


<p>Cabinet</p> <p>20th March 2018</p>	
<p>Report of: Zena Cooke, Corporate Director, Resources</p>	<p>Classification: Unrestricted</p>
<p>The Compact with the Voluntary and Community Sector</p>	

Lead Member	Mayor John Biggs
Originating Officer(s)	David Freeman, VCS Strategy Manager
Wards affected	All
Key Decision?	No
Community Plan Theme	One Tower Hamlets

Executive Summary

The Compact is a way of working between the voluntary sector and the public sector setting out agreed values and principles.

The current Compact between the Council and the local voluntary and community sector was agreed in 2011. The Voluntary Sector Strategy action plan agreed by the Mayor in Cabinet in April 2016 includes a commitment to renew the Compact. This report presents a renewed Compact to take the relationship between the Council and the voluntary sector forward.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree the Compact between the Council and the Voluntary and Community Sector set out in Appendix A.

1. REASONS FOR THE DECISIONS

- 1.1 The renewal of the Compact is a commitment from the VCS Strategy 2016-19 Action Plan

2. ALTERNATIVE OPTIONS

- 2.1 The Council could do nothing and keep the current Compact but the current Compact, agreed in 2011, is no longer considered to be fit for purpose to meet the challenges of the changed relationship between the voluntary sector and the public sector.

3. DETAILS OF REPORT

3.1 Background

- 3.2 The previous Compact between the Council and the Voluntary and Community Sector (VCS) was adopted in 2011. Since that time the Council's relationship with the VCS has developed and changed with a new VCS Strategy agreed in 2016 bringing a different funding relationship with the sector, changes in the arrangements for the Council providing premises for VCS organisations and, more widely, the pressures of the reduction in public spending.
- 3.3 Against this backdrop of change it is appropriate to review and renew the Compact and the values and principles which underpin the relationship between the sectors. Agreeing a new Compact is therefore one of the key actions of the Council's VCS Strategy 2016-19.
- 3.4 The Council began discussion with the VCS early in 2017 to co-produce a revised Compact which would align with the VCS Strategy and reflect the current relationship between the sectors.
- 3.5 A number of sessions were held with representatives of the VCS including an open workshop session in February attended by 25 representatives of the Council and the VCS including the then Cabinet Member responsible for the VCS.
- 3.6 Work has continued looking at best practice and central government guidance on Compacts to develop a Compact which meets the concerns and aspirations of the local VCS and adapts practice used commonly by other local authorities and central government to the local context in Tower Hamlets.
- 3.7 Appendix A sets out the draft Compact for consideration. Appendix B maps the issues raised by the sector during the discussion process against the principles and undertakings set out in the revised draft Compact. The draft Compact has been discussed with the VCS and comments have been incorporated where appropriate.
- 3.8 The Compact is aligned with the VCS Strategy and will inform the development of the Corporate Grants programme and the Community Commissioning programme which will replace the current MSG and other

VCS grants programmes. It will also align with other key Council strategies and policies such as the Community Engagement Strategy.

- 3.9 The renewed Compact is a key commitment in the VCS Strategy action plan. Responsibility for the Compact and its implementation will rest with the VCS Strategy Delivery Group. This joint Council and VCS group has overall responsibility for the delivery of the VCS Strategy.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 There are no financial commitments arising from this report.

5. LEGAL COMMENTS

- 5.1 The Tower Hamlets Community Plan sets out the vision and priorities for the Borough which has been set by the Council and its partners. Having regard to the Community Plan, the VCS strategy is considered as being necessary or desirable to deliver a variety of the Community Plan objectives.
- 5.2 The Council has a range of specific statutory powers and duties which provide for partnership and community arrangements. In addition Section 111 of the Local Government Act 1972 permits the Council to do things (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) calculated to facilitate, or conducive or incidental to, the discharge of any of its functions. Section 1 of the Localism Act 2011 gives the Council general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes.
- 5.3 The development and implementation of a revised Compact setting out a way of working between the voluntary sector with agreed values and principles is a commitment of the current VCS strategy. The development of a strategy to support the VCS is something an individual may do and thus is also something that the Council may do. The development and delivery of a VCS Strategy is within the powers of the Council and the development and implementation of a Compact as required in the VCS strategy is also within the powers of the Council.
- 5.4 In updating the Compact, the Council must also comply with its obligation as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. This is addressed further in paragraph 7 below.
- 5.5 In considering the recommendations in this report, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets section of the report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The relationship between the public and voluntary sector is a key element of achieving the aims of One Tower Hamlets. By defining common values and principles and setting out explicit undertakings from each sector, the Compact will help ensure the VCS continues to work with the Council towards the common goals One Tower Hamlets seeks to achieve.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The VCS is an important partner in the delivery of quality public services to residents of the borough. By helping to define and underpin a positive relationship between the public and voluntary sectors the Compact will support partnership and co-production of services for local people.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct environmental implications arising from the Compact.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There are no direct risk management implications arising from the Compact.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no direct crime and disorder implications arising from the Compact.

11. SAFEGUARDING IMPLICATIONS

- 11.1 The Compact includes specific reference to ensuring volunteers have DBS checks where appropriate and places a requirement on both public bodies and the voluntary sector to ensure this happens.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- Appendix A The Compact
- Appendix B Compact commentary

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

N/A

London Borough of Tower Hamlets

Compact

between

Tower Hamlets Council

and the

**Voluntary and Community
Sector**

2018 - 22

What is a Compact?

Compacts are partnership agreements between public bodies and voluntary and community sector (VCS)¹ organisations to improve their relationships and provide a framework within which the sectors can understand what to expect from each other, thereby enhancing their contribution to the local community.

The 'Compact way of working' sets high level outcomes in the National Compact for an effective partnership between all levels of government and the VCS which is reflected in local compacts. These outcomes are:

1. A strong, diverse and independent VCS;
2. Effective and transparent design and development of policies, programmes and public services;
3. Responsive and high-quality programmes and services;
4. Clear arrangements for managing changes to programmes and services, and
5. An equal and fair society

Local compacts set out a series of undertakings for public bodies and for the voluntary and community sector to help achieve each of these outcomes in their local area and in their own particular circumstances.

Community Plan and VCS Strategy Principles

The Tower Hamlets Community Plan sets out a vision of the future of Tower Hamlets which is shared by all sectors that,

“The borough is a place where everyone has an equal stake and status, where people have the same opportunities as their neighbours and where people have a commitment and a responsibility to contribute to the well-being of their communities”

The vision for the VCS Strategy builds on this,

“An independent and sustainable voluntary and community sector, taking a place based, collaborative approach to working with the Council and partners to meet the needs of local people”

This vision captures the shared principles which underpin the relationship between the Council and the VCS and help achieve a Compact way of working. These principles may be summarised as:

1. *Community involvement and voluntary action are essential to the quality of life in the borough.*
2. *Respect and trust - the Council and the VCS should value and respect the differences and diversity between them, and recognise their respective*

¹ Note that for brevity, the term 'voluntary and community sector (VCS)' refers to the not for profit organisations set out in the Council's VCS Strategy

responsibilities and constraints. The relationship between the sectors should be open and respectful and demonstrate trust

- 3. Independence - the independence of the VCS should be respected. To maximise the effectiveness of the VCS, investment in its infrastructure is essential. Organisations in each sector have the right to contribute to and, if necessary, challenge matters that affect them*
- 4. Quality services - In the development and delivery of services, the public sector and the VCS have distinct but complementary roles. Each sector should strive for excellence and equality of access*
- 5. Joint working - When working together contributions from each sector should be given equal consideration and respect*

Compact outcomes

To support and guide the Compact way of working towards achieving the Compact outcomes, there are a number of undertakings required from both the VCS and the public sector.

It is intended that these undertakings will build on the success of previous Compacts and provide the bedrock for continuing to develop a strong and mutually beneficial relationship between the Council and the Voluntary and Community Sector. The undertakings, while not statutory, provide standards against which policy and practice may be judged. Over time it is anticipated that the principles and undertakings set out in the Compact will be adopted by other public sector organisations and become part of the fabric of the Local Strategic Partnership.

Outcome 1: A strong, diverse and independent VCS

Undertakings for the public sector

1. Respect and uphold the independence of VCS to deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise, which may exist.
2. Recognise that volunteering adds value to public services and brings about positive benefits to local people and service users. Encourage volunteering to be undertaken by a high proportion of people across diverse backgrounds.
3. Ensure greater transparency by making data and information more accessible, helping the voluntary sector to challenge existing provision of services, access new markets and hold the public agencies to account.
4. Consider a range of ways to support voluntary sector organisations, such as enabling greater access to public sector premises and resources.
5. Ensure that published timescales are adhered to as far as practicable, give adequate notice where timescales may not be met and provide reasons wherever possible.
6. Support volunteering and, in particular, ensure that where organisations are engaging volunteers requiring Disclosure and Barring Service (DBS) checks, the organisation covers the cost, not the volunteers, and that, wherever possible, appropriate safeguarding training is made available.
7. Support the VCS to identify and nurture leadership within communities by emphasising its assets and positive strengths, as a base for building a network of caring people with the interests of their communities at heart.

Undertakings for the VCS

8. When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented.
9. Ensure independence is upheld, focusing on the cause represented, regardless of any relationship they have with the public sector, financial or otherwise.
10. Recognise that volunteering adds value to public services and brings about positive benefits to local people and service users. Encourage volunteering to be undertaken by a high proportion of people across diverse backgrounds.
11. Ensure that where organisations are engaging volunteers requiring Disclosure and Barring Service (DBS) checks, the organisation covers the charge, not the volunteers, and that, wherever possible, appropriate safeguarding training is sought.

12. Identify and nurture leadership within communities by emphasising its assets and positive strengths, as a base for building a network of caring people with the interests of their communities at heart.

Outcome 2: Effective and transparent design and development of policies, programmes and public services

Undertakings for the public sector

1. Recognise that the VCS makes a valuable contribution to the economic, environmental and social development of Tower Hamlets.
2. Ensure participation in jointly convened partnerships, forums and advisory groups.
3. Consider the social impact that may result from policy and programme development and, in particular, consider how these would impact local efforts to inspire and encourage social action and to empower communities.
4. Work with the voluntary sector from the earliest possible stage to design policies, programmes and services through a process of co-production. Ensure those likely to have a view are involved from the start and remove barriers that may prevent organisations contributing.
5. Give early notice of forthcoming consultations, where possible, allowing enough time for VCS organisations to involve their service users, beneficiaries, members, volunteers and trustees in preparing responses. Where it is appropriate, and enables meaningful engagement, conduct 6 week formal written consultations, with clear explanations and rationale for shorter time-frames or a more informal approach.
6. Provide feedback wherever possible to explain how respondents have influenced the design and development of policies, programmes and public services, including where respondents' views have not been acted upon.
7. Assess the implications for the sector of new policies and guidance, aiming to reduce the bureaucratic burden, particularly on small organisations.
8. Ensure communication is accessible, in particular using clear language and avoiding jargon, and is widely disseminated through appropriate networks.

Undertakings for the VCS

9. Promote and respond to public sector consultations where appropriate.

10. Ensure participation in jointly convened partnerships, forums and advisory groups.
11. Seek the views of service users, clients, beneficiaries, members, volunteers and trustees as appropriate when making representation to the public sector. Be clear on who is being represented, in what capacity, and on what basis that representation is being made.
12. When putting forward ideas, focus on evidence-based solutions, with clear proposals for positive outcomes.

Outcome 3: Responsive and high-quality programmes and services

Undertakings for the public sector

1. Ensure that VCS organisations have a greater role and more opportunities in delivering public services by opening up new markets and reforming the commissioning environment in existing markets.
2. Consider a wide range of ways to fund or resource VCS organisations, including grants, contracts, loan finance, the use of premises and so on. Work to remove barriers that may prevent VCS organisations accessing government funding, thereby enabling smaller organisations to become involved in delivering services where they are best placed to achieve the desired outcomes. Where appropriate, use funding strategies which maximise the opportunities for local VCS organisations to participate.
3. Ensure transparency by providing a clear rationale for all funding decisions.
4. Commit to multi-year funding where appropriate and where it adds value for money. The funding term should reflect the time it will take to deliver the outcome.
5. Ensure well managed and transparent application and tendering processes, which are proportionate to the desired objectives and outcomes of the programmes. Ensure that notification of funding decisions and that transfer of funds to successful organisations are within agreed timescales.
6. Agree with VCS organisations how outcomes will be monitored before a contract or funding agreement is made. Ensure that monitoring and reporting is relevant and proportionate to the nature and size of the opportunity.
7. Ensure equal treatment across sectors, including reporting and monitoring arrangements, when tendering for contracts.
8. Recognise that when VCS organisations apply for funding, they can include appropriate and relevant overheads, including the costs associated with training and volunteer involvement.

9. Ensure delivery terms and risks are proportionate to the nature and value of the service.
10. Ensure that the widest possible range of organisations can be involved in the provision of services through appropriate funding and financing models.
11. Ensure all bodies distributing funds on behalf of the public sector adhere to the commitments in this Compact.
12. Encourage feedback from a wide range of sources on the effectiveness of the partnership between the public sector and VCS organisations and how successful it has been in delivering their objectives.
13. Seek out opportunities to explore joint funding bids with the VCS to maximise investment into the borough.

Undertakings for the VCS

14. Ensure eligibility for funding before applying and be explicit about how outcomes will be achieved.
15. Ensure robust governance arrangements so that organisations can best manage any risk associated with service delivery and financing models, including giving funders early notice of significant changes in circumstances.
16. Be open and transparent about reporting, recognising that monitoring, whether internal or external, is an aspect of good management practice.
17. Demonstrate the social, environmental or economic value of the programmes and services provided, where appropriate.
18. Help facilitate feedback from users and communities to the public sector to help improve delivery of programmes and services.
19. Recognise that the public sector can legitimately expect VCS organisations to give public recognition of its funding.
20. Ensure all VCS organisations which receive funds from the public sector adhere to the commitments in this Compact.
21. Seek out opportunities to explore joint funding bids with the public sector to maximise investment into the borough.
22. Taking responsibility for remodelling services to achieve preventative solutions to underlying social problems

Outcome 4: Clear arrangements for managing changes to programmes and services

Undertakings for the public sector

1. If a programme or service being delivered by a VCS organisation is encountering problems, agree with the organisation a timetable of actions to improve performance, including signposting to appropriate support, before making a decision to end a financial relationship.
2. Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding. Assess the need to re-allocate funds to another organisation serving the same group.
3. Where there are restrictions or changes to future resources, discuss with VCS organisations the potential implications as early as possible, give organisations the opportunity to respond, and consider the response fully, respecting sector expertise, before making a final decision.
4. Give a minimum of three months' notice in writing when changing or ending a funding relationships or other support, apart from in exceptional circumstances, and provide a clear rationale for why the decisions has been taken.

Undertakings for the VCS

5. Plan for the end of funding to reduce any potential negative impact on beneficiaries and the organisation.
6. Contribute positively to reviews of programmes and funding practice.
7. Advise funders on the social, environmental or economic impact(s) of funding changes, particularly to minimise their effects on people in vulnerable situations
8. Advise funders if voluntary sector organisations are facing funding or other significant difficulties.
9. Contribute to the achievement of efficiency savings by maximising resources, cutting costs and collaborating more effectively

Outcome 5: An equal and fair society

Undertakings for the public sector

1. Work with voluntary sector organisations that represent, support or provide services to people specifically protected by legislation and other under-represented and disadvantaged groups. Understand the specific needs of these groups by actively seeking the views of service users and clients. Take these views into account, including assessing impact, when designing and implementing policies, programmes and services.
2. Acknowledge that organisations representing specific disadvantaged or under-represented groups can help promote social and community cohesion and should have equal access to funding.
3. Take practical action to eliminate unlawful discrimination, advance equality and to ensure a voice for under-represented and disadvantaged groups.

Undertakings for the VCS

4. If receiving funding, show how the value of the funded work can help the public sector deliver its duties on promoting equality and tackling discrimination.
5. Take practical action to eliminate unlawful discrimination, advance equality of opportunity and build stronger communities.

Appendix B

Compact Co-production Summary

The table below maps the issues raised through the co-production process with the principles and undertakings set out in the Compact.

	Summary of issues raised during co-production sessions	Principle	Undertakings
1	Respecting independence – funding should not be a constraint	3	1.1, 1.7, 3.19, 5.1
2	Recognising interdependence	4	2.2, 3.18
3	Alignment of vision and goals	4	2.1, 2.2, 3.12, 3.13, 3.20, 5.1, 5.2, 5.4
4	Ensuring VCS voice is heard	5	1.6, 1.7, 2.2, 2.7, 2.8, 2.9, 5.1, 5.2, 5.4
5	Commitment to attending forums/advisory groups	5	2.2, 2.10
6	Promoting openness and trust	2	2.1
7	Celebrating success – better communication	1	1.10, 3.12, 3.18
8	Open communication – reduce barriers such as use of language	1	2.8
9	Promoting partnership and peer learning	5	1.10
10	Consistent expectations	4	3.5
11	Volunteering – support and key principles	1	1.2, 1.5, 1.8, 1.9
12	Access to data	2	1.3
13	Access to Council resources - premises	4	1.4
14	Consultation and co-design	4	2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 3.18, 3.21, 4.6
15	Promoting funding opportunities	4	3.1, 3.14
16	Clear, consistent and proportionate monitoring	4	3.6, 3.7, 3.9, 3.16
17	Notice of changes in funding whether to existing grants or contracts or new funding opportunities	4	3.2, 4.1, 4.2, 4.3, 4.4, 4.6, 4.7
18	Consider whether bigger contracts to consortia are effective or whether they may exclude smaller more targeted services	4	3.10, 3.9
19	Consider the role of grants in encouraging creative solutions	1	3.1, 3.2
20	Allow full costs to be considered when funding, including premises	4	3.8, 4.9
21	Timeliness – responses on funding queries, payments	2	1.5, 3.5, 3.15
22	Allow sufficient time for small organisations to respond	1	2.6, 3.2
23	Awareness – ensuring Compact is known and respected	5	3.11