who have learned from experience.

Defining commissioning

Organisations tend to invent their own versions of commissioning and there is still no definitive cross-sector standard. All too often, 'commissioning' is conflated with procurement – which focuses on ensuring delivery of a service rather than its design – or a central assumption that commissioning has to involve a market-based approach to service provision.

The definition currently used by the Cabinet Office and the National Audit Office refers to the eight principles of good commissioning. A simpler definition was coined by the Department for Communities and Local Government (DCLG) in 2011. It stated that commissioning is:

“Making the best use of all available resources to produce the best outcomes for our locality”.

The simplicity of this statement belies the complexity behind making it happen, but as a maxim to apply in any commissioning activity or discussion it isn't a bad one.

¹ Collaborations between VCS organisations in order to access public service procurement opportunities.



Myths around Commissioning

One of the challenges for anyone trying to make a positive impact on the commissioning process is separating the myths from the reality – and this could mean getting past your own misconceptions. Some common myths and legends that have stuck to commissioning include:

Myth

'Commissioning is procurement by another name.'

'Commissioning is about contracting.'

'Grants bad; contracts good.'

'Commissioning is all about cuts.'

'Commissioners are experts.'

'Commissioners can only talk to VCS providers after they have won a contract.'

Reality

Commissioning is much more than procurement and might not involve procurement at all. Commissioning is about researching and setting policies and deciding on the best way of achieving those policies.

Commissioning need not automatically lead to the procurement of a contract - that's just one choice. A service could sensibly stay in-house or it could be funded through a grant.

Contracts are appropriate for some types of work, grants for others. Grant regimes can be more responsive and allow greater flexibility in meeting complex outcomes and grant-giving is a legitimate commissioning technique.

A particular commissioning exercise might have saving money as one objective (or the primary objective), but good commissioning will also explore how other outcomes could best be achieved.

No single professional could have all the knowledge and skills needed to undertake a sophisticated commissioning exercise. Any commissioner with any sense will look for help wherever they can get it, and be eager to harness the insights and expertise of the VCS.

Of course, no organisation should have unfair access during a competitive bidding process, but bidding is just one small part of a much longer commissioning process – which the VCS can and should be involved with at every stage.



The Commissioning Cycle

Despite the number of models and approaches used in commissioning, there is general agreement that it is a cyclical process consisting of four phases. The exact terminology may differ across different models but the four phases are: analyse, plan, do and review. The graph below is based on one developed by the Yorkshire and Humber Joint Improvement Partnership (available at www.yhsccommissioning.org.uk).



Within each phase, there are key activities but in reality the cycle is not a discrete entity with a beginning and an end. For example, consultation will need to be undertaken during each of the four phases of the cycle, but the nature and focus of that consultation will change to reflect the stage reached in the cycle

Phase	Key activities
Analyse	The analysis of need, of capacity, assets and resources and of the capability of the market. Agreeing priority needs with partners. Defining the outcomes to meet those needs.
Plan	Gap analysis, stakeholder engagement, the design of services and service pathways, developing a joint commissioning strategy.
Do	Implementing the commissioning plan, facilitating the market, building capacity, sourcing the providers capable of meeting a specification and contracting for the new services. Delivering to users.
Review	Contract monitoring and reviewing the effectiveness of the strategy. Reviewing and learning from delivery and feedback from users.

Putting Commissioning in Context

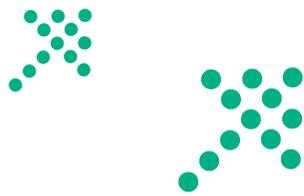
There is one element of commissioning that needs to be understood before looking at the more theoretical and technical aspects of the process.

Any partnership body or VCS representative wanting to engage in the process at any level needs to understand their local political context and be prepared to get to grips with the language, culture and drivers of the commissioning body.



Commissioners have their own pressures and constraints that are determining their behaviours and decisions. If partnership bodies and VCS organisations understand the dynamics and are solution-orientated, they can help to make commissioning work better.





The four stages of the commissioning cycle explained

1: Needs analysis

Good commissioning starts with a thorough understanding of local needs. The statutory duties to carry out a needs analysis (e.g. Joint Strategic Needs Assessments (JSNA), Child Poverty Needs Assessments, etc.) yield a wealth of data. However, data is subject to interpretation, depending on your standpoint. Even at this earliest stage of commissioning, the need to understand the key drivers behind commissioning is vital. The political and economic pressures that local authorities and other public bodies are under will partly determine the way that data is interpreted and used to determine policy. VSC organisations working in partnership need to understand these key drivers and come to the table informed.

Data about needs can be both quantitative and qualitative and can be gathered from a number of sources

including VCS organisations. One approach, which has been used successfully, is to be proactive. Rather than providing data to feed into a JSNA as requested, prepare a report outlining the issues you are working with, backed up by data and include a proposal for the services you could deliver. This proactive approach is shamelessly self-promoting but as a strategy it can work. You are solving a problem for the local authority right at the beginning of the commissioning cycle.

VCS organisations survive and thrive when they do what they know best and work to fit this into the commissioning authority's strategy – not the other way round.

There is no reason for the VCS not to be involved in the needs assessment process, both as potential suppliers and as key sources of specialist knowledge. But for the dialogue to be meaningful the sector needs to be politically astute, well informed about the issues and proactive in taking ownership of the offer they can take to the table. The value of mature relationships rather than ones of dependency can't be underestimated in commissioning dialogues.

Commissioners are only human – meet them, make relationships with them and help them to solve their problems.

Key Thinking Points for Stage 1: Analyse

1. Make sure you understand the scope and initial objectives of the commissioning project and don't be afraid to challenge them.
2. Be ready to contribute evidence and insights and assemble your own data to help strengthen the needs analysis.
3. Make sure that the assets that your organisation represents are clearly understood and recognised within the needs analysis.
4. Get to know the various players involved in the commissioning process and make sure they understand that you want to help them.
5. Be prepared to engage fully in the commissioning process and be ready to challenge and revise your own assumptions as new ideas emerge.
6. If any tired preconceptions are already starting to take hold, e.g. presumptions against the use of grant funding, make sure you challenge them early.



2: Plan

Once the commissioner has done a gap analysis and understands both the needs and their capacity or assets, these will be used to determine the outcomes they want to achieve. Outcomes thinking has become a standard service planning concept in local government.

Understanding the commissioning authority's outcomes framework is vital. Outcomes may be linked to the local Sustainable Communities Strategy and Health and Wellbeing Board's plans but whatever the language used, the chances are high that commissioning decisions will be driven by cost as much as social outcomes.

The rhetoric enshrined in documents such as local Compacts, voluntary and community sector engagement strategies or commissioning and funding frameworks about the need to engage the VCS in determining and shaping service priorities and outcomes are vital. But these are often secondary to the relationships formed through the process of negotiating them.

If you want to influence conversations about outcomes, it's not just what you know, but 'who you know'. Research, network, lobby, and be solution-focussed. You will have valuable things to contribute to the understanding of the needs of your community, so make sure your contribution is heard.

Key Thinking Points for Stage 2: Plan

1. How are the intended outcomes being defined – do they reflect your understanding of what is needed for the people whose interests you represent?
2. Will you have to argue to get involved in – and stay involved – in the service design process? What can you offer to the process?
3. Will you be able to separate your organisation's interests from the more abstract process of creating new service designs?
4. How have you influenced the commissioning body's policies and procedures on contracts and grants? Can you afford not to put in the work to help make sure they are practical and proportionate?
5. Are you ready to respond to Payment by Results and outcomes-focused contracts? Are you ready to invest in initiating a Community Right to Challenge²?

3: Do

If your partnership organisation has been part of a co-production exercise, and therefore linked in to the earlier stages of commissioning, you will have an on-going dialogue with the commissioners. The specification they issue should put VCS organisations in a great position to bid – or get grant funded. If this ideal scenario is not your experience there are still a number of ways of finding contracts. The more you are proactive in making relationships with local commissioners and other strategic bodies, the more likely you will find out about their opportunities and how they advertise them or even to be approached directly.

Pre-Qualification Questionnaires

Many authorities use preferred provider frameworks, for which entrants have to pass a minimum threshold set through a Pre-Qualification Questionnaire (PQQ). If there is a preferred provider list, find out how VCS organisations get listed on it.

Although pre-qualification is an optional step in the procurement process for contracts under the EU threshold, it tends to be standard practice for public bodies when procuring services. There is no standard PQQ so the standard varies between authorities with some

written very much with large contracts and private sector businesses in mind.

This may be a VCS organisation's first contact with potential commissioners so it's important to demonstrate the legal and financial status, management and the technical capacity of their organisation. PQQs are not always interested at this stage in how they would deliver the service but they do need to be satisfied that the organisation is competent to take on the risks and liabilities of the contract terms.

It helps for VCS organisations to be prepared in advance for PQQs as meeting the standards required can be an exercise in checking that they're ready to deliver public service contracts.

Consortia

Consortia-building has become the favoured approach of government and commissioners. In times of austerity, public sector bodies may feel they haven't got the resources to commission loads of little voluntary organisations, preferring to cut costs by commissioning at scale with a single point of contact with the VCS and requiring fewer skilled commissioners to manage a single contract than a score of grants.



The problem is that if contracts remain big, the sector will get beaten in the bidding process again and again by big private sector organisations. So if the sector is going to have to learn how to win big contracts it will have to change: either by building bigger organisations with structures allowing them to take on capital, or by forming partnerships, mergers or consortia. Either way the focus is on creating the scale and resilience to win contracts.

The VCS is, of course, very diverse and so this approach will suit some organisations more than others. While the formation of consortia can allow smaller VCS organisations to combine their expertise and resources and share the risks of competitive tendering, it can lead to the creation of partnerships simply in order to win contracts. This can displace real long term shared interests, which were focussed on the grass roots. It can also be a costly, time consuming and speculative process which may not end up gaining contracts which best support their work.

It is also worth thinking about the structuring of the finance – a centrally managed contract involving a number of smaller sub-contractors, or a contract alliance with a central contract being atomised and delivered by different partner organisations, may not be viable. The added cost of administering these arrangements with



²For more detailed information about Payment by Results and Community Right to Challenge in relation to commissioning, see 'Understanding Commissioning and Procurement: A Guide for Local Compacts': www.compactvoice.org.uk/resources/publications/commissioning



the same finances has left many VCS organisations thinking “why bother?” This is also highly relevant to Payment by Results (PbR) contracts, as sharing risk and resources can make a group of organisations much more attractive to commissioners and investors.

Bidding and winning – should you?

The political debate over whether or not VCS organisations should be commissioned to deliver mainstream public services will not be discussed in any depth here, but organisations do need to consider their mission and values when bidding for work, and consider whether they should avoid relationships or contracts that threaten them.

Underestimating the risks associated with traditional service contracts, let alone PbR contracts, is very easy to do. The pressure to secure contracts can be so intense that risk assessments can turn into a box ticking exercise, if they happen at all. But before bidding it is worth considering a number of things, including:

- Control over referral numbers and criteria,
- Variations in effectiveness and length of time in generating outcomes,
- Sensitivity to political and economic changes outside your control,
- The responsibilities you take on beyond generating outcomes, particularly the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

Key Thinking Points for Stage 3: Do

1. Do you have a good network and access to information on the bidding opportunities that become available?
2. Do you have a framework for deciding which bidding opportunities to pursue and which ones to leave well alone?
3. Have you got the organisational culture needed to work in partnership with other organisations in a consortium?
4. Have you got the text of your pitch worked out in advance (or ones that you can tweak and reuse) or do you have to rework each bid afresh because you can't find ones you have done before?
5. Have you got the technical and commercial nous to assess and price a bid, and can you afford the specialist advice needed to assess key risks (e.g. pensions)?
6. Have you got a procedure for taking on a new contract, including due diligence?
7. How will the management of a new contract affect your organisation's culture?
8. How can you ensure you remain true to your core values?

4: Review

It goes without saying that monitoring, like so much of the commissioning activity covered in this section, is not a discrete process restricted to one phase of the cycle. Effective monitoring begins much earlier by defining clear service outcomes and commissioning for those outcomes. By being part of this earlier dialogue, the monitoring and reviewing of the service being delivered should be much more intuitive, with a focus shifted from activities to results. For providers and commissioners, it is vital that the trust built up as part of the commissioning dialogue should not be lost once a contract has been signed. Principle 3.6 of the Compact states that monitoring should be proportionate to the size and scale of the contract.

Some VCS providers have had experiences where a contract is awarded, and then commissioners put no effort into seeing what is going on with it. It seems that all the effort goes into procurement rather than ensuring the service is being delivered effectively.

Contract governance can seem like a chore you would prefer to avoid, but it's also your opportunity to make sure that the contract remains as important to your client as it is to you. Client/contractor relationships can very quickly become adversarial and nit-picky, so you need to work to make sure that you bring a partnership approach to

the table and look for opportunities to engage in joint problem-solving when difficulties arise. Contract governance can also wither on the vine if things are going well and it is tempting for a provider to go along with this. Don't. Ungoverned contracts can all too soon become unwanted contracts.

Whatever the experience of the commissioning process and the relationship with commissioners, once a contract is awarded the providing organisation needs to be asking some basic questions of their own service. If we think back to the 'Analyse' phase, one of the most successful strategies for a VCS organisation in gaining both credibility and contracts, is being able to provide evidence about their activities: who is using them, what difference have they made and what the unmet needs are that they can identify to be addressed in the future.



How the Compact can help with commissioning

If we think about our earlier definition of commissioning, "Making the best use of all available resources to produce the best outcomes for our locality", this can only happen if sectors work together in partnership.

A local Compact, supported by a mutually agreed action plan, may link to other local policies and strategies and which everyone signs up to. This offers reassurance throughout the commissioning process that the views and needs of the VCS are represented and understood. Even more importantly, it is the relationships built up and the behaviours modelled in the process of drawing the local Compact up that can be of lasting value. Being a trusted, assertive and solution-focussed friend to the commissioner is more likely to lead to productive conversations concerning what matters to you and your beneficiaries than withdrawing from the arena to nurse hurt feelings.

Action list for local Compact groups

Local Compacts exist to help local public sector bodies and voluntary and community sector organisations work together to deliver better outcomes for communities, and provide services for the benefit of them. They take the principles of the national Compact and interpret them to reflect local need.

It's vital that local Compact groups (sometimes known as Compact implementation or steering groups) take the lead on making their Compact relevant to local partnerships, community needs and commissioning decisions. This demands being aware of – and ready to influence – the local political landscape.

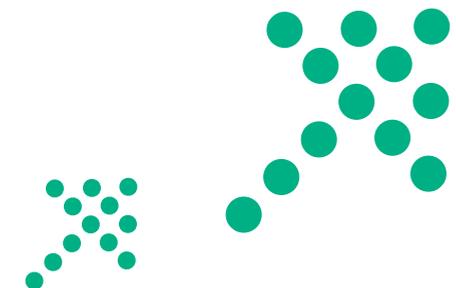
Most important is the need to communicate that the Compact can help commissioners do their job better: it is a tool for describing good practice, not an extra hurdle to be cleared.

By following Compact principles in commissioning, the process becomes clearer, with shared expectations and less ambiguity.

Essentially, good local Compacts are those which nurture relationships through mutual understanding and openness, and where all participants are able to appreciate and articulate the interests, purpose and needs of their stakeholders for the greater benefit of all.

In this spirit, here are some key actions for local Compact groups to consider. The actions have been organised by the phases of the commissioning cycle but are not necessarily restricted to that area of work.

This is not a 'to do' list, rather it is a framework for thinking about the kinds of issues that would help to promote partnership working in commissioning and enable fuller participation of the VCS throughout the process.



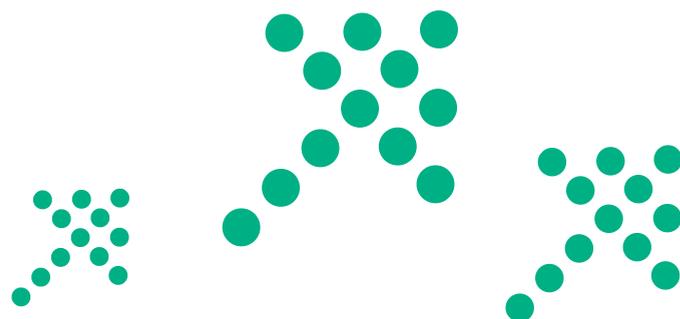


Actions local Compact groups can take to improve the commissioning process

'Analyse' phase of the commissioning cycle

Identifying needs

- Get involved in the project team for the commissioning exercise (at least until any procurement exercises are initiated later).
- Be active in understanding the scope and initial objectives of the commissioning project and don't be afraid to challenge them. Given that savings will be an important driver, ensure these are explicit and challenge short-termism or unrealistic budget targets.
- Communicate the benefits of working in partnership - particularly the potential of VCS organisations to access socially excluded groups and contribute to the commissioning process.
- Ensure that the consultation and decision-making processes are open to the active involvement of relevant VCS organisations and networks, including the possibility of grant-funding pilot schemes. Compact Voice's Meaningful Engagement guidance can help³.
- Encourage the involvement of VCS organisations with specialist knowledge and expertise in co-designing service solutions.
- Promote the use of VCS resources for producing good practice materials or staff training/induction.



³ Compact Voice: 'Ensuring Meaningful Engagement When Consulting': www.compactvoice.org.uk/resources/publications/ensuring-meaningful-engagement-when-consulting

Knowing the market

- Provide information on the number, size and capabilities of voluntary sector providers and potential providers in the market. Make sure that the 'assets' that the VCS represents are clearly understood and recognised within the needs analysis.
- Develop understanding of the proportion of spend between in-house providers, private providers and the VCS, separate the figures out by different specialisms and service areas.
- Ensure that useful information about VCS providers is accessible to commissioners – be ready to contribute evidence and insights.
- Encourage VCS organisations to consider how their services fit with – and what distinguishes them from – those being provided by other organisations in your area. How will their services help to deliver commissioners outcomes?
- Talk to organisations about whether services could be provided more effectively by working in partnership or by another organisation. Be prepared to engage fully in the commissioning process and be ready to challenge and revise your own assumptions as new ideas emerge.

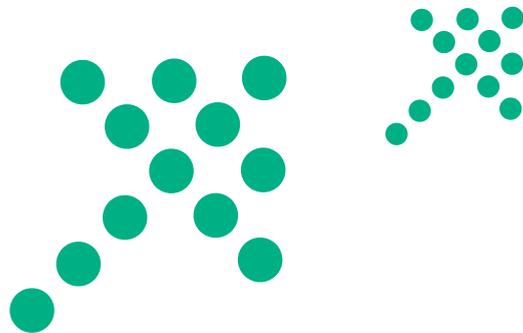
Developing the supplier base

- Ensure early notice and accessible advertising of forthcoming procurement opportunities for all potential providers, including the VCS.
- Encourage and market 'meet the buyer' events, provider forums and other opportunities for the VCS to engage with commissioners.
- Is there a "How to do business with" guide? Are organisations aware of it and is it adhered to?
- Get to know the various players involved in the commissioning process and make sure they understand that you want to help them. Press for a named contact for enquiries from potential providers.
- Encourage investment in capacity building work to support provider networks with developing greater skills and knowledge (e.g. governance, accounting, full cost recovery, tendering, negotiation, contracting, monitoring, etc.).

'Plan' phase of the commissioning cycle

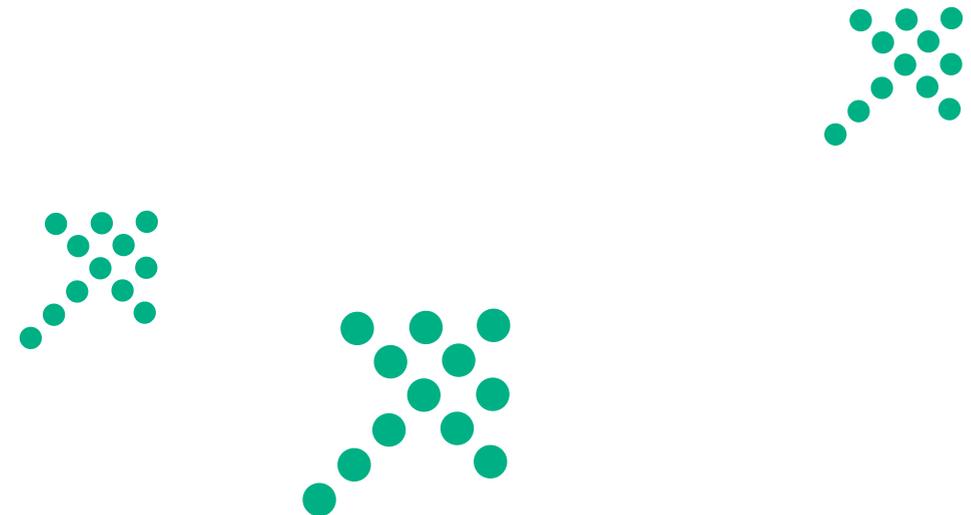
Service design

- Encourage the involvement of service providers and users in the design of services through meaningful consultation with stakeholders and contributions from VCS providers.
- Ensure that the processes for developing service designs and specifications are outcomes-focused. How are the intended outcomes being defined – do they reflect your understanding of what is needed for the people whose interests you represent? Is there a clear logic for the service design that is backed up by evidence?
- Check that best value and social value considerations can be achieved by including wider social, economic and environmental objectives in the service design and specification.
- Check that specifications are clear and free from jargon and consider any added value the VCS could offer when delivering a contract. Will providers be asked to demonstrate how they would address local service users' needs?



Knowing the market

- Exercise influence on the use of different types of funding (e.g. grants, service level agreements, contracts) and the mechanism to choose the most appropriate funding approach to ensure outcomes are met.
- Collaborate on developing innovative approaches or pilot schemes for which grant funding would be more appropriate.
- Work proactively with the procurement team to ensure that the procurement process is accessible to VCS providers and that they have the right skills to compete effectively.
- Lobby for adherence to the Local Government Association's Procurement Pledge.
- Encourage consideration of the benefits of dividing the contract into smaller lots or having a mix of providers to deliver the contract rather than one main provider.
- Where a 'preferred provider' (or framework) approach is operated ensure that VCS organisations know how to access it.
- Consider developing partnership working/consortia as a way of enabling smaller organisations to bid.
- Consider whether opportunities for subcontracting and consortia bids from VCS providers are identified and encouraged.
- Make sure that the issues of risk are allocated to the body best able to deal with it and resist attempts to transfer too much risk to providers.



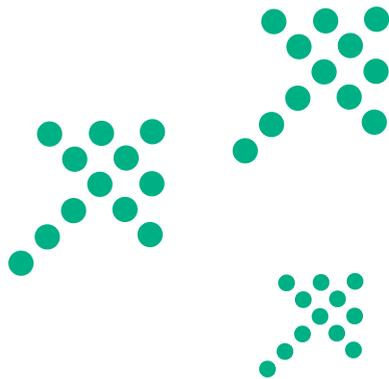
'Do' phase of the commissioning cycle

Publishing contract opportunities

- Ensure that bidding opportunities are widely publicised and that VCS organisations are included in distribution lists.
- Encourage key suppliers to publicise opportunities for sub contracts.
- Check that the procurement timetable is long enough to encourage bids from smaller providers, partnerships or consortia.

Pre-qualification questionnaire (PQQ)

- Ensure that pre-qualification criteria are proportionate to the value of the contract and the level of risk.
- Check that the pre-qualification criteria do not unnecessarily rule out potentially competent VCS organisations without an extensive track record and that those organisations have the ability to understand which bidding opportunities to pursue and which ones to leave well alone.
- Demand a standard PQQ form to reduce administrative burdens on prospective bidders.
- Lobby for procurement exercises to be cancelled and restarted if absurd requirements that discriminate against VCS organisations and SMEs have been incorporated into PQQs.

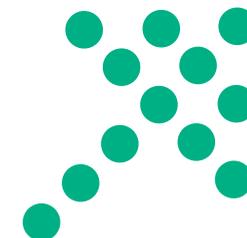


Invitation to tender

- Check that the tender documentation is clear, concise and jargon-free; encourage VCS organisations to ask questions early in the process, encourage commissioners to respond rapidly (to allow time for follow-up questions), and demand time extensions if key issues are unresolved by the deadlines.
- Make sure that procurement teams have provided prospective providers with all the relevant information about the background, objectives, procurement process and timetable so that VCS organisations can be clear about the roles and responsibilities they are being asked to take on.
- Consider supporting preferred providers in undertaking assessments of TUPE obligations; do VCS bidders have a procedure for taking on a new contract, including due diligence?
- Offer training to potential providers to enable them to improve their tender submissions.

Contract and payment terms

- Ensure that the contract terms and conditions are proportionate to the scale and complexity of the contract.
- Be aware that the impact of payment terms on the cash flow of a VCS organisation might deter them from bidding and ensure that payment terms are sufficiently flexible to make early or advance payments.
- Make sure that social impact bonds have been considered – particularly for PbR contracts – and that time has been built in to allow bonds to be raised.
- Take responsibility for ensuring that there is a procedure and a clearly identified liaison person for disputes, including payment problems.





Evaluation and clarification of tenders

- Check that the evaluation process has been explained to tenderers at the outset, including the criteria to be used and their relative importance.
- Ensure that social value, having been given the appropriate weighting in the specification, is reflected in the evaluation criteria and that tender evaluation panels have the right skills to assess compliance with social impact criteria.
- Make sure that VCS organisations are treated fairly and that they have the opportunity for clarification and feedback if they feel they have not been.

Award of tenders

- Ensure that bidders are aware of, and entitled to, constructive feedback.
- Make sure that the commissioning body has agreed transition arrangements in advance with providers and that these have been factored into the project timescales.

'Review' phase of the commissioning cycle

Contract management

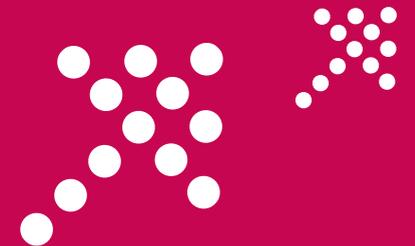
- Encourage contract management arrangements to be made clear in the tender documentation.
- Ensure that the reporting procedure is clear, proportionate, standardised and is outcomes-focussed – are VCS organisations supported in their ability to performance manage and track their impact?
- Lobby for scope within the arrangements to encourage and incentivise innovation in service provision from the VCS.

Service review

- Make sure that mechanisms for service reviews are collaborative and partnership-based.
- Ensure that service user feedback is taken into account and can be responded to.
- Insist on proper notice periods and clear communication about transition arrangements when decommissioning is necessary.

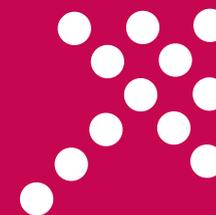


Section 5: Working with new commissioning bodies



In this section:

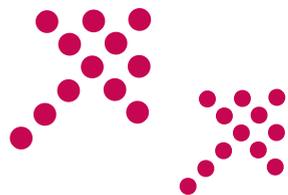
- ❖ Understanding the new commissioning landscape
- ❖ Engaging with new commissioning bodies:
 - 1: Police and Crime Commissioners
 - 2: Clinical Commissioning Groups and Health and Wellbeing Boards
 - 3: Local Enterprise Partnerships
- ❖ Why should new commissioning bodies sign up to a local Compact?



Understanding the new commissioning landscape

Government reforms have ushered in major changes to the way services are commissioned locally. Local Compact agreements are increasingly being used as a tangible tool for connecting new commissioning bodies with the voluntary sector. Increasingly, local Compacts are being renewed to include specific reference to the new commissioning landscape, but more commonly, Compact groups are actively building relationships with local commissioners and encouraging them to sign up to their local Compact.

Changes to the health landscape have seen the creation of **Clinical Commissioning Groups (CCGs)** and other non-commissioning partnerships like **Health and Wellbeing Boards**, which have come into place following the introduction of the Health and Social Care Act 2012. These partnerships are responsible for commissioning health and care services locally.



For more detailed information about understanding the health landscape in a broader sense than just commissioning, refer to Compact Voice's guidance 'Informing and Influencing the new Local Health Landscape' (available for free at www.compactvoice.org.uk).

Police and Crime Commissioners (PCCs) are elected representatives who are responsible for securing efficient and effective policing across areas in England and Wales.

PCCs play an important role in local commissioning, with responsibilities for Community Safety Partnership funding and for commissioning victim and witness support. Voluntary and community organisations often have unique access to difficult to access, marginalised groups – so it is vital that PCCs are able to work well with the sector. Local Compacts are a useful tool in helping them to do so.

Local enterprise partnerships (LEPs) are partnerships between local authorities and businesses, who decide what the priorities should be for investment in their area. LEPs are responsible for 'Enterprise Zones', which are geographic areas where the aim is to support growth, create new jobs and businesses. They were originally created in response to the government's agenda to promote an economy driven by private sector growth, with a broader range of industries and a reduction of 'burdens' for businesses.

However, their scope has broadened and increasingly, LEPs are working with voluntary and community organisations to address strategic goals around social inclusion and community-led local development, among others.

Engaging with new commissioning bodies

1. Clinical Commissioning Groups and Health and Wellbeing Boards

Clinical Commissioning Groups (CCGs) are responsible for commissioning the following services:

- Planned hospital care
- Urgent and emergency care
- Rehabilitation care
- Community health services
- Mental health and learning disability services



Clinical Commissioning Groups

CCGs work with patients and partner agencies (e.g. local hospitals, local authorities, local community groups etc.) to ensure services meet local needs. CCG boards are made up of GPs from the local area and at least one registered nurse and one hospital-based doctor (for example, a consultant). CCGs are responsible for arranging emergency and urgent care services within their boundaries, and for commissioning services for any unregistered patients who live in their area. All General Practices belong to a Clinical Commissioning Group. CCGs are overseen by NHS England.

Commissioning Support Units

For some support activities, CCGs may choose to appoint their own internal staff. Others may use NHS Commissioning Support Units (CSUs) – or other sources of commissioning support, for instance from the independent or voluntary sectors. CSUs provide specialist business expertise to help commissioners to achieve outcomes in commissioning healthcare, such as business intelligence, clinical procurement, finance, HR, data management, or contract management. They are currently public agencies, but are to become private companies by 2016⁴.

⁴To find out more about CSUs, and to locate your local CSU, see NHS England's website: www.england.nhs.uk/ourwork/commissioning/comm-supp/csu/

CCGs have a legal accountability and responsibility for meeting their statutory functions and their commissioning decisions cannot be delegated to other organisations. However, some CCGs do buy services from CSUs, and some will

do them in-house, whichever they feel is most efficient and appropriate. Compact Voice have produced a short briefing on Clinical Commissioning Groups, encouraging them to familiarise themselves with their local Compact and local VCS. This can be downloaded free from www.compactvoice.org.uk.

Health and Wellbeing Boards

Locally, Health and Wellbeing Boards are in place to ensure that CCGs meet the needs of local people. Health and Wellbeing Boards bring together CCGs and local councils to understand the health, social and wellbeing needs of communities. As a voluntary organisation seeking to influence or engage with clinical commissioning, it can be particularly useful to work with and



ensure representation on Health and Wellbeing Boards.

Voluntary sector representation on Health and Wellbeing Boards can help organisations to influence the commissioning of services from an earlier stage. Local voluntary sector infrastructure organisations (such as Councils for Voluntary Service) are in many areas playing the primary representative role and/or hosting the wider mechanisms through which VCS representatives are selected. It is frequently through these organisations that the link to local Compacts is made. It is essential that the sector's approach to these Boards is a coordinated and strategic one and that, as a result, it clearly links to local Compact mechanisms.

Local Healthwatch

Local Healthwatch is the consumer champion for health and social care patients, services users and carers. Every local authority in England has responsibility for commissioning an independent Local Healthwatch in their area.

These groups aim to have local people at the heart of their governance and provide a voice for the local community on the Health and Wellbeing Board. A national body, Healthwatch England (HWE), supports Local Healthwatch. The independence of Local Healthwatch must be respected, to ensure that they can:

- Prioritise based on community needs and concerns
- Challenge the local authority, as any other provider, if services are found to be poor
- Remain politically neutral

A primary principle of the Compact focuses on independence to pursue mission, irrespective of financial or other relationship with the public sector. This is particularly important in relation to local Healthwatch, if they are to be trusted by the public in its consumer champion role.

The effectiveness of health commissioning relies on good partnership working between the various local bodies, including the local VCS.

Voluntary and community organisations have a long and successful history of working with and within local communities to advocate for them and provide health and care services, improve health and wellbeing and promote improvements in public health.

The sector's role in this is as vital today as it was in the days before the 'welfare state' came into being. The value the sector brings to this field has been recognised in more recent years through much excellent work with local authorities, NHS organisations and others. The sector has particular strengths in:

- Delivering frontline health and social care services;
- Facilitating community engagement;
- Providing insight into new and emerging needs within the community;
- Working with key groups and communities, including those facing the most significant health inequalities;
- Providing well-tailored support, early intervention and preventative services that work for individuals and specific communities;
- Finding new ways to address intractable local problems that impact on public health and wellbeing; and
- Mobilising local people as volunteers in the provision of support and self-help, which have an impact on health and wellbeing.

It is important that this is recognised and valued throughout the commissioning process.

2. Police and Crime Commissioners

There are 41 Police and Crime Commissioners across England and Wales, who were elected into office in November 2012. They are responsible for a combined police force area budget of £8bn.

PCCs aim to ensure that community needs are met as effectively as possible, and will work in partnership with a number of different agencies locally and nationally – including the voluntary sector – to ensure there is a unified approach to preventing and reducing crime.

PCCs are often keen to work with their local VCS and commission services from them. Some PCCs will establish a set of commissioning themes and will be looking to commission services via grants or contracts to help them address these. Common themes include domestic and sexual abuse, anti-social behaviour, reducing re-offending, victims and witnesses, and children, young people and families.

Similarly to the other local commissioners mentioned in this section, some PCCs will be very engaged with their local voluntary sector and others less so. It

is worth investigating, via your local or regional infrastructure organisation or the PCC's website, who they're working with already. Some PCCs have published community engagement strategies which can be a useful way of understanding their priorities and who they may already be working with.

Increasingly, PCCs are signing up to their local Compact as a means of contacting a diverse range of different groups, understanding local needs and sending out a strong signal that they are committed to working in partnership with the VCS.

Anecdotally, Compact Voice has heard that some PCCs are very keen to work more closely with the voluntary sector but have difficulty making contact with smaller, less structured organisations in their area. Conversely, some PCCs have mentioned that they have been bombarded by requests from their local VCS. Again, it's important for the local VCS to develop an offer for PCCs, work with them from an early stage to help inform their priorities, and to take a coordinated, joined-up approach to doing so.

Compact Voice has produced a briefing for PCCs, encouraging them to sign up to their local Compact, which can be accessed free at www.compactvoice.org.uk.

3. Local Enterprise Partnerships

There are 39 Local Enterprise Partnerships (LEPs), who are responsible for setting priorities for European Funds locally across England. These funds amount to over €6bn, to be allocated between 2014 and 2020.

They are also receiving £2.6bn from the Regional Growth Fund⁵ up until 2016, and a further £10bn, over five years, is to be made available to the 39 LEPs through the Single Local Growth Fund, designed to invest in skills, housing and transport up to 2020.

Under EU funding proposals, at least 20% should be spent on social inclusion projects, helping those hardest to reach. Guidance issued by the Department for Business, Innovation and Skills and the European Commission for LEPs outlines that they should engage with the voluntary sector locally in order to determine what the priorities and strategy for their local funding allocation should be.

LEPs come in different sizes and structures – some LEPs have special interest groups, advisory panels, and the make-up of Boards differ in terms of public and private-sector and representatives from higher education/universities. Some LEPs are actively engaged with their local VCS and others aren't.

Whilst LEPs were originally created as private sector-led partnerships between the public and private sectors, their scope has widened with the inclusion of developing investment strategies for European Structural Funds. Consequently, the role of LEPs has expanded into areas such as:

- Skills for employment
- Community-led local development
- Economic and social inclusion
- Environment and climate change
- Social innovation
- ICT and digital inclusion
- Youth unemployment

Many of these priorities impact on the work of VCS organisations or on the people and places that VCS organisations support. It is therefore vitally important that the local VCS makes a coordinated, joined-up offer to LEPs, clearly selling the importance of their role in helping to access hard to reach groups and deliver the above services.

A majority of LEPs across the UK have made their final EU Structural and Investment Fund strategies available, which provide details on how each LEP wants to spend their EU allocation of money and which priorities and opt-ins they are interested in exploring. You can find your local LEP on the LEP network website: www.lepnetwork.net. Almost all LEPs will have a prominent link on their website outlining their strategic economic plan.

⁵For more information, see www.gov.uk/understanding-the-regional-growth-fund



VCS organisations may want to start off by researching the level of engagement their own LEP already has with the sector. For example, is there representation from a Council for Voluntary Service (CVS) or other local voluntary sector support agency? What other voluntary organisations are working with the LEP, sitting on its board or being commissioned by the LEP – if any? It may be worthwhile contacting your local CVS if you have one, and enquiring about their involvement.

NCVO's European Funding Network has published a list of LEPs alongside links to each of their strategies, which is up to date as at April 2014, and provides a good but not exhaustive overview: www.europeanfundingnetwork.eu. The website also contains an overview of what the funding allocations are to each LEP area, and how your organisation can have a say.

Compact Voice have produced a short briefing on understanding LEPs, which provides more detail on this topic. It can be downloaded from www.compactvoice.org.uk.

Why should new commissioning bodies sign up to a local Compact?

Local Compact working or steering groups should be actively encouraging local

commissioning bodies to sign up to – and get involved in – their local Compact. Doing so is beneficial for both parties: signing up sends out a strong signal that commissioners are committed to working in partnership with local voluntary and community organisations.

Signing up to a local Compact represents standing behind something that has a clearly defined purpose, and is supported across the country and by Central Government. It is a meaningful way for commissioners to show other partners that they will take a collaborative approach to working together.

Signing up to a local Compact can provide a key point of access for commissioners and commissioning bodies to engage with the voluntary sector, and also represents standing behind something which has been developed based on local priorities.

Local Compacts go beyond being merely a list of activities for each partner to undertake – they signify 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. Commissioners shouldn't be fearful of signing up to a local Compact – if you want to be good at partnership working, then why not sign up to it?

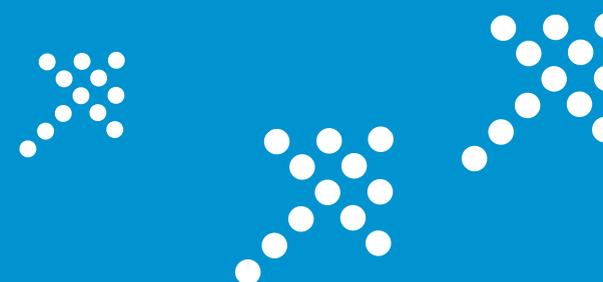
Finally, local partnerships in your area might be working well now, but how can you be sure they will always be this good? A Compact way of working is about not only doing things the right way, but committing to continue doing so. It is a way of showing to other partners that commissioners will take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

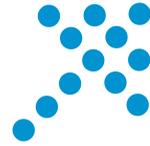


Section 6: Decommissioning well and positive dispute resolution

In this section:

- ❖ Decommissioning well
- ❖ Sample decommissioning checklist
- ❖ Avoiding disputes
- ❖ Developing a positive dispute resolution procedure for your local Compact
- ❖ The Compact, Public Law and Judicial Review





Decommissioning well

According to NAVCA's guidance⁶, decommissioning means:

“The process of planning and managing a reduction in service activity or terminating a contract in line with commissioning objectives”.

An increasing number of VCS organisations are engaging with commissioning out of necessity. This is partly due to a drastic reduction in grant funding, and also due to an increasing reliance on VCS organisations to deliver services.

Organisations working with the most disadvantaged groups are the most likely to identify state funding as important to them, and because of their greater reliance on state funding, statutory cuts will have all the greater impact on these organisations.

Within this landscape of increasing austerity, with greater competition for decreasing public resources, it is inevitable that VCS organisations who have gained contracts to deliver services on behalf of a local statutory body may, at the end of that contract, be decommissioned.

There are real threats as well as opportunities to the sector from commissioning. The need for

positive relationships, enshrined wherever possible by a local Compact, has never been greater.

Decommissioning a VCS organisation could have grave repercussions for the viability of that organisation, both financially and in terms of its mission and reputation. Clearly, there are implications for service users and the wider community. The good practice guidelines contained within a local Compact may not prevent a contract ending, but the need for a proper notice period and clear communication about transition arrangements are paramount.⁷

Principles in the national Compact concerning decommissioning form a useful guideline for good practice in decommissioning. Local organisations entering into a commissioning relationship are encouraged to adopt the following commitments from the beginning of the relationship.

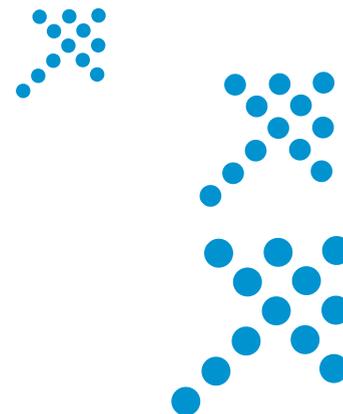
Should a service delivered by a VCS organisation be decommissioned, public bodies should commit to:

1. Assess the impact of decommissioning the service on beneficiaries, service users and volunteers before deciding to reduce or end funding.
2. Assess the need to re-allocate funds to another organisation serving the same group.
3. Discuss the potential implications of decommissioning the service as early as possible. Give organisations the opportunity to respond, and consider the response fully, respecting the expertise of VCS organisations, before making a final decision.
4. Agree to give a minimum of three months' notice in writing when changing or ending a funding relationship or other support, apart for in exceptional circumstances, and provide a clear rationale for why the decision has been taken.



Voluntary sector organisations in turn should commit to:

1. Plan for the possibility of funding ceasing at the end of the contract period.
2. Aim to reduce any potential negative impact on beneficiaries and the organisation.
3. Contribute positively to reviews of programmes and funding practice.
4. Advise commissioners/public bodies on the social, environmental or economic impact of funding changes, and on ways to minimise their effects on people in vulnerable situations.



⁶ NAVCA's decommissioning resources: www.navca.org.uk/localvs/lcp/briefings/decommissioning

⁷ For further information, see NAO's guidance on decommissioning: www.nao.org.uk/decommissioning

Sample decommissioning checklist

This checklist can be copied and modified to suit local needs. It aims to support public sector officers in making decisions about where spending cuts are made and how they should be implemented. The checklist can be replicated using the below example as a template – if you would like an editable version of this checklist in electronic format, please contact Compact Voice on compact@compactvoice.org.uk.

Stage one

1. Identification of the savings required
2. Define the rationale for how potential savings will be identified. For example:
 - Statutory duty
 - How services meet identified priorities or agreed plans
3. Where voluntary and community sector organisations may be affected, contact your local voluntary sector infrastructure organisation if applicable, to discuss the processes to be used
4. Consider asking all organisations or departments if they can voluntarily make any savings
5. Inform organisations or departments that a review process is underway, share the decision making process to be used, and make it clear that a possible consequence could be a termination or reduction in funding and what the timescales are for this process

Stage two

1. Apply agreed rationale to identify where potential savings will be made
2. Determine if an equality and cohesion impact assessment is needed
3. Check any contractual obligations
4. Check if there is a statutory obligation to consult service users before withdrawal of service
5. For voluntary and community sector organisations, find out if the affected organisation delivers other services for the public sector and how those services will be affected if funding is reduced or terminated
6. Include the organisation or department affected in the consultation process – they will have information that will help inform the decision making process
7. Make the decision

Stage three – implementation

In the case of voluntary and community sector organisations:

1. **Give at least three months notice** of any reduction or termination of funding. This should be in writing, and a full explanation of why this decision has been made should be given
2. **Discuss and agree with the organisation** how they will manage the reduction of funding or termination of service, and how they will manage the impact on service users

Important Note

If contracts or service level agreements with voluntary and community sector organisations are coming to an end and will not be renewed, it is important that the responsible officer give a minimum of three months notice in writing to organisations affected.

Developing a positive dispute resolution procedure for your local Compact

When partners agree their local Compact, there is legitimate expectation that its commitments will be followed in practice. When one or more partners do not follow a commitment this is considered to be a breach of Compact principles.

Prevention is better than cure. The Compact isn't a list of principles to bring out when things go wrong, and is most useful when used at the start of relationships. The Compact can form a framework for partnership working that can encourage open, honest dialogue about difficult funding decisions and prevent a dispute from taking place.

Established relationships and high awareness of Compact principles improve partnership working and can avoid breaches happening in the first place. However, raising a challenge is not necessarily a negative move. Sometimes relationships improve as a result of a challenge. Using the Compact to challenge where its principles have been breached

can result in decisions being changed, bad practice being improved, and can enable more effective partnership working.

Avoiding disputes

Most local Compacts have mediation or dispute resolution procedures for addressing or resolving a breakdown in relationships. Usually the first step is to discuss the non-compliance and find solutions or learning points.

Initial steps to follow:

- 1. Research:** Build up a timeline of events, and get an idea of how many other local organisations might be in the same position. Consider collaborating.
- 2. Identify:** Which parts of the local (or national) Compact have not been followed?
- 3. Decide on your objectives:** What do you want to achieve? Is it realistic? What would be a satisfactory result?
- 4. Who should you contact?** Who are the relevant people in the public sector body? Should your local Council for Voluntary Service (CVS) be kept in the loop? Who are your local Compact leads (these can be found on the Compact Voice website)? Do you want to take it as far as contacting your local media, Member of Parliament or Local Government Ombudsman?
- 5. Action:** Raise your concerns at the earliest possible time in the best way. Is it meetings, phone calls, letters?

Many local Compacts find that the most effective route to handling a dispute is to simply get partners around a table and work through the issues at hand. However, most local Compacts will have a formalised dispute resolution procedure outlining steps to follow at a local level.

Developing a dispute resolution procedure for your local Compact

An example of the steps a dispute resolution procedure could follow would include outlining its aims and scope, and what steps to take if things go wrong.

Sample Dispute Resolution Procedure

This example is based on the dispute resolution procedure developed by the Cumbria Compact (www.cumbriacvs.org.uk/giving-you-a-voice/the-cumbria-compact/).

Aims

1. To enable better implementation of the Compact by identifying areas for improvement
2. To define clear expectations for the resolution of any difficulties
3. To provide a mechanism to enable the Compact Steering Group to respond formally to more serious breaches of the Compact agreement

Scope

Even in the best relationships, partners will disagree from time to time, or breaches of the Compact may happen unintentionally. Developing solutions acceptable to both parties can improve understanding and help build stronger relationships. It is important that there is an effective way to solve disagreements about using this Compact. By committing to it, organisations are agreeing to try and solve disagreements in a constructive manner.

As with any process that deals with dissatisfaction or mismatched expectations, the aim will always be to ensure efficient resolution, preferably informally, for all parties concerned. The process should be comprehensive enough to respond to all complaints without being burdensome for partners. The process should be focused on improving outcomes for the Compact as a whole.



If things go wrong

- **Be reasonable.** If an organisation has only recently signed up to the local Compact, bear in mind that it takes time for all partners to adapt the way they work to make sure they meet the Compact requirements. They may already be working towards addressing the problem.
- **Be realistic.** As well as identifying where your Compact partner has gone wrong, think about what you're expecting from them to put it right. Would it be very expensive to do this in the way that you want? Would it involve a lot of staff or volunteer time? Are there other ways of doing this particular thing that are more achievable?
- **Bear in mind that there may be many good reasons why your Compact partner is not able to adhere to the Compact.** For example, we all aim to provide 12 weeks for consultation, but a council might have a legal deadline of eight weeks in some circumstances (e.g. planning applications), so it simply cannot provide 12 weeks for consultation. This does not mean that it will not try and meet the 12 weeks standard on other occasions, but it does mean that it will not meet the 12 weeks standard for planning applications.

Stage one

If possible, raise the issue with the partner organisation that you feel has breached the Compact in order to resolve the issue at the earliest stage. Be specific about where you feel their organisation has not kept to the Compact. Give details of dates and times or send copies of any correspondence. Tell them what you think they need to do to put it right.

Does the organisation you are dealing with have a formal complaints process? Investigate this and consider lodging a complaint. A dispute resolution procedure should make it clear that you are welcome to do this at any point in the process.

Stage two

If you are unhappy with the response you have received from the first step, you can go to the second step. This would normally involve asking your Compact steering group to get involved.

Contact details for the lead person/s on your local Compact are listed on the Compact Voice website. A dispute resolution procedure should also clearly outline here who you can contact to talk through the issue.

Give a timeframe – for example, someone from the Compact working / steering group in your area will get in touch with you within seven days.

This step should also outline what information the working/steering group will need – for example:

- Copies of the correspondence about the alleged Compact breach (letters to and from the organisations involved)
- Evidence of the alleged Compact breach (this should have already been considered by the organisation concerned)
- Any additional information / evidence which has become apparent since the original complaint

Cumbria local Compact's dispute resolution procedure also states:

You may want to contact the Steering Group if:

- You want to make sure that a formal record is made of what you consider to be a Compact breach.
- You want to discuss the complaint and ask the Compact Steering Group members to give their opinion on whether a Compact breach has taken place.
- You want the Compact Steering Group to mediate in discussions around how to solve the alleged breach of the Compact.

The Steering Group will want to know your preferred course of action and will follow this where possible. If this is not possible they will tell you why.

It is important to bear in mind that the Compact Steering Group has no power to bring sanctions against any organisation, but all organisations signed up to the Compact are committed to work together, to improve and develop partnership working between sectors. The Compact Steering Group's response will include details of how the organisation in question intends to resolve the complaint and address the issue in future. The Steering Group will keep you informed during the process and aim to reach resolution within the agreed timescale. The Steering Group also reserves the right to refuse consideration of complaints.

It may also be useful to highlight what to do if the organisation being complained about is involved with the steering or working group.





Stage three

In this stage, a complainant would be encouraged to access the formal complaints process of the organisation they are dealing with.

Following that, you can then consider contacting the Local Government Ombudsman (www.lgo.org.uk) or the Parliamentary and Health Services Ombudsman (www.ombudsman.org.uk).

The Compact Accountability and Transparency Guide outlines steps to follow at a national level. It is available in the 'About Compact' section of www.compactvoice.org.uk.

You are also welcome to contact Compact Voice directly, who cannot take on individual cases but can offer information, advice and signposting.

If you are from an organisation that is a member of NAVCA, you can contact their Public Law Advice Line – information can be found at www.navca.org.uk/services/learningopps/evs/adviceline.

Finally, you can also contact the Public Law Project who can provide information: www.publiclawproject.org.uk/contact-us.

Steps to follow: flow chart

(Based on Cumbria Local Compact's Positive Dispute Resolution process)

First step: Informal discussion takes place (If unsuccessful - go to second step)



Second step: Complaint Received

- Acknowledge complaint – usually within 7 days
- Outline agreed timescale
- Include a copy of the Code of Conduct
- Ask for any further information needed



- Contact Compact Steering Group members via e-mail and convene sub group

- Sub group meet
- Consider evidence of Compact breach and make further enquiries as appropriate to the individual case
- Contact complainant with an update on what is happening
- Respond within agreed timescale



Contact complainant with sub group's findings. Complaint upheld or denied. The Compact Steering Group's response will include details of how the organisation in question intends to resolve the complaint and address the issue in future



Third step: (If complainant is unhappy with the result)



Appeal to, for example, Third Sector Network Executive. Response within 30 days

Complainants follow up on independent support and advice available, and / or Complaints procedure

Cumbria local Compact's full Positive Dispute Resolution process can be downloaded at www.wcumbriacvs.org.uk/giving-you-a-voice/the-cumbria-compact/



The Compact, public law and judicial review

Public Law

Public law is the set of legal principles which governs the exercise of power by public bodies. It can be useful to be aware of the fact that the Compact interacts with public law by:

- Supporting the implementation of legal requirements. For example, Compact principles can be used to help deliver the public sector duty on equality by facilitating partnerships which can reach groups protected by equality legislation⁸
- Reducing the likelihood of a legal challenge by following its principles. Some aspects of the Compact overlap with public law duties. For example, in some circumstances there is a duty to consult, and there is a duty to give those affected by a decision a fair hearing.

The Public Law Project is a national legal charity which aims to improve access to public law remedies. Their website contains useful information about what public law is, what remedies are available under it and how to get advice. Visit www.publiclawproject.org.uk/public-law for more information.

⁸For further guidance on the public sector equality duty, see the EHRC website: www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/

How does the Compact relate to public law?

The Compact forms part of a public sector body's policy framework. A public sector body's policies and its previous behaviour can amount to the creation of a legitimate expectation, a public law concept.

If, for example, a council normally consults on major changes and normally adheres to Compact commitments around consultation, it may be arguable that there was legitimate expectation that they would consult on a major policy change. In this respect, the Compact can be seen as more than a wish list, but less than a contract – it is a commitment of intent between the parties concerned.

The government also published Best Value Statutory Guidance in 2011. This guidance outlines that a council must honour the commitments in local Compacts. Neither the national nor local Compacts are legally binding, however their reference in the Guidance can have the effect of making a breach of a local Compact's principles a breach of statutory guidance.

While statutory guidance is not binding in a strict sense, best value authorities are under a public law duty to carefully consider the guidance whenever the best value duty is engaged, and to follow it unless there are good reasons not to. Failure to do these things may leave an authority vulnerable to legal challenge by way of judicial review.

NAVCA have published a legal briefing on the Best Value Statutory Guidance, which can be accessed via www.navca.org.uk/best-value-statutory-guidance.

Judicial Review

A public sector body's decision can be subject to judicial review, whereby the court considers whether the behaviour of the public sector organisation complies with public law principles. It is important to note that in judicial review, the judge considers whether the relevant decision was lawfully available to the public sector organisation rather than remaking the decision itself.

Generally, a claim for judicial review needs to be made promptly and in any event within three months of when the decision you are challenging was made. However, certain procurement decisions must be challenged within 30 days.

Judicial review should be seen as a last resort and should come after undertaking all of the steps in your local Compact's dispute resolution procedure (although the deadline for bringing a claim may mean that this is not always possible). The legal tests involved in bringing a successful judicial review are not easy to satisfy, and a court challenge can damage your relationship with the public sector organisation. It is also worth remembering that following the principles of the Compact costs nothing, but taking a public sector body to court is very expensive.



That said, judicial review is a vital tool in holding public sector organisations to account and there have been cases in which a judicial review claim has led to decisions on funding being reviewed. One well-known example is the challenge brought by the BME organisation Southall Black Sisters in relation to Ealing Council's decision to withdraw their funding. The Council's decision was based on their desire to fund a service 'for all individuals irrespective of gender, sexual orientation, race, faith, age, disability, resident within the Borough of Ealing experiencing domestic violence'. Southall Black Sisters maintained that specialist provision, such as their service, does not undermine social cohesion.

Ultimately Ealing Council withdrew its defence and agreed to review the decision, but the judge made a ruling anyway, noting that 'the Compact ... emphasises the importance of independent, non-profit organisations run by, for and located within black minority ethnic communities.'

The Government has recently made a number of changes to judicial review procedures. Compact Voice have published an easy to understand overview of these proposals, what has been agreed and what the changes mean, which can be viewed at www.compactvoice.org.uk.

The Equality and Human Rights Commission website (www.equalityhumanrights.com) also contains detailed information about judicial review.

How Compact Voice can help

We can:

- Run events and workshops to **promote the Compact** in your area
- Provide speakers or presentations for your **local events and meetings**
- **Share good practice** about what has worked well elsewhere
- **Provide resources** to help you implement your local Compact
- Share our **straightforward briefings** on key policy topics
- Provide **local knowledge** about how commissioners are engaging with the voluntary sector in your area
- Help you **develop an action plan** for implementing your local Compact more effectively
- **Facilitate evaluation**, peer review or monitoring sessions, and help you develop an evaluation framework for your local Compact
- Provide resources to help you **evaluate the impact** of your local Compact
- Help you to **develop a positive dispute resolution process**
- Provide **support during the process of renewing your local Compact**, helping you decide what steps to take and provide guidance on draft documents.

Email us on compact@compactvoice.org.uk

Compact Voice

Compact Voice works to ensure that strong, effective partnerships are at the heart of all relationships between the voluntary sector and government – locally and nationally.

We support the use of the Compact through influencing, sharing positive examples and providing expertise to ensure that communities benefit from the most effective and diverse public services and support.

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