Commission
for the **Compact**

**RESEARCH
REPORT**

Use it or lose it:
A summative evaluation
of the Compact

March 2011

A Report prepared for the
Commission for the Compact by:

**Meta Zimmeck, Colin Rochester and Bill Rushbrooke
Practical Wisdom R2Z**

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Foreword

by Sir Bert Massie CBE, Commissioner for the Compact

This study, a summative evaluation of the Compact, reviews the origins and effectiveness of the Compact as a policy instrument, assesses the difference it has made to the quality of relationships between the state and the voluntary and community sector, and considers its future prospects.

This is an independent study that is both substantial and credible and that should carry weight with policy-makers. Its authors have found, broadly speaking, that the Compact has been a force for good. However, they also identify some significant failings, and they express concern for the future of the Compact.

We share some but not all of the authors' views. We believe that this is a critical moment for the Compact, and that much will depend on the new "accountability and transparency" measures that the Government promised when it launched the renewed Compact in December 2010. There is to be a review by the National Audit Office in mid 2011. If, after that, the Government introduces an effective mechanism for independent oversight of the Compact's operation and for holding the Government to account for its implementation of the Compact, we can see the Compact not just continuing but becoming revitalised. However, if the Government does not introduce a mechanism of that sort we can see the Compact becoming worthless and devoid of effectiveness.

Summary

Origins and importance of the Compact

The Compact was signed in 1998 and is now just over twelve years old. A genuine innovation in government-voluntary and community sector relations when it was signed, it has lasted longer than most policy initiatives. Its power and its longevity stemmed from its "new approach to partnership.... based on shared values and mutual respect". It looked to the past, to the grievances that had marred the relationship between government and the sector, and to the future, to the opportunity to create a more positive relationship based on "integrity, objectivity, accountability, openness, honesty and leadership". Its approach was realistic, "a starting point not a conclusion", in that it acknowledged the scale and complexity of carrying out such relationship-building, with its inevitable disappointments, and idealistic, in that it celebrated the possibilities of building on the good rather than just compromising with the bad.

Unlike other "vertical" initiatives that are hosted by a single government body or cover a single service area or group of users, the Compact is a national "horizontal" initiative. It requires change and adaptation across the whole of government – central government departments and their agencies and non-departmental public bodies; government offices of the regions and regional development agencies; local authorities; the National Health Service; police forces; and fire services – and the whole of the sector – from the largest national organisations to the smallest community groups. It requires change and adaptation in principle and in detail, as success (or failure) is determined at every point of contact – from Minister to procurement officer, from chief executive to project manager. It requires change and adaptation on a sustained basis – through changes in political leadership, programmes, administrative structures, methods of operation and personnel.

Over the years both government and the voluntary and community sector have committed political, reputational and moral capital and considerable resources to the task of implementing the Compact – through spreading awareness of its aims and terms, providing guidance on how to use it, creating mechanisms to administer it, ensuring that it remained fit for purpose and capable of meeting the challenge of changing circumstances, and coping with acts of faithlessness that threatened its status and credibility.

Despite widespread belief that the Compact is a "good thing", at least in principle, the substantial effort devoted to translating it into reality, and its positive impact, the Compact is currently at low ebb and is in danger of being ignored to death. Recent developments - the thicket of newer and higher-profile initiatives that bypass it; the new text scrabbled together to reflect the Coalition's emerging policy agenda; the "cull of the Quangos" that terminated its principal guardian, the Commission for the Compact; and government's somewhat cavalier approach to the resourcing (and even existence) of the organisations required to deliver the Big Society agenda – testify to its parlous state. This is, therefore, an appropriate moment to take stock.

This report, a summative evaluation commissioned by the Commission for the Compact, attempts to answer the following questions. Was the Compact a clear, concise and usable document? Was it capable of practical application? Was its implementation organised in the right way at the right time? Was it effective in achieving its aims? Did it have the desired impact or any impact? Was the ideal of partnership set out in the Compact the best method or even a good method for approaching government-voluntary and community sector relationships? Can – should – it continue in force, whether as an ideal much honoured in the breach or as the basis for concerted action, or should it be laid to rest? What will happen next? What should happen next? If we don't use it, will we lose it?

Three Compacts: An overview

As a document the Compact has gone through a number of versions which reflect changes in the economic and social context in which it operates and in government's view of the appropriate role for the voluntary and community sector in operationalising its policy agendas. The original version was published in November 1998 with a series of five supplementary Codes of Good Practice which were completed in 2005. It was replaced by the "refreshed" Compact published in December 2009 and, in turn, by the "renewed" Compact published in December 2010. The renewed Compact is a very different document than the original Compact.

Important changes in its contents, scope, status and orientation include:

- a radical reduction in the size of the text - from 140 pages and 273 undertakings to 11 pages and 48 undertakings – and the creation of a unified document without Codes of Good Practice
- the expansion of the scope of the partners to the agreement – from central government departments, including government offices and Next Steps (some, not all) executive agencies to central government departments, government offices, executive agencies and NDPBs; and from the voluntary and community sector to civil society
- the loss of the "jointness" – from a joint foreword and joint undertakings to a separate foreword and no joint undertakings
- the politicisation of the text – from low-key messages in the foreword to an advert for the Big Society in the text
- the downgrading of its status from command paper to ordinary publication
- the decline in its approach from the visionary to the utilitarian – from shared vision and shared principles to outcomes
- the narrowing of focus of content – from all aspects of the relationship between government and the sector to public service delivery (and the elimination of volunteering and community groups as meaningful subjects).

The Compact in perspective

The Compact exists and can be interpreted in a wider context. On the one hand on the global front it has served as a model for similar initiatives in a number of countries. On the other hand on the domestic front it has been seen as a "pivot" or a "sign of change" in the position of the voluntary and community sector in society and governance. There are a number of ways of interpreting the significance of the Compact in social policy terms. Firstly studies of changes in the structure of the welfare state see the Compact as a device for "unifying" the various strands of New Labour's programme of marketising public service delivery, increasing the emphasis on local or regional delivery of policy, promoting trust and combating social exclusion and environmental degradation. Secondly studies of governance and governmentality view the Compact as the starting point or "enabling mechanism" for shifting the nature of the government's relationship with the sector from co-production to co-governance, from contracting to "networked partnership" and from the exercise of power directly by government to its exercise indirectly through co-option of the sector. Finally studies of policy formation and implementation note the UK's openness to policy innovation and the success of the Compact as a groundbreaking initiative which succeeded, as part of the "mainstreaming" of the voluntary and community sector from the periphery to the centre, because all the circumstances for its adoption were favourable. In sum, all of these studies agree that social policies in the last fifteen years created a "space" for the sector and a "place" for the Compact. We have drawn on these various interpretations to inform our analysis.

The architecture of implementation

The practical challenges of implementing the Compact sideways and downwards across government and the voluntary and community sector are very great, and appropriate administrative arrangements – the architecture of implementation - are critical to the success of the project. Over the years implementation has involved the use or creation of a number of different bodies, each with its own remit, outlook and ways of working; the coordination of their efforts; and arrangements for monitoring performance, evaluating progress and resolving disputes. As these arrangements have become more complex and the operational context has changed, there have been issues about commitment, boundaries and coordination of effort.

Between 1998 and 2007 arrangements were twin-tracked along lines initially set by the development and negotiation of the Compact. On the government side there were ministers with responsibility for the voluntary and community sector and the lead unit for the sector. On the sector side there were the responsible body for the sector and related or ancillary bodies involved in mediation/resolution of disputes. From April 2007 until the end of March 2011 arrangements were triple-tracked to include the Commission for the Compact.

There have been a number of weaknesses in this architecture which have militated against the active and sustained implementation of the Compact. These include:

- The ability of successive **Ministers** to provide consistently effective leadership has been limited by the short time most of them were in post; the extent to which they had responsibilities other then the Compact; the depth of their knowledge of and interest in the sector; and the degree of political influence they could exert.

- The **unit within government** with the responsibility for the Compact (originally the Home Office's Voluntary and Community Unit and now the Cabinet Office's Office for Civil Society) has undergone almost continuous change since 1998 and has had almost as many heads as Ministers. In the early years of the Compact it was completely overstretched and, although its staffing has been increased, so too has the scale of its responsibilities. It has not been able to devote sufficient resources to work on the Compact..

- **The lead body for the sector** (which began life as the Working Group on Government Relations and then became first the Compact Working Group and then Compact Voice) has been under-resourced for the whole lifetime of the Compact but especially so in its first three critical years. There are also serious questions about its ability to represent the sector and its independence from NCVO (which manages it) on the one hand and government (which funds it) on the other.

- **Mechanisms for liaison** between government and the sector have been opaque and weak. Over the years the function, status and value of the annual meetings, which were the main vehicle for scrutiny of progress, have changed for the worse, while the joint action plans have progressively abandoned concrete objectives for broader aspirations. The system of appointing liaison offices appears to have been successful but has been weakened by staff turnover, competing responsibilities and inconsistent leadership.

The establishment of the Commission for the Compact provided grounds for optimism and fresh impetus to the implementation of the Compact.

- It deployed more adequate resources with a normal staff complement of fifteen, demonstrated a high level of transparency and public accountability and operated in a business-like manner.

- It carried out an extensive programme of work which included preparing the ground for the refreshed Compact; providing expert advice and face-to-face support for government bodies and voluntary and community organisations in Compact-based working; and carrying out essential research, including the first attempt since 2000 to gather evidence about Compact-working in central government (Baseline Study).

- In its "honest broker" role it has been studiedly even-handed in its approach to both government and the voluntary and community sector.

On the other hand its position was weakened by:

- the failure to ensure its independence from the Cabinet Office by establishing it as a "permanent, independent, statutory body" with a duty to report to Parliament;

- lack of clarity between its remit and that of Compact Voice.

It has fallen victim to the Coalition Government's "cull of the quangos" and ceases to exist at the end of March 2011.

Assessing the impact of the Compact

Attempting to assess the impact of the Compact is hampered by three issues: the problem of identifying causality in a complex and changing policy environment; the lack of clarity in many of the Compact's provisions; and the scarcity of quantifiable measures. We have reviewed progress in implementing four key areas and found that:

- There has been progress in implementing the provisions on **Funding and Procurement,** but it has been halting and uneven, and, in some cases, early achievements have been undone by later events.

- It was impossible to measure progress in implementing the provisions on **Consultation and Policy Appraisal,** because there was no definitive information about firstly the number, type and characteristics of consultations carried out by <u>all</u> government bodies at local, regional and national levels and secondly the participation of voluntary and community organisations in these consultations.

- Volunteering has been high on government's agenda since 1997, but it has not translated this interest into meaningful action, and it has not kept up its end of implementing the provisions on **Volunteering**.

- While **Local Compacts** exist (or have existed) in most local authority areas there are considerable variations in their content, longevity and impact. The best of these have made significant and valuable contributions to improving relationships, and it is at local level that the future of Compact working looks most promising.

A changing policy environment

The changes in the content of the Compact and ways in which it has been implemented have been shaped to some extent by three changes in government's agenda and the role allocated to the voluntary and community sector over its lifetime:

- a change in the definition of the relationship between the government and the sector from "partnership" to "contracting" and then to "commissioning" as part of its agenda for public service delivery, which grew in importance over the life of New Labour

- central government's increasingly hyperactive but prescriptive and target-based approach to local government, which tended to crowd out Compact working

- the redefinition of voluntary and community sector organisations as a single entity – the "third sector" or (less believably) "civil society" – which is primarily in the business of providing services.

An alternative critique

While the report reflects a widely-held view that the Compact is a "good idea" which has been let down by flaws in its implementation, we note that there is a more fundamental critique, also widely held, which views the Compact as misconceived because of one or more of the following:

- it has no powers of enforcement or "teeth"
- it is irrelevant to the concerns of the great majority of voluntary and community sector organisations which have little or no contact with government and therefore little interest in the management of that relationship
- it is a means of co-opting those who claim to lead the sector to the detriment of the sector's independence
- it disguises the imbalance in the power relationship between the "partners" and the divergence of their values and interests.

It is important to acknowledge the existence and power of this alternative critique of the Compact.

What next for the Compact?

Much depends on the development of the Coalition's agenda for empowering communities, opening up public service delivery and encouraging social action. If this ends up as a method for "disappearing" central and local government and commissioning services from "any willing provider", the scope for operation of the Compact could be so reduced as to make it largely irrelevant. This is the "downside" imagined by one of the members of our reference group, Professor Nicholas Deakin:

> "If government, central and local, is to withdraw entirely from delivery of public services of any kind (except justice and espionage), as seems to be the Prime Minister's present intention, then the state with which any Compact is made will be a quite different sort of animal. When there is a wide range of activities where the voluntary sector and the state share common interests and responsibilities, as they do currently, it still makes sense to talk about 'partnership'. But once central government's role is confined to setting the level and terms of financing and determining the format for contracting it ceases to do so. In these new circumstances, all that would be relevant in the Compact would be a version of the former funding and procurement code, adapted to meet the situation which will now exist."

But there is an upside as well. A policy paper prepared for the Liberal Democrats' 2011 Spring Conference notes the success of the local compact in Leeds but suggests that funding of the Compact "as a national organisation" should be discontinued. Our informants felt that it was at the local level that Compact principles had been most influential and offered most hope for the future. It is there that people have "used it", and it may be that it is principally at the national level that we will "lose it".

Acknowledgements

1. Introduction

The Compact[1] was signed in 1998 and is now just over twelve years old. A genuine innovation in government-voluntary and community sector relations when it was signed in the heady days of New Labour's first administration, it has lasted longer than most policy initiatives and has flown the flag for the UK's social-policy excellence across the world. It offered "a new approach to partnership.... based on shared values and mutual respect"[2] between government and the sector and thus provided a welcome alternative to the inequality and lack of consideration that many organisations had experienced under the previous Conservative administrations.

Developing and implementing the Compact offered unprecedented challenges to government and the sector. Unlike other "vertical" initiatives that are hosted by a single government body or cover a single service area or group of users, the Compact is a national "horizontal" initiative. It requires change and adaptation across the whole of government – central government departments and their agencies and non-departmental public bodies (NDPBs); government offices of the regions and regional development agencies; local authorities; the National Health Service (NHS); police forces; and fire services – and the whole of the sector – from the largest national organisations to the smallest community groups. It requires change and adaptation in principle and in detail, as success (or failure) is determined at every point of contact – from Minister to procurement officer, from chief executive to project manager. It requires change and adaptation on a sustained basis – through changes in political leadership, programmes, administrative structures, methods of operation and personnel.

Over the years both government and the voluntary and community sector have committed political, reputational and moral capital and considerable resources to the task of implementing the Compact – through spreading awareness of its aims and terms, providing guidance on how to use it, creating mechanisms to administer it, ensuring that it remained fit for purpose and capable of meeting the challenge of changing circumstances, and coping with acts of faithlessness that threatened its status and credibility.

Despite widespread belief that the Compact is a "good thing" [3], at least in principle, the substantial effort devoted to translating it into reality, and its positive impact, the Compact is currently at low ebb and is in danger of being ignored to death. Recent

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[1]Throughout this report the term "Compact" means the Compact in England in any or all of its three versions (1998, 2009 and 2010) and the five Codes of Good Practice attached to the original version.
[2]Rt. Hon. Jack Straw MP, Home Secretary, and Sir Kenneth Stowe, Chair, Voluntary and Community Sector's Working Group on Government Relations, Joint Foreword, *Compact on Relations between Government and the Voluntary and Community Sector in England: Presented to Parliament by the Secretary of State for the Home Department by Command of Her Majesty* (Cm4100; London: Home Office, 1998) (hereafter *Original Compact*).
[3]For examples see H.M. Treasury *The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review*, London: The Stationery Office, 2002), 29 (hereafter *Role of the Voluntary and Community Sector in Service Delivery*); and "Commissioner's introduction", *Commission for the Compact. Annual Report and Accounts 2008-09 Presented to the House of Commons in accordance with Section 6(2)(b) of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009 Ordered by the House of Commons to be printed on 9 June 2009* (HC536; London: The Stationery Office, 2009), 4 (hereafter *Commission Annual Report and Accounts 2008-09*).

developments - the thicket of newer and higher-profile initiatives that bypass it; the new text scrabbled together to reflect the Coalition's emerging policy agenda; the "cull of the Quangos" that terminated its principal guardian, the Commission for the Compact; and government's somewhat cavalier approach to the resourcing (and even existence) of the organisations required to deliver the Big Society agenda – testify to its parlous state. This is, therefore, an appropriate moment to take stock.

Was the Compact a clear, concise and usable document? Was it capable of practical application? Was its implementation organised in the right way at the right time? Was it effective in achieving its aims? Did it have the desired impact or any impact? Was the ideal of partnership set out in the Compact the best method or even a good method for approaching government-voluntary and community sector relationships? Can – should – it continue in force, whether as an ideal much honoured in the breach or as the basis for concerted action, or should it be laid to rest? What will happen next? What should happen next? If we don't use it, will we lose it?

This report, a summative evaluation commissioned by the Commission for the Compact, will attempt to answer these questions.

Section 2 describes the three different versions of the Compact that have been in play – the original version of 1998, the refreshed version of 2009 and the renewed version of 2010.

Section 3 sets the Compact in context, in terms of the development of similar initiatives in other countries and in terms of wider social policy.

Section 4 provides an overview of the development and implementation of the Compact, including milestones, a discussion of its origins and adoption and an analysis of the roles, responsibilities and interrelationships of the various bodies involved in its implementation.

Section 5 assesses the impact of the Compact on funding and procurement, consultation and policy appraisal and volunteering and in local areas.

Section 6 discusses what we have learned from this evaluation and draws conclusions.

Our report is based on a number of different sources: published academic studies; policy, strategy and consultation documents; evaluations; and articles in the specialist press; unpublished information held by the Commission and others; and semi-structured interviews with key informants who were either actors in or keen observers of the drama of the Compact for whose generous help we are most grateful. A list of key informants is set out in Appendix 1.

Our evaluation has been a complex and challenging task, not least because of the tight timetable to which we worked and difficulties in accessing relevant information. Despite being "near-history" in an age of transparency, important sources - for example, the

papers for all ten Compact annual meetings, a definitive up-to-date list of local compacts, and a list of respondents to the most recent consultation on the "renewal" of the Compact – were not publicly available, and may not be made available in the future, because they have been lost, withheld or destroyed.[4] Moreover (and this will be dealt with in greater detail in Section 5 below), there was no agreement from the first days of "Compact working" of measures for evaluating progress in implementing the Compact and gauging its impact, and as a result standardised and consistent monitoring information has not been gathered. Our report necessarily reflects these gaps in information.

We will, regrettably, not include in our evaluation the other Compacts in the UK. All were signed between October and December 1998, and the Scottish Compact was, in fact, the first to be signed, followed by the English Compact, the Welsh Compact and the Northern Irish Compact.[5] There have been surprisingly few studies that deal with these on a cross-national basis, perhaps a reflection of the impact of international comparative research, which deprecates internal complexity, or of devolution, which has freed researchers from curiosity about nations not their own. Given the interesting differences among the Compacts – for example, the statutory basis of the Welsh Compact and the adoption in Scotland of twin-tracked implementation guidance (not successful) and supplementary Futureproofing and Partnership Codes found nowhere else – this is "an important omission"[6].

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[4]Christopher Pollitt examines this "loss of organizational memory" and attributes it to "post-bureaucratic organizational innovations" such as repeated reorganisation, including outsourcing and the creation of new subsidiaries; high staff turnover; failures in record keeping due to fragmentation, lack of clarity, the ephemeral nature of responsibility and the diversification of the means of information transfer and storage; and the prioritisation of continuous change over continuity and the consequent view of the past and its records as irrelevant deadweight. "Bureaucracies remember, post-bureaucratic organizations forget?", *Public Administration*, 87(2) (2009): 198-218.

[5]The Scottish Compact was signed on 22 October, the English Compact on 12 November, the Welsh Compact on 18 November and the Northern Irish Compact on 14 December 1998. The Scottish Compact was endorsed by the Scottish Executive in 1999 and revised in 2003. International commentators generally lump all four national compacts into one, "the UK Compact" or just "the Compact". There are a number of contenders for agreeing a compact pre-Compact. Nicholas Acheson claims the honours for Northern Ireland's *Strategy for support of the voluntary sector and for community development in Northern Ireland* (1993), "the first explicit government 'horizontal' policy aimed at the voluntary and community sector as a whole in the UK". "Welfare state reform, compacts and restructuring relations between the state and the voluntary sector: reflections on Northern Ireland's experience", *Voluntary Sector Review*, 1(2) (2010), 179. Mary Murphy notes that the Republic of Ireland adopted a "social partnership" regime, triennial economic and social agreements between the government and "pillars" – employers, trade unions and farmers from 1987 and the voluntary and community sector from 1996, although the sector signatories, all large national organisations, made no claim to represent the sector. "Social partnership – is it 'the only game in town'?", *Community Development Journal*, 37(1) (2002), 80-90.

[6]Alex Murdock, "The delivery of public services by the Third Sector: The emergence and development of contractual partnerships between the Third Sector and Government", Paper given at First European Summit on Modernizing Government, Speyer University, Germany, August 2006, 14-16. And, according to Jeremy Vincent and Jenny Harrow, one which is "increasingly empirically misleading and arguably theoretically inadequate or incomplete". "Comparing Thistles and Roses: The Application of Governmental-Voluntary Sector Relations Theory to Scotland and England", *Voluntas: International Journal of Voluntary and Nonprofit Organisations*, 16(4) (2005), 376. Honourable exceptions include: John Morison, "The Government-Voluntary Sector Compacts: Governance, Governmentality, and Civil Society", *Journal of Law and Society*, 27(1) (2000), 98-132; William Plowden (ed.), *Next steps in voluntary action: An analysis of five years of developments in the voluntary sector in England, Northern Ireland, Scotland and Wales* (London: NCVO, 2001); Nicholas R. Fyfe, "Making Space for 'Neo-communitarianism'? The Third Sector, State and Civil Society in the UK", *Antipode*, 37(3) (2005), 536-56; and Kate Bloor, *Evaluating Local Compacts: Relationships between local public sector bodies and the voluntary and community sectors: Comparing "national compacts"* (Working Paper No.2; Hull and Brighton: University of Lincolnshire and Humberside and University of Brighton, n.d.).

2. Three Compacts: an overview

As a document the Compact has now gone through a number of fundamental changes. The first version was published in November 1998. It was replaced by the "refreshed" Compact, published in December 2009, and this in turn was replaced by the "renewed" version published in December 2010.

2.1 Original Compact

The original Compact was introduced by a message of support from Tony Blair, the Prime Minister, and a joint foreword signed by Jack Straw, the Home Secretary, and Sir Kenneth Stowe, Chair of the Working Group on Government Relations. It was a "memorandum" between central government departments, including government offices of the regions and "Next Steps" executive agencies, and "the range of organisations in the voluntary and community sector". Although it was "not legally binding", it drew its authority "from its endorsement by Government and by the voluntary and community sector itself through its consultation process". It was "deliberately not exhaustive" but was intended to be "an enabling mechanism to enhance the relationship between Government and the sector".

It began by setting out a "shared vision":

> "The underlying philosophy of the Compact is that voluntary and community activity is fundamental to the development of a democratic, socially inclusive society. Voluntary and community groups, as independent, not-for-profit organisations, bring distinctive value to society and fulfil a role that is distinct from both the state and the market....
>
> Voluntary and community organisations make a major and literally incalculable contribution to the development of society and to the social, cultural, economic and political life of the nation. They act as pathfinders for the involvement of users in the design and delivery of services and often act as advocates for those who otherwise have no voice. In doing so they promote both equality and diversity. They help to alleviate poverty, improve the quality of life and involve the socially excluded. The voluntary and community sector also makes an important direct economic contribution to the nation.
>
> The Compact recognises that these attributes are a major benefit to society and that Government can play a positive role both in promoting volunteering and in supporting the work of voluntary and community organisations. The scope and nature of activity by voluntary and community organisations is such that whenever Government legislates or regulates it can have an impact on their work, positive or negative. The Compact will help to make that impact positive."[7]

It then set out "shared principles":

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[7] *Original Compact,* paras.1, 2, 5-8.

- "Voluntary action is an essential component of democratic society.
- An independent and diverse voluntary and community sector is fundamental to the well-being of society.
- In the development and delivery of public policy and services the Government and the voluntary and community sector have distinct but complementary roles.
- There is added value in working in partnership towards common aims and objectives. Meaningful consultation builds relationships, improves policy development and enhances the design and delivery of services and programmes.
- The Government and the voluntary and community sector have different forms of accountability and are answerable to a different range of stakeholders. But common to both is the need for integrity, objectivity, accountability, openness, honesty and leadership.
- Voluntary and community organisations are entitled to campaign within the law in order to advance their aims.
- Government plays a significant role, among other things, as a funder of some voluntary and community organisations. Funding can be an important element of the relationship between Government and the voluntary and community sector.
- Both Government and the voluntary and community sector acknowledge the importance of promoting equality of opportunity for all people, regardless of race, age, disability, gender, sexual orientation or religion."

Over time it was supplemented by five Codes of Good Practice which gave more detailed guidance in a number of critical areas. These included:

- Funding Code (2000; revised as Funding and Procurement Code 2005)
- Consultation and Policy Appraisal Code (2000)
- Black and Minority Ethnic Voluntary and Community Sector Code (2001)
- Volunteering Code (2001; revised 2005)
- Community Groups Code (2003).

The original Compact plus its five codes amounted to around 140 pages of text and contained 273 undertakings, of which 130 or 48 percent were by government, 83 or 30 percent were by government and the voluntary and community sector jointly and 60 or 22 percent by the sector.

2.2 Refreshed Compact

The refreshed Compact had two forewords, one by Gordon Brown, the Prime Minister, and the other by Simon Blake, Chair of Compact Voice (which succeeded the Working Group on Government Relations). It was accompanied by guidance on eligibility, implementation and resolving differences. It was between "the public sector", including government departments, government offices of the regions, executive agencies and NDPBs, and the "third sector" – "voluntary and community organisations, charities, faith groups, social enterprises, cooperatives and mutuals, both large and small". It was

"neither a set of rules nor a bureaucratic burden, but a way of working that can help deliver real outcomes and improvements for people and communities".

While it did not set out a "shared vision", it did set out "shared principles":

- "**Respect**: Government and the third sector are accountable in different ways but both need to act with transparency and integrity. Effective partnerships are built on mutual understanding and an appreciation of the differences between partners of the Compact.
- **Honesty**: It is only through open communication that strong partnerships can be built and maintained. Full and frank discussions should be the basis for resolving difficulties.
- **Independence**: The independence of the third sector is recognised and supported. This includes the right within the law to campaign, to comment on and to challenge government policy… and to determine and manage its own affairs.
- **Diversity**: The Government and the third sector value a thriving civil society, which brings innovation and choice through a multitude of voices.
- **Equality**: Fairness for everyone, regardless of their background, is a fundamental goal, and government and the third sector will work together to achieve this.
- **Citizen empowerment**: By working together, the Government and the third sector can deliver change that is built around communities and people, meeting their needs and reflecting their choices.
- **Volunteering**: The energy and commitment of people giving their time for the public good contributes to a vibrant society, and should be recognised and appreciated."

Because the refreshed Compact did not have codes but needed to cover the same ground as the original Compact, albeit with some compression and variations, it included a large number of undertakings – 87 in total (54 or 62 percent by government and 33 or 38 percent by the third sector), which were grouped under three heads: involvement in policy development (15 and 7, respectively – 25 percent of all), allocating resources (29 and 20, respectively – 57 percent), and advancing equality (10 and 6, respectively – 18 percent).[8]

2.3 Renewed Compact

The renewed Compact has messages from David Cameron, the Prime Minister; and Nick Clegg, Deputy Prime Minister; and two forewords, one by Nick Hurd, Minister for Civil Society, and the other by Blake. It is accompanied by guidance on accountability and transparency. It is "an agreement between the Coalition Government, and their associated Non-Departmental Public Bodies, Arms Length Bodies and Executive

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[8]*The Compact on relations between Government and the Third Sector in England* (London and Birmingham: Compact Voice, Cabinet Office, Commission for the Compact and Local Government Association, 2009), 5 (hereafter *Refreshed Compact*). *An introduction to the Compact* (London and Birmingham: Compact Voice, Cabinet Office, Commission for the Compact and Local Government Association, 2009), 3, 5.

Agencies, and civil society organisations" (CSOs), including "charities, social enterprises and voluntary and community groups". It "aims to ensure that the Government and CSOs work effectively in partnership to achieve common goals and outcomes for the benefit of communities and citizens in England."

Unlike the original and refreshed versions in which moderate political messages were confined to the Prime Ministers' preface and various forewords, the renewed version of the Compact is expressly linked (although in a muddled way) to the Big Society:

> "At the heart of the Coalition Government's vision of the Big Society is the drive to give people more power and control over their lives and their communities, to reform public services and to champion social action over state control and top-down Government-set targets. The role of Government is to enable this cultural change by shifting power away from the centre, increasing transparency and building capability. It believes that strong and independent CSOs are central to this vision through their role in encouraging social action and campaigning for social change, through playing a bigger part in designing and delivering public services and through driving community empowerment."

Instead of "shared principles" the renewed Compact sets out a number of "outcomes":

1. "A strong, diverse and independent civil society
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
5. An equal and fair society."

It lists a total of 48 undertakings (32 or 67 percent by government and 16 or 33 percent by civil society organisations), which were grouped under each of five heads: a strong, diverse and independent civil society (6 and 2, respectively – 17 percent); effective and transparent design and development of policies, programmes and public services (6 and 3, respectively – 19 percent); responsive and high-quality programmes and services (13 and 6, respectively – 40 percent); clear arrangements for managing changes to programmes and services (4 and 3, respectively – 16 percent); and an equal and fair society (3 and 2, respectively – 10 percent).[9]

This tour of the three versions of the Compact shows that there have been a number of important changes over the years. The first and most obvious of these is the radical reduction in the size of the text – from 140 pages and 273 undertakings to 19 pages and 87 undertakings to 11 pages and 48 undertakings – and the creation of a unified

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[9] *The Compact: The Coalition Government and civil society organisations working effectively in partnership for the benefit of communities and citizens in England: Created in partnership with Compact Voice, representing civil society organisations on Compact matters* (London: Cabinet Office, 2010), 6-7 (hereafter *Renewed Compact*). *The Compact – Accountability and Transparency Guide: Helping to build stronger partnerships between the Coalition Government and civil society organisations: Created in partnership with Compact Voice, representing civil society organisations on Compact Matters* (London: Cabinet Office, 2010).

document without Codes. The second is the expansion in scope of the partners – on the one hand from central government departments, including government offices and Next Steps (some, not all) executive agencies to central government departments, government offices, executive agencies and NDPBs; and on the other hand from the voluntary and community sector to the third sector to civil society, with an emphasis on the inclusion of social enterprises. The third is a rather curious deconstruction of "jointness" – from the joint foreword and joint undertakings in the original version to the separate forewords and no joint undertakings of the later versions. The fourth is the politicisation of the text through the incorporation of an advert for the Big Society, which jars somewhat with the earlier versions' low key presentation of their approach as good sense and common ground. The fifth is the demotion in status of the document itself – from command paper to ordinary publication. And the last is the droop in approach from the visionary to the utilitarian.

A summary of undertakings is in Appendix 2.

3. The Compact in perspective

"The world's first compact"[10] is one of the UK's highest-profile social policy initiatives. On the one hand as "the British template"[11] it has served as a model for similar "policy documents on cooperation"[12] in other countries. On the other hand it is seen as a symbol of historical change in the place of the voluntary and community sector in society and in governance - "the formal tip of a very much larger iceberg of changing relations between government and civil society"[13]; "a particular iteration of a broader agenda of change in governance in contemporary welfare states"[14].

3.1 The Compact in an international context

As most international studies assert, the Compact undoubtedly had an impact on policy development outside the UK. However, the exact nature of its influence – pattern, justification or inspiration – varied according to the specific circumstances of each country – its political, social and economic development; the issues that framed its potential adoption; and the identity, aims and stamina of its adopters. While international studies aim to provide a systematic account of policy documents on cooperation, this is, by its very nature, a work in progress.

First of all international studies attempt to define the core characteristics of policy documents on cooperation, including the Compact. John Casey and colleagues define these as "government-nonprofit, sector-level framework agreements that constitute an explicit recognition of the key social and economic role of NPOs [non-profit organisations] and define the obligations and privileges of both government and NPOs in a broad range of service delivery, policymaking and regulatory interactions".[15] Nilda Bullain and Radost Toftisova list the contents of such documents that are "essential to forging a successful partnership":

- "a statement of representation concerning the bodies that represent the two sectors… including the mechanisms for their nomination and their mandates, responsibilities and duties"
- "a statement of principles addressing the roles and functions of the two parties… including recognition of their autonomy,… their basic rights and obligations, the

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[10]John Casey, Bronwen Dalton, Rose Melville and Jenny Onyx, "Strengthening government-nonprofit relations: international experiences with compacts", *Voluntary Sector Review*, 1(1) (2010), 59 (hereafter Casey *et al.*, "Strengthening government-nonprofit relations").

[11]Deena White, "State-third sector partnership frameworks: from administration to participation", in Paul Henman and Menno Fenger (eds.), *Administering Welfare Reform: International transformations in welfare governance* (Bristol: Policy Press, 2006), 46.

[12]Nilda Bullain and Radost Toftisova, "A Comparative Analysis of European Policies and Practices of NGO-Government Cooperation", *International Journal of Not-for-Profit Law*, 7(4) (2005), 1/29 of web-based version.

[13]Morison, 102.

[14]Murdock, 10.

[15]John Casey, Bronwen Dalton, Rose Melville and Jenny Onyx, "International Perspectives on Strengthening Government-Nonprofit Relations: Are Compacts Applicable to the USA?" (Working Paper Series; New York: Centre for Nonprofit Strategy and Management, Baruch College, City University of New York, 2008), 2 (hereafter Casey *et al.*, "International perspectives").

legal and logical constraints they may face in fulfilling these obligations and their commitments to mutually respected values defined in the document"

- "areas of cooperation" covered by the document (such as delivery of services, consultation, access to information) and "instruments of cooperation" (such as joint consultation and decision-making bodies, exchange of information)
- "funding-related issues" covered by the document
- "implementation elements" including short-term and long-term objectives, arrangements for monitoring and evaluation for which "specificity here is crucial".[16]

Finally Casey and colleagues note the ways in which such documents may vary:

- legal status: "enshrined in legislation or… more informal"
- form: "short statements of principles or long prescriptive, detailed documents… stand-alone or… accompanied by a series of supporting documents and specific regulations or codes"
- number and scope of government and non-government signatories: on the government side government as a whole or an agency responsible for relations with nonprofit organisations or specific departments (generally social services departments); on the nonprofit organisation side individual front-line organisations or a few umbrella or "peak" organisations; scope may be all nonprofit organisations or a specific group (for example, social service organisations, international development organisations or volunteer-involving organisations)
- range of government and nongovernment support structures created to support the documents: "supported by a range of capacity-building institutions and monitored by watchdog organizations that mediate disputes" or "monitored through an ad-hoc coordination committee that meets rarely"
- stated aims: focus on "collaborative processes (developing better relations) or on the achievement of specific outcomes (i.e. new funding regimes, legislative initiatives, improvements in social indicators)"
- timelines specified: "generally open-ended but may have specific timetables for "revision and re-authorization" or an end date.[17]

Secondly, international studies compare and contrast the main characteristics of these policy documents on coordination. The following is a brief overview of national documents for which information is available. This summary excludes documents promoted by supranational organisations such as the United Nations, the European Commission and the Council of Europe.

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[16]Bullain and Toftisova, 2-3/29.
[17]Casey *et al.*, "International Perspectives", 2-3.

Europe:

- Croatia: Programme for Cooperation with NGOs (non-government organisations) (2000). This was an initiative of the Government Office for Cooperation with NGOs, and its primary objective, in encouraging the involvement of civil society in nation-building and non-violence, was to implement reform of the legal status of NGOs. It has been implemented by the Council for the Development of Civil Society, which was established in 2002 and includes representatives of both government and NGOs, and the National Foundation for the Development of Civil Society, established in 2003 and funded by government, and through, *inter alia*, a Code on Financing of Programmes (2005). It is an example of "de facto agreements adopted as official programmes by government". Its implementation has slowed due to "unstable government interest".[18]

- France: State-Association Charter (2001). "A typical example of compact development in corporatist countries", this was signed on the hundredth anniversary of the Association Law 1901 by the Prime Minister and the President of the Standing Conference of Associative Coordinations (an umbrella of fourteen umbrella organisations). It was part of a series of reforms that had been in the works since 1999. It is not legally binding but at the time of its signing had "political and symbolic significance" in its public recognition of the NGO sector as "a key social actor in French society". After a change of government in 2002 it was "no longer a priority", and impetus for further development "appears to have been lost".[19]

- Denmark: Danish Charter for Interaction (2001). This was concluded between the public sector (national and local) and Volunteer Denmark and Associations Denmark "in order to promote the development of Danish democracy and the Danish welfare state". It is not legally binding but was to serve as a framework for future development of common initiatives. It "seems to have had little impact". An earlier document, the Danish Strategy for Support for Civil Society in Developing Countries (2000), was adopted by the Ministry of Foreign Affairs and explicitly describes promotion of civil society as an object of Danish foreign policy and sets out methods of increasing cooperation with Danish NGOs, including increasing the role of small NGOs in the delivery of foreign aid.[20]

- Estonia: Civil Society Development Concept (EKAK) (2002). This was developed by government and the Network of Estonian Non-Profit Organisations and the

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[18]Bullain and Toftisova, 1 and 4/29; Toftisova, "Implementation of NGO-Government Cooperation Policy Documents: Lessons Learned", *International Journal of Not-for-Profit Law*, 8(1) (2005), 5/20 of web-based version; John Casey, Bronwen Dalton, Jenny Onyx and Rose Melville, *Advocacy in the Age of Compacts: Regulating Government-Community Sector Relations – International Experiences* (CACOM Working Paper No.76; Sydney: Centre for Australian Community Organisations and Management, 2008), 23-24.

[19]Caroline Loussouarn Newman, "New Relations Between the French State and NGOs: The 'State Association Charter'", *International Journal of Not-for-Profit Law*, 4(2/3) (2002), 60-61; Casey *et al.*, "International Perspectives", 1; and "Strengthening government-nonprofit relations", 68-69.

[20]Bullain and Toftisova, 2 and 4/29; Toftisova 3 and 5/20; Casey *et al.*, *Advocacy in the Age of Compacts*, 21.

Open Society Foundation, with financial support from the UN Development Programme, and was it passed by the Estonian Parliament. Its aim is to bolster the workings of civil society. It is legally binding. It is being implemented by the Joint Committee, established in 2003, and has been bolstered by the Civic Initiative Support Strategy (2007) which aimed to standardise government's approach to funding. Progress has been constrained due to "insufficient resources and lack of political interest". There have been moves to revise the Concept and reorganise membership of the Joint Committee.[21]

Commonwealth:

- Canada: Accord Between the Government of Canada and the Voluntary Sector (2001). This was signed and launched by the Prime Minister as the culmination of a lengthy process of discussion and consultation within and between both government and the voluntary sector and of the work of the government-funded Voluntary Sector Initiative. It was implemented through Codes on Funding and Policy Dialogue, and progress was measured by surveys of government and the sector after three years. Following the end of funding of the Initiative (five years, time-limited) and the election of the Conservative Government in 2006 it became "mostly a historical reference, mentioned almost only in the past tense". Despite this setback at national level, there has been considerable activity at provincial level, particularly in Quebec.[22]

- Australia: National Compact: working together (2010). Although there was significant activity in all eight states and territories under the control of the Labor Party, the national government, under the control of the Liberal Party, had relatively poor relations with the community sector (due to changes in charity law, de-funding of peak organisations and constraints on advocacy) and thus had little interest in a negotiating a national compact. After the change of administration in 2007, the Labor Government entered into negotiations with NPOs and successfully agreed the Compact, which was signed by the Prime Minister, Deputy Prime Minister and two other Ministers and by a large number (currently 564) of individual "Compact partners".[23]

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[21]Bullain and Toftisova, 2 and 4/29; Toftisova, 2/20; Casey *et al.*, "International Perspectives", 12-13; *Advocacy in the Age of Compacts,* 24-25; and "Strengthening government-nonprofit relations", 69-70.

[22]Murdock, 16-18; Peter R. Elson, "Tracking the Implementation of Voluntary Sector-Government Policy Agreements: Is the Voluntary and Community Sector in the Frame?', *International Journal of Not-for-Profit Law*, 8(4) (2006), 5/12 of web-based version (hereafter Elson, "Tracking the Implementation"); Casey *et al.*, "International Perspectives", 7-9; and "Strengthening government-nonprofit relations", 65-67. Elson discusses the development of relations at provincial level in Alberta, British Columbia, New Brunswick and Nova Scotia in "The Compact that Didn't: The Canadian transition to provincial government/voluntary sector relations", Paper given at ARNOVA Conference, Cleveland, Ohio, USA, November 2009; and White, in Quebec.

[23]Murdock, 18-19; John Casey and Bronwen Dalton, "The Best of Times, the Worst of Times: Community-sector Advocacy in the Age of 'Compacts'", *Australian Journal of Political Science*, 41(1) (2006), 24, 31-32; Casey *et al.*, "International Perspectives", 10; "Strengthening government-nonprofit relations", 67.

Incomplete or no development:

- Hungary. An example of a "unilateral statement expressing commitments by one side only," the Government Strategy towards the Civil Sector (2003) was not adopted but nevertheless implemented by government. Government had intended to negotiate and sign a compact-type agreement with NGOs but could not do so because NGOs resisted the notion of a "sector" and "maintained that no such group could possibly represent all NGOs in Hungary". Government reviewed the Strategy in 2007 and redefined it as "guiding principles" and decentralised delivery to individual ministries.[24]

- New Zealand: The Minister for the Community and Voluntary Sector appointed a Working Party to develop a framework for agreement but concluded that the pre-conditions for doing so were not present as there was no consensus that there was a single "sector". This was mainly because the Maori minority has its own set of voluntary and community organisations and a direct legal relationship with the state based upon the Treaty of Waitangi, and it therefore was difficult to reconcile two legal systems and two sets of organisations. However, the Prime Minister and the Minister for the Community and Voluntary Sector signed a Statement of Government Intentions for an Improved Community-Government Relationship (2001), which sets out principles for future relations and actions to be taken.[25]

- United States: Although there is some evidence of "deliberate relations" between government and non-profit organisations in the United States (most recently the Mayor's Nonprofit Initiative between the Mayor of New York City and non-profit organisations that contract with the city government), there are no compacts, and there is little likelihood of compacts in the future. There are many reasons for this, as summarised in the view that "Government matters less to the collective organizational psyche of U.S. nonprofits than to nonprofits in other, more State-centric polities, and less energy has been spent in the last decades in the 'feed and care' of the relationship between government and nonprofits". More particularly, reasons include: more extensive privatisation and marketisation of public service delivery with nonprofits accustomed to operating in the marketplace on a level playing field with other contractors; more robust relationships between government and nonprofits based on conflict or complementarity rather than partnership or collaboration; less opportunity for consistent sector-wide organisation of nonprofits due to the strength of sub-sectoral identification and complex and multi-level funding arrangements at city/county/state/federal levels; and the greater prominence of private philanthropic organisations as funders which diverts attention from relationships with government.[26]

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[24]Bullain and Toftisova, 1 and 4/29; Casey *et al.*, *Advocacy in the Age of Compacts*, 22.
[25]Murdock, 18; Casey *et al.*, "International Perspectives", 10-11.
[26]*Casey et al.*, "Strengthening government-nonprofit relations", 67-68; John Casey, "Australia has a Compact! What about New York? An Analysis of Two Attempts to Strengthen Government-Nonprofit Relations", Paper given at ARNOVA Conference, Alexandria, Virginia, USA, November 2010, 10-11 and 15-17.

This summary demonstrates the variability of purpose, timing and durability of these policy documents on cooperation. It shows that, with the exception of Australia, which signed its National Compact last year, most documents were signed between 2000 and 2003, and activity since then has waned. It shows that electoral change causes swerves in the fortunes of these documents – their promotion (Australia) or relegation (Canada, France). It shows that motivations for adopting these documents varied from the ephemeral (the centennial of an important piece of legislation in France) to the structural (the need to build civil society, with the support of the United Nations and the European Union, in the former-Soviet Bloc - Croatia, Estonia, Hungary). And finally, it shows that the reasons for not adopting such documents are instructive - the lack of "sector consciousness" among organisations in Hungary, difficulties in coordinating relations between mainstream and Maori organisations under separate legal regimes in New Zealand, and the different characteristics, orientation to the market and relations with each other of nonprofit organisations in the United States.

3.2 The Compact in a social policy context

Just as the Compact has been seen as "the British template" in an international context, it has also been seen as a "pivot"[27] or a "sign of change"[28] in a social policy context – that is, a key component of a particular approach to changing relations between government and the voluntary and community sector within the changing welfare state.[29]

In the last twenty or so years the voluntary and community sector has moved from the periphery to the centre in policy terms, and studies have provided a number of different explanations for why this has happened and what it means. One set of studies explains this in terms of the social and economic context of developments in the welfare state; another, in terms of developments in governance; and a third, in terms of developments in policy formation and implementation. All of these agree on two points, the creation of a "space" for the sector and a "place" for the Compact.

One set of studies addresses the "truism universally acknowledged that the days of state intervention to address all the major ills of society are numbered"[30] – that is, the necessary restructuring of the welfare state to include providers from the third sector as well as from the government and private sectors. For example, Helen Haugh and Michael Kitson offer a mainly economic explanation for the "increase in the size of the third sector and the emergence of social enterprises". This includes the following factors: "inadequate markets" – "the failure of the private sector to provide a sufficient

[27]Josie Kelly, "Reforming public services in the UK: Bringing in the third sector", *Public Administration*, 85(4) (2007), 1012.
[28]White, 45.
[29]See Colin Rochester and Meta Zimmeck, "'Always unimaginably excellent, even if in other respects hopeless': The Compact, government and the voluntary and community sector in England", Paper given at ARNOVA Conference, Cleveland, Ohio, USA, November 2009; and Zimmeck, "The Compact 10 years on: government's approach to partnership with the voluntary and community sector in England", *Voluntary Sector Review*, (1) (2010), 125-33.
[30]Nicholas Deakin, *"Putting narrow-mindedness out of countenance": The UK voluntary sector in the new millennium* (Civil Society Working Papers No.4; London: Centre for Civil Society, London School of Economics, 2000), 2.

quantity of goods and services with a social or environmental impact"; "inadequate public service supply and retrenchment" and the resulting poor quality of services; difficulties in disadvantaged and marginalised groups' engaging with the public and private sectors; structural changes in the UK economy towards a service economy; the importance of volunteering as a source of "deep-rooted social values that foster and sustain individual altruism"; and New Labour's pro-voluntary and community sector policies (the latter two are not economic explanations). They see the Compact specifically as a device for "unifying" the various strands of New Labour's programme of marketising public service delivery, increasing the emphasis on local or regional delivery of policy, engendering trust and combating social exclusion and environmental degradation.[31]

Another set of studies looks at governance and its more sinister side-kick, governmentality – issues of decision-making power and accountability and reasons for and methods of involving the voluntary and community sector.

Josie Kelly lists the reasons why government is keen to involve the third sector in its project of modernisation: first of all the sector's resources – its "deep knowledge of… client groups' needs and expectations"; capacity to empower and represent clients; provision of individuals "who can be co-opted/elected to or work in partnership with government's policy and implementation bodies"; secondly its procedures – its methods of involving "interest groups, including users and self-help network groups, spatial or other communities in shaping, monitoring, planning and delivering public services"; and finally its organisation – its focus on the interests of service users and the added value of its independence from existing and past structures of service delivery. She concludes that government is attempting simultaneously to incorporate the third sector and to shift the nature of its relationship with the sector from co-production to co-governance, from contracting to "networked partnership" – of which the Compact was the starting point.[32]

John Morison, Nicholas Fyfe and Emma Carmel and Jenny Harlock take this analysis to another level with their exploration of governmentality, techniques for "governing through freedom" or "government at a distance" – that is, the reduction in government's formal role and the assumption of this role by other parts of society, including the third sector. For example, Morison describes how government created the third sector as "a space where government can happen" and the Compact as an "excellent example of an exercise of constitutional power in a complex, multi-agency network that includes the state but goes beyond its formal limits" – mainly through its "responsibilisation" strategy based on "a continual elaboration of a shared analysis, common vocabulary, and mutually agreed position on how to progress".[33] Fyfe deconstructs the "neo-communitarian" policies of New Labour and notes how they moved the third sector from "shadow enclave" to "centre stage" by representing it as the advance guard of civil society and how they reconfigured the governance of the sector in the image of

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[31]Helen Haugh and Michael Kitson, "The third way and the third sector: New Labour's economic policy and the social economy", *Cambridge Journal of Economics*, 37 (2007), 981-82, 983-84.
[32]Kelly, 1010-12.
[33]Morison, 119-21, 123-25.

government, with the Compacts as an "enabling mechanism".[34] Finally, Carmel and Harlock identify the components of government's strategy: the redefinition of voluntary and community organisations as a single "governable terrain" or sector through discourses, strategies and administrative and political changes in order "to demarcate and impose an institutional and normative order as a *whole* onto an otherwise privately organised and variably regulated group of organisations"; the presentation of partnership as "thinkable and practicable" through an emphasis on shared values and the apolitical and non-conflictual nature of the relationship; the rebadging of the voluntary and community sector, including social enterprises, as the third sector and as a major provider of public services; and the professionalisation of the third sector with an emphasis on performance management and capacity-building. They conclude that the Compact "institutionalised the idea of a single, unified social actor, with whom the government and the public sector could deal" and that it functions as "the device for rendering governance of the voluntary and community sector thinkable and practicable".[35]

The third set of studies looks at policy formation and implementation – why, when and how particular policies were adopted. For example, Peter Elson uses a "top down" (as opposed to "bottom up") policy implementation framework to compare the progress of the Accord in Canada with that of the Compact in the UK. He analyses evidence according to four material variables, seven structural variables and five contextual variables and compares their current implementation status under five heads – clear and consistent objectives, adequate causal theory, implementation process enhances compliance (with additional sub-heads for assignment to sympathetic agencies, adequate hierarchical integration, supportive decision rules, sufficient financial resources and formal access by supporters), committed and skilful implementing officials, support of interest groups and legislators and supportive conditions not undermined. He finds that overall progress in policy implementation was more advanced for the UK's Compact ("adequate/substantial") than for Canada's Accord ("minimal")[36], not surprising given the Accord's sticky end.

In more concrete terms Jeremy Kendall describes the "mainstreaming of the third sector into public policy", the transformation of the third sector from a minor to a major player and of policy on the sector from "piecemeal and ad hoc… the sum of different component parts at the level of the various fields of public policy" to a "coherent whole". This constituted, he says, "a major break from the past". He notes that the policy process requires actors – government, opposition, civil servants, direct stakeholders, the public and the media – and that its dynamics are determined by three elements – problems, policies and politics. He suggests that, unlike in the United States, where policy issues are exhaustively worked through by an array of specialist research communities, policy analysts and government agencies, the UK was a "remarkably open field for policy innovation". Having declared the existence of the voluntary sector in

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[34]Fyfe, 537-38, 543.
[35]Emma Carmel and Jenny Harlock, "Instituting the 'third sector' as a governable terrain: partnership, procurement and performance in the UK', *Policy & Politics*, 36(2) (2008), 155-71, especially 156 and 158.
[36]Elson, "Tracking the Implementation", 1-3 and 6-7/12.

the Wolfenden Report in 1978, over the next fifteen or so years the UK's specialist policy community, although expanding and gaining in confidence, found little purchase in government for its message, had little access to the sort of hard information that could drive its interests, and received no boost from the sort of crises/scandals or feedback from large programmes that were common in the United States. However, all this changed with the opening of a "policy window" in the mid-1990s, when the Conservative Government was on its last legs; when policy entrepreneurs such as Deakin, who chaired the Commission on the Future of the Voluntary Sector, and Alun Michael MP, who wrote New Labour's pre-1997 election strategy on the voluntary and community sector, pushed for the importance of the sector; and when New Labour made the sector the keystone of its "third way" agenda. As a result the recommendation of the Deakin Commission for a concordat and that of New Labour for a compact prevailed and went from idea to done deal in just over two years. In Kendall's view the Compact is both the symbol and the driver of a significant change in the role of the third sector: "It is hard to imagine any other field in which such a major policy innovation could move to the centre of public policy so rapidly".[37]

This summary demonstrates the wide-ranging nature of analyses of the place of the Compact in a social-policy context – from the big picture of changes in the structure of the welfare state to rationales and methods for involving the voluntary and community sector in the structure of governance to more straightforward accounts of the reasons why a particular idea's time had come. These accounts have common elements – the recognition of the Compact as a groundbreaking initiative, its role in the construction of the "sector", the depoliticisation of relations between government and the sector (based on discourse that emphasised "shared principles" and designed out conflict), the importance of policy entrepreneurs (and the dangers of overdependence upon them), and the tension between co-option and independence.

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[37] Jeremy Kendall, "The mainstreaming of the third sector into public policy in England in the late 1990s: whys and wherefores", *Policy & Politics*, 28(4) (2000), 541-62 (hereafter Kendall, "Mainstreaming").

4. The development and implementation of the Compact: an overview

4.1 Milestones in the development of the Compact

1996
- Voluntary Services Unit transferred from the Home Office to the Department of National Heritage and renamed Voluntary and Community Division (May)
- Report of the Commission on the Future of the Voluntary Sector, chaired by Nicholas Deakin, published. This found that there was mutual dissatisfaction with the relationship between government and the voluntary sector and recommended as a matter of urgency putting this on the right footing – embodied in a "concordat" or formal agreement of principles and undertakings, promoted by "a strengthened, single source of coherent thought and expertise" within central government and monitored by a parliamentary select committee.[38] (July)
- Government's response to the Deakin Commission's report published: This rejected the need for a concordat: "Government does not believe that, given the diverse nature of voluntary organisations and activity, a formal concordat is a sensible or usefully achievable objective". It took the view that administrative arrangements, including the re-siting of the Voluntary Services Unit and resources made available for its operation, were appropriate and that the National Heritage Select Committee was the correct venue for monitoring of government-sector relationships.[39] (November)

1997
- New Labour's policy document on the voluntary and community sector published: This concluded that a Compact was necessary as the basis for partnership between government and the voluntary and community sector.[40] (February)
- New Labour won general election and formed government (May)
- Voluntary and Community Division transferred from Department of National Heritage to Home Office and renamed Voluntary and Community Unit (May)
- Working Group on Government Relations established: This was set up in order to develop the framework for a national compact (June). The Working Group, which reported to a wider Reference Group of sixty-five organisations, included representatives from the national and local voluntary and community sector. It was co-ordinated by NCVO and chaired by Sir Kenneth Stowe. It carried out an extensive consultation of the sector between October 1997 and February 1998 and was jointly responsible with government for the drafting of the Compact.

1998
- Statement by Alun Michael, Deputy Home Secretary, that "working with the voluntary sector is a high priority for this Government" and that "our main vehicle

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[38] *Meeting the challenge of change: voluntary action into the 21st century: The Report of the Commission on the Future of the Voluntary Sector* (London: Commission on the Future of the Voluntary Sector/NCVO, 1996), 123-29.
[39] *Raising the Voltage: the Government's Response to the Deakin Commission Report* (London: Department of National Heritage, 1996), 2-5.
[40] *Building the Future Together* (London: Labour Party, 1997).

will be a Compact… on which we are currently collaborating with principles which should govern the relationship".[41] (March)

- National Compact signed and five sub-groups established to develop draft codes (November)

1999

- Prime Minister announced that the Voluntary and Community Unit was to be expanded, strengthened and renamed the Active Community Unit (January)
- First local (county) compact in Dorset signed (April)
- Working Group on Government Relations' Secretariat, funded by the Home Office and based at NCVO, established (July)
- First attempt in Parliament by Dr Jenny Tonge to use the Compact for practical purposes (to secure three-year funding): "According to the curiously named Home Office document, 'Compact on Relations between Government and the Voluntary Sector', it is 'good to give voluntary organisations early and transparent information'".[42] (July)

2000

- First Compact Annual Meeting held (May)
- Funding Code launched (May)
- Consultation and Policy Appraisal Code launched (May)
- Local Compact Guidelines published (July)

2001

- Black and Minority Ethnic (BME) Voluntary and Community Sector Code launched (February)
- NCVO's review of progress since the report of the Deakin Commission, *Next Steps in Voluntary Action*, published (October)
- Second Compact Annual Meeting held (October)
- First meeting of Voluntary Sector Liaison Officers held (October)
- Volunteering Code launched (October)
- Working Group on Government Relations renamed Compact Working Group (December)

2002

- David Carrington's evaluation of progress in implementing the Compact published: This recommended a series of practical measures to support the Compact process: increasing the resources allocated to the Compact Working Group; raising the profile of the Compact within government by involving Ministers, giving senior civil servants responsibility for compliance in their departments and ensuring that the Active Community Unit made the Compact central to its strategies and activities; preparing departmental action plans for

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[41]HC Deb, 9 March 1998, vol.308, cols.16-17W.
[42]HC Deb, 6 July 1999, vol.334, cols.807-88, debate on HIV Services.

implementation; and establishing a mediation scheme to resolve conflicts.[43] (April)

- Third Compact Annual Meeting held (April)
- Active Community Unit relaunched as Active Communities Directorate (June)
- HM Treasury's Cross-cutting Review's Report published: This found "remarkable consensus that the Compact was, on the whole, 'a good thing'" and that there was "little support for its abolition or wholesale replacement". It noted, however, that there were problems - lack of awareness, poor implementation and limited scope – that needed to be addressed by increasing the profile of the Compact within government through appointing departmental champions; locking the Compact into programme delivery (with resources dependent on "effective implementation of the Compact"); and increasing the number of local Compacts.[44] (September)
- First meeting of G3 Champions in government departments held (November)
- Department of Health announced commitment "to see all national health service organisations in England signed up to geographically relevant local compacts by 31 March 2004"[45] (December)

2003

- NCVO's Compact Advocacy Programme launched (January)
- Local Compact Developers Network launched: This was to provide mutual support to front-line staff of local authorities and voluntary and community organisations engaged in Compact working. (March)
- National Forum on Local Compacts established: Chaired by Sir Michael Bichard, Chair of the Compact Working Group, this was to provide strategic direction for the implementation of local compacts. It included members from central government departments, local government professional associations and the sector (later merged with Local Compact Developers Network) (March)
- Centre for Effective Dispute Resolution's Compact Mediation Scheme launched (March)
- Compact website launched (March)
- Fourth Compact Annual Meeting held (April)
- Community Groups Code launched (July): "The Compact finally reaches a state of apparent completion".[46]
- First Compact Week took place (November): "What other initiative has a week to itself?"[47]
- "Pledge Card" outlining the key commitments in the Compact launched (November)

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[43]David Carrington, *The Compact – the Challenge of Implementation* (London: Active Community Unit, Home Office, 2002), 4-8.
[44]*Role of the Voluntary and Community Sector in Service Delivery,* Chapter 7, 29.
[45]David Lammy, HC Deb, 2 December 2002, vol.395, cols.616-17W.
[46]Stuart Etherington, quoted by Emma Maier in "Code for community groups stirs concern", *Third Sector Online*, 23 July 2003.
[47]Joe Saxton, "Oh dear, the charity compact! Joe Saxton asks if anyone really grasps the Compact between charities and government", *ibid.*, 5 November 2003.

- GSI (internal to Civil Service) Compact website for liaison officers, Champions and other officials launched (November)

2004
- HM Treasury's discussion document on follow–up to the Cross-Cutting Review 2002 published: This linked the development of the Compact to the need to resolve conflicts arising from the delivery of public services: "It was to avoid such strains becoming obstacles in the way of partnership between public bodies and the third sector that since 1997 relations between them are supported by a Compact – a code of conduct for how to do business".[48] (February)
- Fifth Compact Annual Meeting held (May)
- Compact Advocacy Programme's first (and last) departmental review (Department for Culture, Media and Sport) carried out: This controversial review criticised the department's lacklustre performance in taking forward the Compact.[49] (October)
- Second Compact Week took place (November)

2005
- University of Hull's and University of West of England's evaluation of progress in implementing the Compact published: This made a number of recommendations for strengthening the Compact: promoting the Compact across all government bodies, particularly local authorities; enhancing the role of government offices of the regions in promoting the Compact; providing adequate resources to support the development, implementation and review of the Compact at all levels; "Compact-proofing" all central government's and local authorities' policies, initiatives and scrutiny procedures; maintaining momentum through reviews of the Compact at all levels; and increasing efforts to ensure that the needs of Black and minority ethnic organisations, rural organisations and community organisations were dealt with.[50] (January)
- Consultation on Home Office's Compact Plus proposals took place: The Home Office aimed at creating "a more mature partnership" and strengthening the Compact. It noted weaknesses in the Compact process – lack of clarity/erosion of relevance in the Compact and its Codes; poor practice by both government and the voluntary and community sector in implementing the Compact; and lack of mechanisms for recognising good practice or dealing with bad practice. It proposed an optional Compact Plus regime based on a set of streamlined commitments; kite-marking government bodies and voluntary and community

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[48] *Exploring the role of the third sector in public service delivery and reform: A discussion document* (London: HM Treasury, 2004), para.3.25, 33 (hereafter *Exploring the role of the third sector in public service delivery and reform*).
[49] *Compact Advocacy Programme Departmental Review – Evaluating the effectiveness of the Compact within the Department of Culture, Media and Sport* (London: NCVO, 2004).
[50] Fiona Mactaggart, MP, Minister for Race Equality, Community Policy and Civil Renewal, Home Office, Foreword, in Gary Craig *et al.*, *The paradox of Compacts: monitoring the impact of Compacts* (Home Office Online Report 02/05, 2005), ii-vii.

organisations that participated; and creating a Compact Champion, backed by a new independent body, to drive forward the initiative.[51] (March-July)
- Third Compact Week took place (November)
- Sixth Compact Annual Meeting held (November)

2006
- Local Compact Implementation Workbook published (March)
- Active Community Unit moved to Cabinet Office and renamed Office of the Third Sector (May)
- 5 "Pathfinder" councils (Portsmouth City Council, Cumbria County Council, LB Tower Hamlets, Dorset County Council and Nottingham City Council) selected by HM Treasury to "act as role models and improve Compact compliance across England" (scheme announced in March and launched in June)[52]
- John Stoker appointed as first Commissioner for the Compact (August)
- Compact Working Group Secretariat renamed Compact Voice (October)
- Fourth Compact Week took place (November)
- Seventh Compact Annual Meeting held (November)

2007
- Compact Scorecard (tool for measuring how the Compact is working) published (February)
- Commission for the Compact launched (April)
- Local Compact Developers Network renamed Local Compact Voice (April)
- HM Treasury's and Cabinet Office's Third Sector Review's Report published: This noted that within the third sector there was "strong support for the Compact, and a desire for better partnership working with the bodies of Government, central and local" but also a feeling the process of implementation was still incomplete and needed a kick start. It also suggested that the time was now right for a review of the Compact and its Codes in order to "review and refresh" them while "preserving... and reaffirming" their core principles.[53] (July)
- First Local Sector Independence Day celebrated (July)
- Fifth Compact Week took place (November)
- Eighth Compact Annual Meeting held (December)

2008
- National Compact Voice Network launched online (January)
- Sir Bert Massie appointed as second Commissioner for the Compact (March)
- First Local Compacts Annual Conference held (March)
- Conservative Party's Green Paper published. This called for "a revised Compact" with "the teeth it currently lacks by undertaking to abide by the judgments of the

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[51] *Strengthening Partnerships: Next Steps for Compact: The Relationship between the Government and the Voluntary and Community Sector: A consultation document* (London: Active Community Unit, Home Office, 2005), Rt Hon Charles Clarke MP, Home Secretary, Foreword, 2; 33-48 (hereafter *Strengthening Partnerships*).
[52] Graham Willgoss, "'Model' councils to increase Compact compliance"; *Third Sector Online*, 14 June 2006.
[53] *The future role of the third sector in social and economic regeneration: final report* (London: HM Treasury and Cabinet Office, 2007), paras.6.38 and 6.41, 96-97.

commissioner" and for "a powerful Office of Civil Society to fight for the sector within Whitehall and a Civil Society Select Committee to provide democratic scrutiny in Westminster".[54] (June)

- Second Local Sector Independence Day celebrated (July)
- Commission for the Compact's consultation on the future of the Compact (statutory powers) took place (August-November)
- Sixth Compact Week took place (November)
- "Downing Street bash for Compact"[55]: Reception to celebrate 10th anniversary held at No11 (November)
- Ninth Compact Annual Meeting held (December)

2009

- Compact Voice's website relaunched (April)
- Tom Levitt MP proposed Commission for the Compact Bill (10-minute bill) to place the Commission on a statutory footing, to confer powers on the Commission to investigate breaches, require the submission of information and documents, submit reports to the Secretary of State and to request what action has been or will be taken (May)
- Commission for the Compact tasked by the Minister (Kevin Brennan) with carrying out consultation on refreshed Compact (July-October)
- Seventh Compact Week took place (November)
- Compact Knowledge Bank launched (November)
- Refreshed Compact published (December)

2010

- Tenth Compact Annual Meeting held (February)
- Coalition Government formed (May)
- In his first speech (Big Society launch) the Prime Minister promised to ensure "that the compact you've got already with government, which we think has been honoured more in the breach than in the observance, really means something" and to "refresh and renew that compact". (May)
- Office of the Third Sector renamed Office for Civil Society (May)
- Nick Hurd, Minister for the Third Sector, announced that "the Government are fully committed to the compact" and will ask Ministers "to consider the compact as decisions on in-year budgetary savings and efficiencies are taken".[56] (July)
- Commission for the Compact's Compact Baseline Survey of awareness, knowledge, understanding and use of the Compact in government bodies published (July)
- Compact Voice tasked with carrying out consultation on renewed Compact: This lasted for only six weeks and was not, therefore, Compact-compliant. (September-October)

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[54]*A Stronger Society: Voluntary Action in the 21st Century: Responsibility Agenda Policy Green paper No.5* (London: Conservative Party, 2008), 9.
[55]John Plummer, *Third Sector Online*, 8 October 2008)
[56]HC Deb, vol.513, col.937, 14 July 2010.

- Abolition of the Commission for the Compact and 176 other quangos announced (October)
- Cabinet Office's consultation on supporting a stronger civil society took place: The aims were to promote social action, empower local communities and open up public sector contracts to civil society organisations: "We will work to strengthen the capacity of the sector through a renewed Compact, a taskforce to cut red tape and a new programme to improve the effectiveness of infrastructure organisations and support services".[57] (October to January 2011)
- Eighth Compact Week took place (November)
- Revised Compact published (December)
- Early Day Motion on Renewed Compact: Proposed by Alun Michael, this welcomed the publication of the renewed Compact; note[d] that it outline[d] "the principles of good partnership working" and that the accountability mechanisms would "strengthen the effectiveness of both the Compact and partnership working at national and local level".[58] (December)

2011
- Liberal Democrats announced that they "would not continue to support the Compact as a separate national organisation", although they "would continue to support the development of good practice and standards against which government performance to be assessed".[59] (March)
- Commission for the Compact abolished (March)

4.2 The development and acceptance of the concept of the Compact

The need for the Compact was one of the key findings of the Commission on the Future of the Voluntary Sector, chaired by Nicholas Deakin, which reported in 1996. In the course of six months' intensive activity devoted to collecting evidence from across the sector the Commissioners had come across a great number of grievances and a great deal of anger about the way that voluntary organisations had been treated by the state at both national and local levels and concluded that they needed to address the relationship between government and the sector and to establish "the right rules of engagement". The key idea was to create a formal relationship between the two bodies in the form of what was originally called a "concordat" on the model of agreements developed in the world of higher education.[60] And the purpose of the proposed concordat was to change the nature of the relationship in three crucial areas: to improve the terms on which government made funding available to voluntary organisations; to secure an acknowledgement by government that voluntary organisations should be free to campaign for the causes they had been set up to advance without jeopardising their funding from government; and to ensure that voluntary organisations were able to

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[57] *Supporting a Stronger Civil Society: An Office for Civil Society consultation on improving support for frontline civil society organisations* (London: Cabinet Office, 2010), 6.

[58] EDM 1212, 15 December 2010.

[59] Liberal Democrats, *Community Futures: Policies on the Voluntary Sector and Volunteering* (Policy Paper 98; London: Liberal Democrats, 2011), 19.

[60] This precedent had been pointed out to Deakin by Ralf Dahrendorf.

contribute to the development of government policy through better procedures for consultation.

The timing of the Deakin Commission turned out to be propitious. A general election was due in 1997 and, in preparation for what they expected to be a return to office, New Labour had embarked on its own consultation with the voluntary sector sponsored by the leader, Tony Blair, and conducted by Alun Michael. The views expressed at the Party's consultative meetings were similar in tone and content to the evidence collected by Deakin, and this provided a solid basis on which Michael was able to persuade New Labour to endorse the Deakin Report in general and commit it to the development of the Compact in particular. This reaction was in marked contrast to that of the Conservative Government which took the view that the Commission's findings and recommendations, while of interest within the voluntary sector, had little relevance to government. By the time that this stance had been made explicit in the Government's formal response, *Raising the Voltage,* however, all the signs were pointing towards a Labour victory in the forthcoming election. But it is important to be clear that the Deakin Commission had not been influenced by a party political bias; while the misdeeds of central government could be laid at the feet of the Conservative administrations of Margaret Thatcher and John Major, the sector's anger was also directed at the behaviour of many Labour-controlled local authorities.

The advent of New Labour to power in the election of 1997 was perhaps of broader significance than the elevation of Michael to the ministerial office which enabled him to play a key role in developing the Compact. It appeared to offer an opportunity for a fresh start in many areas of public policy and a new approach to policy implementation based on the general idea of "partnership". For many of those involved in its initial development the Compact was an expression of the zeitgeist – a new model of partnership between the voluntary sector and government whose time had come – that went beyond the need to address the three specific areas of concern identified by Deakin. Evidence for a more general interest in collaborative arrangements is, moreover, not hard to find; a number of local authorities had developed joint strategies and other ventures with the voluntary sector in their areas[61] while the other countries of the United Kingdom were also working on their own compacts (see above).

The strength of the favourable wind in the sails of the Compact needed to be complemented by the skills of the helmsmen, and these were exercised through two key relationships. In the first place, agreement with the principle of a Compact was achieved in large part on the back of frequent meetings and mutual respect between Deakin and Michael which led to a major debate in the House of Commons in July 1996 and the inclusion of a commitment to a compact in the Labour Party's policy document, *Building the Future Together* (March 1997). Indeed the existence of the two documents – a policy statement from what became the governing party and an independent report from

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[61]For example, see Steven Phaure, *The "P" Word: partnership between local government and the voluntary sector in London* (London: London Voluntary Service Council, 1994) and Stephen P. Osborne and Kate McLaughlin, "Trends and Issues in the Implementation of Local 'Voluntary Sector Compacts' in England", *Public Money and Management*, 22(1) (2002): 55-63.

the voluntary sector itself – with so much in common provided a solid basis for the negotiations which led to the Compact. Secondly, the more detailed work of crafting a document which was acceptable to both parties and judged to be fit for purpose depended on an equally successful working partnership between Michael and Sir Kenneth Stowe, the former permanent secretary who had been head-hunted to chair the voluntary sector's Working Group on Government Relations.

In 1997, Michael was – unusually - given a ministerial role which represented a continuation of his activities in opposition as well as reflecting his personal interests and his background in the voluntary sector. And "he had the skills and conviction needed to neutralize any … doubts expressed by his officials".[62] For his part Sir Kenneth not only brought great experience of the way in which government worked but also managed to side-step the issue of who could represent the voluntary sector. As William Plowden – who had been a member of the Deakin Commission as well as a member of the Working Group – has pointed out, "There is in England … no single body that in any sense represents the whole of the VCS", while the Working Group which had been assembled "by various informal processes" had no claim to be representative. Instead it legitimised its claim to speak for the sector by a process of "multi-layered consultation" which was "carried out with energy and commitment and on a unprecedented scale". As a result any agreement it reached with government "could be regarded as binding on both parties and would be treated as such by the fullest possible range of voluntary and community organisations".[63]

The outcome of these processes has been hailed as "an unparalleled step in the positioning of the third sector in pubic policy" which represented "a major break from the past": "For the first time a purposive stance towards the third sector *per se* has become mainstreamed into central government's public policy agenda".[64] The Compact can also be seen as an expression of optimism that a new relationship based on better mutual understanding was both desirable and achievable. The main document sets out the broad features of partnership while two of the key problems identified by Deakin are relegated to the more detailed Codes of Good Practice devoted to the funding relationship and to the participation of voluntary organisations in the policy process. The Compact can be seen essentially as a statement of intent; at an early stage Sir Kenneth had persuaded his colleagues that an agreement in the form of a binding contract was neither feasible not desirable. In essence it was a statement of what constituted acceptable standards of behaviour and an attempt to change the culture of government-voluntary sector relationships. In the long run its success would be demonstrated if it came "to be regarded less as an external rule book, for formal citation, than as a set of internalized principles, infrequently quoted".[65]

There were formidable obstacles to be overcome if this ground-breaking and ambitious undertaking were to succeed. These included the difficulties of communicating the

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[62]William Plowden, "The Compact: Attempts to Regulate Relationships between Government and the Voluntary Sector in England", *Nonprofit and Voluntary Sector Quarterly*, 32(3) (2003): 415-32 (hereafter Plowden, "Compact").
[63]*Ibid., 420*
[64]Kendall, "Mainstreaming", 2.
[65]Plowden, "Compact", 430.

Compact's message to the multiplicity of operational units, agencies and NDPBs through which policy is implemented, let alone the variety of voluntary and community sector organisations; the lack of authority and shortage of resources deployed by the unit of government responsible for communicating the message; institutional resistance to change; and problems of monitoring and ensuring compliance. However, the sector's representatives had successfully negotiated the establishment of an annual joint meeting to review progress in implementing the Compact which would report to Parliament.

4.3 Architecture of implementation

The practical challenges of implementing the Compact sideways and downwards across government and the voluntary and community sector are very great, and appropriate administrative arrangements – the architecture of implementation - are critical to the success of the project. Over the years implementation has involved the use or creation of a number of different bodies, each with its own remit, outlook and ways of working; the coordination of their efforts; and arrangements for monitoring performance, evaluating progress and resolving disputes. As these arrangements have become more complex and the operational context has changed, there have been issues about commitment, boundaries and coordination of effort.

Between 1998 and 2007 arrangements were twin-tracked along lines initially set by the development and negotiation of the Compact. On the government side there were ministers with responsibility for the voluntary and community sector and the lead unit for the sector. On the sector side there were the responsible body for the sector and related or ancillary bodies involved in mediation/resolution of disputes. From April 2007 until the end of March 2011 arrangements were triple-tracked to include the Commission for the Compact.

4.3.1 Government: Ministers

On the government side the most important (and highest profile) element in the architecture of implementation is the minister responsible for the voluntary and community sector and the Compact. Ministers' primary function is to provide leadership in achieving government's agendas for the sector, and their ability to do so depends on their understanding of the sector and its concerns[66], active commitment, status (and hence political clout) and time to devote to the job. Ministers' possession of these attributes has been uneven, and their success, in consequence, has also been uneven.

As can be seen from Table 1, from May 1997 to the present there have been eleven ministers (not counting Lord Falconer, who was for a time somewhat oddly "twinned"

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[66]Although as Tom Levitt noted, subject knowledge generally acted as a disqualification in making appointments: "There used to be a rule of thumb that if you knew a lot about something, people would think you had gone native and weren't a good person to be a minister". Quoted by Paul Jump in "Tom Levitt: get on to the new MPs", *Third Sector Online*, 11 May 2010.

with Paul Boateng[67]). Seven were based in the Home Office and four in the Cabinet Office. The average tenure for New Labour's ministers was 15.6 months. The longest tenure was that of Fiona Mactaggart (twenty-three months); and the shortest, that of Kevin Brennan (eight months).

Table 1: Ministers for the voluntary and community sector, May 1997-2011

Name	Title	Dates of service
Alun Michael	Minister of State and Deputy Home Secretary, Home Office	May 1997-October 1998
Paul Boateng	Minister of State (and subsequently Deputy Home Secretary), Home Office	October 1998-July 2001
Lord Falconer	Minister of State, Cabinet Office	c.April 1999-June 2001
Angela Eagle	Parliamentary Undersecretary of State, Home Office	June 2001-May 2002
Lord Filkin	Parliamentary Undersecretary of State, Home Office	May 2002-June 2003
Fiona Mactaggart	Parliamentary Undersecretary of State, Home Office	June 2003-May 2005
Paul Goggins	Parliamentary Undersecretary of State, Home Office	May 2005-May 2006
Ed Miliband	Parliamentary Undersecretary of State, Cabinet Office	May 2006-June 2007
Phil Hope	Parliamentary Undersecretary of State, Cabinet Office	June 2007-October 2008
Kevin Brennan	Parliamentary Undersecretary of State, Cabinet Office	October 2008-June 2009
Angela Smith	Minister of State, Cabinet Office	June 2009-May 2010
Nick Hurd	Parliamentary Undersecretary of State, Cabinet Office	From May 2010

These ministers were a decidedly mixed bunch. Michael, Boateng, Mactaggart, Paul Goggins, Phil Hope and Angela Smith, who had worked in the voluntary and community sector prior to entering Parliament, had the greatest understanding of the ways that the sector thought and worked, and of these Michael, Boateng and Hope were by all accounts the most passionate in their commitment to the sector and the most energetic in promoting initiatives such as the Compact. With the exception of Michael and Boateng at the beginning and Smith towards the end (a bit of a blip), who were ministers of state (and thus in the second rank of ministers after secretaries of state), all of the rest were parliamentary undersecretaries of state (in the third rank) - "junior ministers on the way up" (or down).[68] Moreover, Michael and Boateng were close to

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[67]A bureaucratic innovation characterised by Plowden as "largely inexplicable". "Next steps in voluntary action: five years after Deakin" in Plowden (ed.), *Next steps in voluntary action*, 24 (hereafter Plowden, "Next steps in voluntary action").
[68]Matthew Little, "NEWS IN FOCUS: First step on the ladder for junior ministers on the up", *Third Sector Online*, 25 June 2003.

Tony Blair and instrumental in the development of and went on to play a significant role in the delivery of New Labour's projects, but other ministers, with the exception of Ed Miliband, who is currently leader of the Labour Party, have not gone on to do greater things. Ministers' remits varied, and some had more time than others to devote to the sector. Home Office ministers had broad remits: Michael was responsible for criminal justice, the police and the sector (and according to his civil servants, spent far too much time on the sector); Mactaggart; for race equality, community policy and civil renewal; and Goggins, for policing, security and communities. Cabinet Office ministers – as "ministers for the third sector/civil society" had narrower, sector-specific briefs, although Hope was for a time also minister for the East Midlands; and Smith, minister for social exclusion as well as for the sector. Nick Hurd is currently responsible for the Big Society agenda, National Citizens Service, charities, volunteering, social enterprise and devolution (one of those odd-sock bits allocated to junior ministers).

The ins and outs and ups and downs of the ministers responsible for the voluntary and community sector may have been typical of government's organisation of its business and no worse than in other areas of activity (there is no evidence to suggest that it was), but many in the sector were quick to take umbrage at anything ministerial that might be deemed to show lack of respect for the sector. They were unhappy with the "junior" status of their ministers and the "junior" status of their ministers' portfolio ("known in Whitehall circles as the 'Siberia of the Home Office'"[69]). They were unhappy with the churn of ministers, because they felt that "reasonable continuity" was needed for ministers to master a complex and unorthodox brief.[70] Finally, they were unhappy when ministers were cavalier in their approach - for example, Eagle, who was well-known for failing to turn up to events, including the second annual meeting, and Smith, who not only perpetrated an egregious breach of the Compact by cancelling the Campaigning Research Programme but also refused to turn up to chair the tenth annual meeting.[71]

4.3.2 Government: Voluntary and Community Unit/Active Community Unit/Active Communities Directorate/Office of the Third Sector/Office of Civil Society

Ministers with responsibility for the voluntary and community sector made their "home" in the policy unit responsible for the sector, and over the years this unit moved, grew, diversified and changed its name in line with government's overall vision of and policy for the sector. From the early 1970s the responsible unit, the Voluntary Services Unit (VSU), was part of the Home Office. However, in May 1996 it was moved to the Department of National Heritage and renamed the Voluntary and Community Division (VCD). This surprising and ill-considered transfer was reversed after the election in May 1997 when Blair told Michael, "I want you to go to the Home Office, and the voluntary

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[69]*Ibid.*
[70]Simon Hebditch, "Miliband, Hope, Brennan… have I left anyone out?", *ibid.*, 23 June 2009.
[71]Smith was a patron of the Captive Animals' Protection Society and declined to attend the meeting at London Zoo for ethical reasons. John Plummer, "Compact Voice questions Angela Smith's commitment to the Compact", *ibid.*, 29 January 2010

sector goes with you"[72] – as did the VCD, renamed the Voluntary and Community Unit (VCU). In his keynote speech to NCVO's Annual Conference in 1999 Blair announced the expansion and strengthening of the VCU and the change of its name to the Active Community Unit (ACU).[73] In May 2002, following a period without a head of unit, Plowden's swingeing criticisms of the incoherence of policy on the sector for which the unit was obliged to carry the can and David Carrington's critical review of the unit (see above), it was reorganised and relaunched as one of three units of the newly-formed Active Communities Directorate (ACD)[74]. In May 2005 there was a ministerial tug of war post-election for control of the ACD's policy remits, ultimately resolved in favour of the status quo.[75] In May 2006 the Directorate was abolished and the ACU and Charities Unit were transferred to the Cabinet Office, amalgamated and renamed the Office of the Third Sector (OTS). Following the election of the Coalition Government in May 2010 OTS was renamed the Office for Civil Society (OCS) and was managed jointly with the Social Exclusion Task Force until September when the Task Force was subsumed in OCS.

Table 2: Administrative units leading on the voluntary and community sector, May 1997-2011

Name	Department	Dates
Voluntary and Community Unit	Home Office	May 1997-c.April 1999
Active Community Unit	Home Office	c.April 1999-May 2002
Active Community Unit within Active Communities Directorate	Home Office	May 2002-May 2006
Office of the Third Sector	Cabinet Office	May 2006-May 2010
Office for Civil Society	Cabinet Office	From May 2010

As can be seen from this summary, since 1997 (and before) the unit has experienced continuous change. It has lived in three government departments, increased in size and restructured and rebadged in order to meet changing policy requirements. Since 1997 it

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[72]Quoted by Kaye Wiggins in "Voluntary sector's all-party parliamentary group 'will have a stronger voice'", *ibid.*, 29 June 2010.

[73]"I have therefore asked Jack Straw to subsume the existing Voluntary and Community Unit into a new Active Community Unit with a substantially bigger role and higher profile…. This new unit will have a brief to work across government to coordinate the work of departments, joining up the many different things that government does. It will be outward looking, building partnerships, making things happen. It will be made up of people from outside government as well as inside. And it will raise the profile of the sector within government, providing a channel for the best ideas." [21 January 1999; text provided by NCVO for which many thanks].

[74]The others were the Charities Unit and the Civil Renewal Unit.

[75]"There was a brief flutter of excitement during the post-election reshuffle: the PM wanted to put his anti-social behaviour crusade into the same ministry as local government, along with community renewal and active citizenship. It looked like the start of bringing the whole 'community' agenda under one roof, possibly accompanied by 'civil society'. Was David Miliband's new Department of Communities and Local Government actually going to do what it said on the tin? The voluntary sector's antennae began to twitch. But it's fallen victim to an old-fashioned ministerial turf war. Charles Clarke was put out by the prospect of losing anti-social behaviour from the Home Office, where it sits alongside other policing functions, and he appears to have won the argument. The functions that might have gone with it – community safety, active citizenship, community cohesion and the voluntary and community sector – have stayed put too. We're left with the old set-up, with too many related functions spread across Whitehall." Stephen Cook, "Editorial: Ministerial turf war lets the sector down", *Third Sector Online*, 18 May 2005.

has had nine heads of unit (almost as many as it has had ministers) – Howard Webber, Georgina Fletcher-Cooke, Helen Edwards, Amobi Modhu, Jitinder Kohli, Ben Jupp, Campbell Robb, Rolande Anderson and Gareth Davies. Its staff grew from 29 in Summer 1998 to 39 in Summer 1999 to 42 in March 2002 to 55 in March 2007 to 66 in September 2010.[76] It has gone from being a small and unobtrusive unit with responsibility for liaising with the sector and administering grants programmes to a "brokerage service between government and the voluntary sector"[77] to a "sort of meta-unit in the Government … operating across all departments to promote the interests of the voluntary and community sector"[78] to a place in the vanguard of the Big Society - "opening up public services, encouraging social action and giving more power to local communities".[79]

It is difficult to estimate exactly the nature and quantity of resources that were made available to the unit and that the unit has made available for the implementation of the Compact. It appears that one person (probably not full-time) was responsible for the Compact in 1998 and two people are responsible today. This hardly seems sufficient to the task in hand. Both Plowden and Carrington, judicious and experienced analysts of the workings of government, stated that in the critical early years (2001 and 2002, respectively) the unit was so overstretched that it was not adequately coordinating the delivery of the plethora of policy initiatives for which it was responsible or carrying out its cross-cutting remit with other government departments or even managing day-to-day business and, worse, that it had through "inconsistency (even ambivalence)" lost momentum in implementing the Compact, which had already become "'yesterday's initiative".[80] It is not possible to form any firm view as to the continuation of this state of play beyond 2002, but anecdotal evidence suggests that there are still difficulties with prioritisation and resourcing.

Overall, then, many in the voluntary and community sector were unhappy about "their" ministers and "their" unit and indulged in compensatory longing for a bigger minister, a better department, a larger support package. The Deakin Report laid the foundations for the expectation of due attention by recommending that "there should be a strengthened single source of coherent thought and expertise in Whitehall about voluntary sector issues and activities, responsible for raising the voltage on sector interests within Government and at all levels" – and this surely included an "electrifying" minister – and that the transfer of responsibility for the sector to the Department of National Heritage "should be reinforced by taking the opportunity to upgrade the post of Head of VCD and to increase the resources available to the unit".[81] As policies and programmes for the sector emerged and flaws in implementation and coordination appeared, particularly

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[76] *VCU News*, No.1 Summer 1998, 1; *ACU News,* No.2 Summer 1999, 1; HC Deb, 22 May 2002, vol.386, col.444W; Corin Williams, "Whitehall culture shift", *Third Sector Online*, 28 March 2007; Office for Civil Society's Organogram, September 2010.
[77] OPINION: HOT ISSUE – Will the Active Community Unit really act as an honest broker", *Third Sector Online*, 5 June 2002.
[78] Stephen Cook, "Newsmaker: Getting to know you – Jitinder Kohli, Head of Active Communities Directorate, Home Office", *ibid.*, 2 March 2005.
[79] "New leader of the Office for Civil Society", Cabinet Office Press Release 188/10, 1 November 2010.
[80] Plowden, "Next Steps in Voluntary Action", 23-24; Carrington, 3, 14, 26.
[81] *Meeting the Challenge of Change*, recs.1 and 5, 123.

when the implementation of the Compact had slowed after the first four or five years, many players in the sector demanded more: "a cabinet minister, supported by a charity tsar and top level civil service team" (Stephen Bubb, ACEVO)[82]; the upgrading of the responsible minister in the Home Office "to a Minister of State, with responsibility for issues such as charity law, infrastructure and the Compact… [and] "a further Minister of State… in the Cabinet Office to be charged with cross-departmental coherence policy affecting the sector" (Chris Stalker, NCVO); or even ministers in every department with a central support unit "placed either in Downing Street or as part of the Cabinet Office" (Simon Hebditch, CAF)[83].

4.3.3 Voluntary and community sector: Working Group on Government Relations/ Compact Working Group/Compact Voice

On the voluntary and community sector side the main element in the architecture of implementation was the sector's national responsible body. The Working Group on Government Relations (WGGR) was established in June 1997. Its aim was "to establish in detail, from a voluntary and community sector perspective, the nature of the Compact, to consult with other voluntary and community organizations over its proposed content and to liaise with Government"[84]. Supported by a reference group of sixty-five (later over a hundred) organisations, it carried out a large-scale consultation by direct invitation and by snowballing (10,000 copies of the consultation document distributed; 25,000 respondents)[85]. It then drafted the Compact and was part of negotiations with government that secured its agreement. Once the Compact was signed, the WGGR, renamed the Compact Working Group (CWG) in December 2001, created five sub-groups, each with a detailed strategy and work plan, to develop the proposed codes of good practice. Chaired by practitioners and representatives of relevant umbrella groups, these sub-groups carried out scoping consultations on the proposed contents of the codes, drafted the codes, consulted on the draft codes and then finalised the codes – a lengthy process, and the Funding and Volunteering Sub-groups repeated this process to produce revised versions of their codes. The sub-groups continued in place for a while to oversee implementation but concluded their business by 2005. From time to time the CWG created additional sub-groups for particular purposes - for example, Mediation, to explore arrangements for the establishment of a Compact Mediation Service; Communications, to promote awareness of the Compact and its own work; and Local Compacts, to promote the spread of compacts in local areas. In October 2006 CWG changed its name to Compact Voice and in April 2007 it merged with the Compact Advocacy Programme (see below). In order to give sufficient weight to its work on local compacts, for a time the CWG divided into two streams, National Compact Voice and Local Compact Voice, each with

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[82]Quoted by Mark Crow in "Charity leaders call for cabinet champion", *Guardian Online*, 17 September 2004.
[83]Quoted in "Opinion: Hot issue – Does the voluntary sector need a dedicated cabinet minister?", *Third Sector Online*, 22 September 2004.
[84]Sir Kenneth Stowe, "Professional Developments: Compact on relations between Government and the voluntary and community sector in England and Wales", *Public Administration and Development*, 18 (1998), 519-20.
[85]For which Stowe was justifiably proud: "I doubt if there has even been as large a consultative exercise in the voluntary sector as this". *Ibid.*, 521.

separate memberships, websites and web-based discussion fora.[86] This division ultimately proved counterproductive, and in 2009 these two streams were merged, not without controversy.[87] Overall WGGR/CWG/Compact Voice has enjoyed stable leadership from just four chairs – Sir Kenneth Stowe, Sir Michael Bichard, Sir Christopher Kelly and Simon Blake.

Over the years WGGR/CWG/Compact Voice has operated on a modest scale. It was initially funded by NCVO, and between 1999/2000 and 2001/02 it was funded by the Home Office at a rate sufficient for "one full time post with occasional administrative support" rising to 1.5 posts in the third year.[88] In the next two three-year rounds it was again funded by the Home Office and the Cabinet Office at a rate sufficient for four staff. In the three years to 2010/11 it was funded by the Cabinet Office at a slightly higher rate (£307,627 in 2010/11 with £915,979 over the three years) at a rate sufficient for five staff. The Cabinet Office has announced that, in the light of the abolition of the Commission for the Compact, it will increase its funding to £350,000 in 2011/12 rising to £378,000 in 2014/15 – a rate sufficient for an additional two part-time staff.[89] These are limited resources indeed with which to tackle a substantial and complex workload, now increased by the abolition of the Commission.

A critical issue for WGGR/CWG/Compact Voice, and one which is a very large elephant in the partnership room – is that of its "representation" of the voluntary and community sector: "Compact Voice is the voice of the voluntary sector on the Compact" (so says its website). In an international context such silence is anomalous. In other countries with similar policy documents there is a recognition that "NGOs exemplify participatory democracy, but they do not exemplify representative democracy"[90], and there have been discussions about appropriate arrangements (see, for example, Daimar Liiv's recommendation that "representation provisions should include basic norms about the

[86]"National Compact Voice represents national sector organisations on taking the Compact forward. National organisations include all organisations that work at a national level but does not preclude organisations that work at local *as well as* national level." "Local Compact Voice represents the local sector on taking the Compact forward." In 2008 Local Compact Voice had more members (550) than National Compact Voice (230). *Annual Sector Report 2008: A report reflecting voluntary and community sector perspectives on the Compact in 2008: Presented at the [9th]Compact Annual Review Meeting, 2nd December 2008*, 13 (hereafter *Annual Sector Report 2008*).
[87]In October 2009 the board of Compact Voice decided to exclude Carl Allen, chair of Local Compact Voice, on a motion of no confidence. Allen had complained publicly about Simon Blake, chair of Compact Voice, and Oliver Reichardt, head of the Compact Team: "In the complaint, Allen says Blake demanded, in front of staff, that Local Compact Voice step down from the Compact Voice board. Blake is also accused of ignoring a board decision to review the effectiveness of the Compact Users Group and introducing amendments to the new draft constitution of Compact Voice without discussion or a vote. Allen told Third Sector he had been removed because he was 'a person of independence. I am often the lone voice at meetings.' The Compact Voice board agreed to adopt a new constitution, which Blake said would enable it to follow good practice on governance and accountability. The constitution also provides for the establishment of a Compact users group, which Blake said 'would provide specific expertise and advice from people who use the Compact on a day-to-day basis.'" John Plummer, "Dispute breaks out between Compact Voice and Local Compact Voice', *Third Sector Online*, 22 October 2009. It is difficult to know whether this dispute was a matter of personalities or of principle.
[88]*Report of the Second Annual Meeting to Review the Compact between Ministers and representatives from the Voluntary and Community Sector* (London: Home Office and Compact Working Group, n.d.), 11 (hereafter *Second Annual Meeting Report*); and *Report of the Fourth Annual Meeting to Review the Compact between Ministers and representatives from the Voluntary and Community Sector* (London: Home Office and Compact Working Group, [June 2003]), 24 (hereafter *Fourth Annual Meeting Report*).
[89]"Compact Voice to expand after securing new Cabinet Office funding", *Third Sector Online*, 12 January 2011.
[90]Bullain and Toftisova, 10/29.

nomination of representatives, their mandate and duties"[91]). The new Australian Compact, with its facility for individual sign-ups, has clearly operationalised the community sector's individualism and suspicion of "peak bodies"[92].

Unlike government, where the authority to enter into the Compact rested on the decision of an elected prime minister, in the case of the voluntary and community sector there is no authority other than the assertion of authority. In its early days WGGR won much good will through its concerted attempts to listen to and transmit the views of the largest possible number of organisations. At the second annual meeting Stowe was "keen to assure the meeting that the Compact Working Group has no authority of enforcement, but that its terms of reference are 'representation after consultation'".[93] And this view was embodied in the Joint Compact Action Plan 2001/02: "Review the role, composition and funding of the Compact Working Group; with particular reference to community, BME and local activity" with a target date of March 2002.[94] It is not clear what action was taken, but in its report to the third annual meeting CGW asserted that it "has always been concerned to ensure that it operates on an accountable basis with diverse membership and securing a mandate for its work through consultation". It also noted its intention to expand its membership "with members from regional, rural, BME, local community, health and disability organisations".[95] Again it is not clear what action was taken, because the Joint Compact Action Plan 2008/09, agreed at the seventh annual meeting, returned to this point: "CWG to review their remit and structure to ensure effectively carries out role to represent VCS on Compact at strategic level with required actions" including "the revised membership will include representation from the social enterprise and faith sectors as well as stronger representation for frontline organisations".[96] However, the minutes of the eighth annual meeting make no reference to any discussion of these issues. It would seem that there was some recognition that the constituency of Compact Voice needed to be broadened but that little action was taken.

It has not been possible fully to document the constitutional arrangements under which WGGR/CWG/Compact Voice operated before 2009. Firstly this constitution clarified to some extent what was seen as its "symbiotic" relationship with NCVO. Compact Voice

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[91]Daimar Liiv, "Guidelines for the Preparation of Compacts", *International Journal of Not-for-Profit Law*, 3(4) (2001), 1/15 of web-based version.

[92]M. Rawsthorne and F. Christian set out the findings of a small survey of community organisations in New South Wales on the subject of representation. When asked who should represent them, 49% said themselves; 41%, regional organisations; 32%, sector-based peaks; and 27%, the state-wide peak organisation that was actually negotiating the compact. When asked how consultation should take place, 62% said through specific consultation workshops; 38%, through peaks or regional organisations; 30%, through written materials and feedback; and 27%, through the state-wide peak organisation. When asked at what level consultation should take place, 74% said local; 63%, regional; and 29%, state. This shows that when the question is asked, organisations opt for direct, personal and local representation. "Government/Community Sector Compacts: 'Real engagement'?" (Granville, NSW: Western Sydney Community Forum, 2005), 14.

[93]*Second Annual Meeting Report*, 21.

[94]*Ibid.*, 1.

[95]Paper 2/ARC/2002, Sector Snapshots: Paper by the Compact Working Group, 2 [Paper for third annual meeting] (hereafter Paper 2/ARC/2002 Sector Snapshots).

[96]*Report to Parliament of the Seventh Annual Meeting to Review the Compact on Relations between Government and the Voluntary and Community Sector* (London: Cabinet Office and Compact Voice, March 2007), 11 (hereafter *Seventh Annual Meeting Report*).

is "an independent body". It is "not a legal entity and operates under the aegis of NCVO". It "works within NCVO's objects". "NCVO is the accountable body for funding, and provides management and organisational support to the Compact team." "The trustees of NCVO have legal governance responsibilities for Compact Voice." Secondly this constitution clarified the role and method of recruitment of its board. Its board consists of a chair and up to fourteen members, of whom seven are standing representatives of named national umbrella organisations and the remainder are individual members "drawn from across the voluntary and community sector as well as from the wider civil society" – in practice from the members of Compact Voice (Number on website = 2,400). Members are appointed for three-year terms by the board sitting as a recruitment panel.[97] Thus Compact Voice is currently very closely (and perhaps indistinguishably) tied to one of the largest and most thrusting umbrella bodies, and it has no representative legitimacy other than through the consultation and feedback activities (if any) of the organisations of the members of its board (Number of organisations = 20,000, according to its website). This is a serious weakness.

4.3.4 Commission for the Compact

The third element in the architecture of implementation is the Commission for the Compact, led by its Commissioner, which sits as an "honest broker" between government on the one hand and the voluntary and community sector on the other. The Commission's origins lay in the failure of the government's proposed Compact Plus scheme, a pedigree summarised by one observer as "how the Compact's failings forced the appointment of a commissioner".[98] As the implementation of the Compact went forward, by 2004 or so it had become clear that a full set of codes and even a full set of local compacts were not sufficient to achieve the normalisation of the Compact way of working. As part of its attempt to reboot the Compact, the Home Office proposed the supplementary Compact Plus scheme. Compact Plus was targeted at "voluntary organisations bidding for public contracts"[99], and its aim was capacity-building. By opting in and making and sustaining certain commitments to best practice, organisations would receive a quality award or kitemark and the services of a "Champion" to smooth their path. The Champion's role was to "take the lead on strengthening the relationship between the sector and Government", which included oversight of the Compact, operation of the kitemark scheme, management of the membership (particularly the maintenance of standards) and "adjudicat[ion] on complaints and alleged breaches".[100] The proposals for Compact Plus went out for consultation between March and July 2005 and thereafter went underground within Whitehall, which only whetted the appetite of the sector and the specialist press for the coming of the Champion. When Compact Plus was killed off but not buried, the idea of the Champion survived, although not so much as a lone individual[101] but as the head of a Champion unit. At the end of 2005 the Minister, Paul Goggins, announced that,

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[97]Constitution of Compact Voice, 20 October 2009.
[98]Nick Cater, "Opinion: Double, double? It's all froth and bubble", *Third Sector Online*, 1 March 2006.
[99]Charles Clarke, Home Secretary, quoted by Stephen Cook in "Government amends two flagship policies", *ibid.*, 23 March 2005.
[100]*Strengthening Partnerships*, 6, 47.
[101]It was anticipated that he or she might have "a small staff team". *Ibid.*, 46.

although the timetable was uncertain, government would appoint an independent commissioner: "In the end we are working on a model of self-regulation here".[102]

Arrangements for the appointment of the Commissioner and his Commission took some time, doubtless due to the manoeuvres connected with the fate of Compact Plus and other parties' jockeying for position. The first Commissioner, John Stoker, began work in September 2006; the first chief executive, Angela Sibson, in October; and the Commission itself, officially after its launch, in April 2007.[103] However, the shadow of Compact Plus fell across the first Commissioner's job description, which included the duty to "build effective partnerships to ensure that Compact and Compact Plus commitments work at both the national and local level"[104]; and on the Commission's foundation document, which had similar provisions.[105] The legacy of Compact Plus also had a positive side, the expectation of leadership and purposive activity - and, in particular, neutrality: "seen as neutral" by both sides, "independent from existing organisations and able to develop a distinct voice and identity; and energy, capable of making a "step change from the current situation, giving real momentum to the activities proposed".[106] The Commission, especially with the straight-talking Sir Bert Massie at the helm, has more than fulfilled this brief.

The Commission has operated in a different way than either OTS/OCS or Compact Voice. In the first place it has been well-resourced, with grant-in-aid from OTS/OCS of £1,139,000 for 2007/08, £1,800,000 for 2008/09, £1,992,300 for 2009/10 and slightly less for 2010/11. This has enabled it to employ 15 staff in all years but 2007/08, when it was in development[107] - in effect, twice the number of staff tasked with Compact work by OTS/OCS and Compact Voice. In the second place it has operated with a high level of transparency and public accountability (its annual reports and accounts are public documents presented to Parliament), and its website offers a wide selection of useful information. In the third place it operates in a businesslike fashion – the whole thrust of its approach has been to clarify, plan, do and then evaluate. For example, its first business plan included a statement of its vision, mission, values, strategic aims and objectives and an activity plan which dovetailed with that of the relevant Joint Compact Action Plan. In both of its published annual reports and accounts it described performance against planned actions.[108] Finally in its "honest broker" role it has been studiedly even-handed in its approach to both government and the voluntary and community sector. In particular, it has emphasised the sector's need to demonstrate its

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[102]A perfect declaration of governmentality. Paul Goggins made this announcement to the sixth annual meeting. "Focus: Policy and Politics – Government 'committed' to Compact", *Third Sector Online*, 7 December 2005.
[103]Stoker resigned in September 2007 after just a year in post and was replaced as Commissioner by Sir Bert Massie in April 2008. Sibson left after six months and was immediately replaced as chief executive by Richard Corden. These early departures made for an unfortunate start to the work of the Commission.
[104]"The Role of the Compact Commissioner" [2006].
[105]"Memorandum of Association The Commission for the Compact", 12 September 2006.
[106]*Strengthening Partnerships*, 48.
[107]*Commission Annual Report and Accounts 2008-09, 38, 33; Commission for the Compact. Annual Report and Accounts 2009-10 Presented to the House of Commons in accordance with Section 6(2)(b) of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009 Ordered by the House of Commons to be printed on 19 July 2010* (HC198; London: The Stationery Office, 2010), 42-43.
[108]Commission for the Compact, *Commission for the Compact Business Plan: Summary 2007/08* (Birmingham: Commission for the Compact, 2007) (hereafter *Commission Business Plan*).

legitimacy in representing the interests of its users and to keep up its end of the bargain in partnership relationships.[109]

While the Commission has carried out an extensive programme of work, it has been particularly successful in managing the three linked rounds of consultation and drafting that produced the refreshed Compact, carrying out practitioner-based work (expert advice, face-to-face support) with government bodies and voluntary and community organisations in Compact-based working; and carrying out both practitioner-focused and fundamental research, particularly the Baseline Study, which for the first time since 2000 attempted to gather evidence about Compact-working in central government bodies (see Table 3 below for a list of publications).

Table 3: Research commissioned by the Commission for the Compact

Naomi Diamond. *Compact Funding Study: Central Government Grants for the Voluntary and Community Sector and the extent to which they comply with the Compact* (Birmingham: Commission for the Compact).	November 2007
Rocket Science UK Ltd. *Literature Review: Commission for the Compact: Research into independence and the Compact* (London: Rocket Science UK Ltd).	June 2008
Karon Monaghan QC. *Independent Legal Analysis of the Compact Code of Good Practice on Relations with 'BME' Voluntary and Community Organisations* (London: Matrix Chambers)	July 2008
Rocket Science UK Ltd. *The State of Independence: A research study into independence and the Compact* (Birmingham: Commission for the Compact).	September 2008
LQRC, Arte Research and Chrisbonnardconsulting. *Positive Engagement, Future Practice: Learning for End of Life Care: A study into the funding of palliative care* (Birmingham: Commission for the Compact and Help the Hospices).	October 2008
Institute for Voluntary Action Research. *What Makes a Successful Local Compact: A Project Report* (Birmingham: Commission for the Compact).	October 2008
Commission for the Compact. *Commissioning Guidance* (Birmingham: Commission for the Compact).	February 2009
Institute for Voluntary Action Research. *Mapping third sector quality standards and the Compact* (Birmingham: Commission for the Compact).	June 2009
Institute for Voluntary Action Research. *Research Summary: Mapping third sector quality standards and the Compact* (Birmingham: Commission for the Compact).	June 2009
The impact of the recession on Compact implementation: A Commission for the Compact Think Piece (Birmingham: Commission for the Compact)	June 2009

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[109]Sir Bert was prepared to rattle a few cages: "If we want the statutory sector to take the Compact seriously, then so must the third sector…. I am told the sector cannot sign up because it comprises thousands of independent organisations and there is no collective body. There is truth in that. But it is no reason why organisations should not choose to sign up and declare that publicly. So here is a challenge. Let us encourage the major third sector organisations to commit themselves to conforming to the Compact." "Sir Bert Massie challenges charities to commit to the Compact", *Third Sector Online*, 2 October 2009.

Commission for the Compact. *Independence Matters: Guidance on the benefits for the government and the third sector* (Birmingham: Commission for the Compact).	June 2009
Institute for Voluntary Action Research. *They are the Champions: The role and impact of local Compact champions* (Birmingham: Commission for the Compact).	July 2009
Commission for the Compact. *The Compact and Procurement Law: A Guide to Frequently Asked Questions* (Birmingham: Commission for the Compact).	July 2009
CSV Consulting and Applied Policy and Practice Research Unit, Manchester Metropolitan University. *The costs, barriers and benefits of involving volunteers from under-represented groups* (Birmingham: Commission for the Compact).	September 2009
Commission for the Compact. *Guidance Note: Guidance for Local Authorities managing budget revisions* (Birmingham: Commission for the Compact).	December 2009
Auriga Consultants. *Contact application and the administration of European structural funding* (Birmingham: Commission for the Compact).	January 2010
nfpSynergy and Digital Public. *Research Briefing: Interim baseline results* (Birmingham: Commission for the Compact).	February 2010
nfpSynergy and Digital Public. *Research Summary: Compact Baseline Survey 2009/10* (Birmingham: Commission for the Compact).	July 2010
nfpSynergy and Digital Public. *Compact Baseline Survey 2009/10: A study of the levels of awareness, knowledge, understanding and use of the Compact among Government and Non Departmental Public Bodies* (Birmingham: Commission for the Compact).	July 2010
Commission for the Compact and Participatory Budgeting Unit. *How the Compact applies to Participatory Budgeting: an analysis* (Birmingham: Commission for the Compact).	July 2010
Grant Thornton and Richard Jenkins. *Social and economic benefits of Compact working* (Birmingham: Commission for the Compact).	September 2010
Commission for the Compact. *Working better together: Implementation Guide for community groups and local public bodies* (Birmingham: Commission for the Compact).	October 2010
Commission for the Compact. *Compact Champions Public Sector Support Pack* (Birmingham: Commission for the Compact).	November 2010
Meta Zimmeck, Colin Rochester and Bill Rushbrooke (Practical Wisdom R2Z Consultants). *Use it or Lose it: A summative evaluation of the Compact* (Birmingham: Commission for the Compact).	March 2011

Although "the Commission exists to be an independent focus for the application of knowledge and expertise in ways that result in more effective partnerships between government and the third sector"[110], it has had to live with the tensions between its expectations of "independence" and government's funding and ultimate political control.

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[110] *Commission Business Plan*, 5.

The Commission is a non-departmental public body sponsored by OTS/OCS. It is also a company limited by guarantee. It has one member, the Chancellor of the Duchy of Lancaster (currently Lord Strathclyde, Leader of the House of Lords), and it is governed by a board of directors, including the Commissioner, the chief executive and three non-executive directors. Its independence is, therefore, provisional – or in the words of Richard Corden, its chief executive, "We're independent because we've been instructed to be by government"[111]. In order to resolve this contradiction and to fulfil the promise first indicated in the Deakin Report and indeed in the proposals for Compact Plus, the Commission has decided that it would be appropriate to regularise its status. It gave its aspirations a trial run in Tom Levitt's Commission for the Compact Bill (a 10-minute Bill presented on 19 May 2009), which would have established it as a "permanent, independent, statutory body" with a duty to report to Parliament. Unfortunately this Bill was merely an indication of intent, and Levitt's comment – that "successive ministers have allowed the Commission full operational independence, but there is no guarantee that future ministers would do the same" – proved only too true.[112]

4.3.5 Additional bodies concerned with amelioration/resolution of disputes: Compact Mediation Service and Compact Advocacy Programme

There are two semi-detached bodies involved in resolution of disputes or breaches of the Compact.

Compact Mediation Service

The first of these bodies was the Compact Mediation Service. Paragraph 14 of the original Compact noted that "as far as possible, disagreements over the application of the Compact should be resolved between the parties. To assist this process, where both parties agree, mediation may be a useful way to try to reach agreement, including seeking the views of a mediator". It indicated that "the Government will, in the light of experience, consider whether there is a need to strengthen the complaints and redress process in relation to the Compact". Although there was "no great desire" for mediation on the government side, since there were "very few complaints"[113], those on the voluntary and community sector side were keener, since it would be an alternative to whistle-blowing and making formal complaints, and so the second annual meeting agreed to establish a Compact Mediation Working Group to examine the way forward. The third annual meeting considered detailed proposals and agreed to pilot the scheme, "the first user-specific scheme"[114]. After piloting, the Home Office contracted on a call-off basis with the Centre for Effective Dispute Resolution (CEDR) Solve, which was already operating a similar joint mediation service with NCVO, to manage the scheme. The scheme was launched in March 2003, initially for a year to cover disputes between

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[111]Quoted by Matthew Little in "Little at Large: Charity spring challenge by MSP who ate all the pies", *Third Sector Online*, 17 September 2008.
[112]HC Deb, 19 May 2009, vol.510, col.1346.
[113]*Second Annual Meeting Report*, 4, 19. See also Paper 4/ARC/2002 Proposal: Compact Mediation Service [Paper for third annual meeting] for details.
[114]Paper 1/ARC/2002: Making it Work: A Government Review of Compact Progress, 12 [Paper for third annual meeting] (hereafter Paper 1/ARC/2002: Making it Work).

central government and voluntary and community organisations, and it was then extended to the end of March 2008 and expanded to cover disputes with local authorities and other local government bodies.[115] There was minimal take-up for this scheme: "Recently we haven't seen much traffic come through this scheme"[116] – for which read only two cases ever. There seems to have been some pique about the failure of the scheme to attract customers from the sector, because the Home Office refused to allow mention of it in a report on alternative dispute resolution published by the Department for Constitutional Affairs ("Certain positive initiatives were not included, such as the Home Office's Compact Mediation Scheme"[117]).

Compact Advocacy Programme

The second of these bodies is the Compact Advocacy Programme (CAP). CAP's mission is collect information about how the Compact is working and to support voluntary and community organisations that are having difficulties at the coalface of disharmony through briefings and one-to-one support, including acting on their behalf in negotiations and legal action. It was established as a project of NCVO with funding from the Community Fund (£156,000 over two and a half years) and the Baring Foundation, launched in January 2003, shortly before the Compact Mediation Service, and opened for business in September. Initially it only dealt with breaches of the Compact by central government bodies, but, having received three-year funding from the Big Lottery Fund (£370,000 to end November 2008), it expanded its remit to include breaches by local government bodies. It is currently funded by Big Lottery Fund (£700,000 over three years to November 2011) as part of a consortium, Empowering the Voluntary Sector Project, along with the Public Law Project and NAVCA, to provide a full range of services for organisations in conflict. Over the years it has employed between two and four advisers (currently two). It got off to a flying start by winning several high-profile cases, and since 2003 it has been involved in over four hundred cases.[118] It has gained a good reputation for its energy, good sense and professionalism: "Of course, the Compact has to stay relevant, but the most important thing is getting people aware of it. It's not the Compact we should be judging but how people use it".[119] However, like Compact Voice its exact status and lines of control are unclear. Since April 2007 it has been a part of Compact Voice.

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[115]"CEDR Solve launches mediation service for Compact on relations between government and the voluntary and community sector (VCS)", *CEDR News*, 19 March 2003; and "Home Office renews CEDR Solve Compact Mediation Scheme and extends its reach", *ibid.*, 3 June 2004.

[116]John Plummer, "Compact in action: The Compact Mediation Scheme", *Third Sector Online*, 18 July 2007.

[117]"Government increases use of ADR and makes savings", *CEDR News*, 10 August 2005.

[118]For an interesting analysis of thirty-four cases see Eliza Buckley and Gordon McCullough, *A Review of Compact Disputes: Final Report* (London: Institute for Voluntary Action Research, 2010).

[119]Saskia Daggett quoted by John Plummer in "Compact in action: making it work", *Third Sector Online*, 9 July 2008.

4.3.6 Arrangements for coordination of effort

Boundaries

When there were only government and the voluntary and community sector in play, boundaries were, on the whole, reasonably clear, although there is little indication of critical thinking about this, particularly by government. CWG's memorandum written in 2002 about its proposed strategy for taking the Compact forward does give insight into its thinking in this regard. In this it sets out its "key strategic tasks", although it is vague about points of contact/conflict with government:

- "Compact Project Planning, development and progress review
- Coordination between codes at national and local level
- Dissemination through publications, events and website
- Consultation, especially through annual sector survey
- Monitoring and review of codes (including compliance/performance, Sector undertakings and leading on Funding and Consultation Codes)
- Compact and relations contact point with Government on behalf of the Sector
- Enhanced joint work with Government on training, engagement and the Annual Report (including on carrying on the annual action plan)."[120]

However, with the addition of the Commission, which had the advantage of efficiency, focus and substantial resources, matters became much more complicated: "[The Compact] has engendered numerous associated organisations and events, such as Compact Voice, the Compact Advocacy Programme, the Compact Annual Meeting and – most recently – the Commission for the Compact, all with interrelationships unfathomable to the layman"[121]. Because relationships between government and the sector were already set by custom and practice but were not formally defined and transparent and because the Commission's role was to act as an independent broker between the two parties, it was necessary to define as clearly as possible just what those roles were. These were as follows:

"Office of the Third Sector:
- Acts as policy lead across government for Compact issues;
- Works with other government departments to promote the importance of using the Compact as a means to the end of strong partnerships with third sector organisations;
- Creates effective networks of third sector liaison officers and Grade 3 champions, and third sector leads in Government Offices for the Regions, using these to promote the Compact as the framework to strong relationships;
- Promotes the role of these networks as a potential advisory body to the Commission;

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[120]"Key points from proposed "Compact Working Group Strategy on taking the Compact forward" in Paper 2/ARC/2002 Sector Snapshots, 10.
[121]Stephen Cook, "Editorial: How the curious tale of the Compact gives new meaning to 'a long game'", *Third Sector Online*, 22 August 2007.

- Provides 100% of the funding for the Commission for the Compact without diluting the Commission's ability to act independently.

Compact Voice:
- Improve[s] the voluntary sector's relationship with government; by identifying issues and highlighting areas of the relationship to celebrate and areas to develop
- Provide[s] leadership and vision for the sector to effectively influence the development of the Compact and in turn the relationship between the voluntary sector and government
- Increase[s] the use of the Compact by the voluntary and community sector and to support the increase of it by government
- Provide[s] an effective source of information and advice for the voluntary sector.

Commission for the Compact:
- Promote[s] good models of working between government and the sector through the Compact;
- Act[s] as a broker when issues arise which have wider application for government and the third sector as a whole.

The Commission's work involves:
- Strengthening the processes of partnership working, and implementation of the Compact, championing its principles and their dissemination and application, to ensure partnership working is embedded in organisations across sectors;
- Driving accountability for better partnership working through defining quality standards and testing their achievement through scrutiny and performance monitoring, establishing assessment of compliance and performance against the Compact;
- Driving improvements to policy through challenge, development and research, producing reports and publishing recommendations;
- Establishing an evidence base of how the Compact is working;
- Providing independent support and guidance, starting from the evidence, making advice and information on best practice available to Compact partners at all levels in both sectors, using education and training resources."[122]

It is worth noting that this allocation of responsibilities between three rather than two seems to imply a diminished role for Compact Voice (at least in comparison with the earlier statement cited above).[123]: It is also worth noting that this allocation made no provision (unlike the Compact) for resolving disputes among the partners.

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[122]"Overview of Remits for Compact Voice, Office of the Third Sector and the Commission for the Compact", n.d.
[123]This clearly caused friction and, on the abolition of the Compact, *Schadenfreude*: The Commission has "done some really useful things, although its duties, in areas such as communication, research and consultation overlap with those of Compact Voice". Simon Blake quoted by John Plummer in "Interview: Simon Blake", *Third Sector Online*, 12 October 2010.

Day-to-day working

Information about arrangements for day-to-day working within, between and among each of the parties is difficult to come by and consists more of an understanding that such arrangements are in place than how they work in practice. The following is not an inclusive or necessarily accurate list.

Within government

> **Ministers:** As part of the negotiation of the original Compact there was a Ministerial Group chaired by a minister from the Home Office and including ministers from the departments most likely to be involved with voluntary and community organisations. It is not known whether and to what extent this group still meets, although it is known that responsible ministers on occasions have had bilateral meetings with their counterparts in other departments to discuss specific issues.

> **Liaison officers**: The first voluntary sector liaison officers (VSLOs) first met in October 2001, and since that time they have evolved from VSLOs to voluntary and community sector liaison officers (VCSLOs), third sector liaison officers (TSLOs) and now civil society liaison officers (CSLOs). They meet on a quarterly basis to share information and provide mutual support. It would appear that their work for the Compact has been reasonably successful, although it has been hampered by other calls on their time, issues of seniority and high turnover.

> **Champions**: These are senor civil servants appointed in each department to push government's agenda for the sector, including the Compact. It would appear that their work has been variable, outstanding in some departments and perfunctory in others. It is not known how active they are at this time.

Within the sector

As noted above, WGGR/CWG/Compact Voice has operated on the basis of its declared representation of the sector, which was more solidly grounded in earlier years than recently. Because it has so poorly documented its activities, it is difficult to gain a comprehensive picture of the ways in which it has provided information/gathered feedback from individuals and organisations in the sector. A summary of these is set out in Table 4 below. Its outreach activities include the following: organising/speaking at meetings with umbrella groups and front-line organisations; carrying out an annual survey (to 2006 and possibly afterwards) of organisations in the sector (poor quality so not particularly useful, ostensibly replaced by focus groups and web-based fora); carrying out consultations - for example, on the creation and revision of the Codes, the sector's independence and, most notably on the refreshment and revision of the Compact; organising a group of regional leaders and local champions; and "continued dialogue".

Table 4: Summary of quantified activities of WGGR/CWG/Compact Voice as reported at Compact annual meetings[124]

	1st 9 May 2000	2nd 29 Oct 2001[125]	3rd 29 April 2002[126] **	4th 27 May 2003[127]	5th 5 May 2004	6th 30 Nov 2005	7th 22 Nov 2006	8th 13 Dec 2007	9th 2 Dec 2008	10th 1 Feb 2010	Compact Voice Impact Report 2010
Items distributed or downloaded	25,000	180,000	50,000**	155,000	242,000						45,000
Organisations involved in post-Compact development	5,000	2000+									1,500
Organisations/ people reached through presentations		2000+	1000+**	1,500	2,200			1,600	1,450		300
Meetings/events organised		60	10**			20		31	25	30	9
Presentations delivered to local compact events		36	15	25	58						
International/UK exchange visits made		25									
Responded to surveys	150	235			289	225	130	Focus groups	Focus groups		

[124] *Annual Meeting Between Government and Representatives of the Voluntary and Community Sector to Review the Operation and Development of the Compact* (downloaded from Home Office's website; hereafter *First Annual Meeting Report*), 5/7; The Compact One Year On – A Voluntary and Community Sector Perspective (Paper 2 Annex C), 1; *Second Annual Meeting Report*, 4, 6, 10; Paper 2/ARC/2002: Sector Snapshots, 1, 2, 4, 6; *Fourth Annual Meeting Report*, 24, 27, 28; *Report to Parliament of the Fifth Annual Meeting to Review the Compact on Relations between Government and the Voluntary and Community Sector* (London: Home Office and Compact Working Group, n.d.), 22, 32; *Report to Parliament of the Sixth Annual Meeting to review the Compact on Relations between Government and the Voluntary and Community Sector* (London: Home Office and Compact Working Group, n.d.), 13; *Seventh Annual Review of the Compact on Relations between Government and the Voluntary and Community Sector (VCS): A Snapshot of the Compact, Appendix: Annual Sector Survey 2006*, 1, 6 (hereafter *Annual Sector Report 2006*); *Annual Sector Report 2007: Presented at the Compact Annual Review Meeting 13th December 2007: A report by Compact Voice reflecting voluntary and community sector perspectives on the Compact*, 21, 48 (hereafter *Annual Sector Report 2007*); *Annual Sector Report 2008*, 13, 14; *Compact Voice Impact Report: A review of 2009* (London: Compact Voice, n.d.), 4, 10, 12; *Compact Voice Impact Report 2010* (London: Compact Voice, n.d.), 5.
[125] Since mid-1999; includes previous column.
[126] Calculated by the authors from composite figures.
[127] Figures to April 2003.

Compact champions recruited									112	251	200	
Members Local Compact Developers Network				16	70	"nearly 150"					
Members Local Compact Voice							270	318	550		
Members Local Compact Voice online forum									173		
Members Friends of Local Compact Voice									63		
Members National Compact Voice/Compact Voice Network								230	1,800	2,400	

Among players

Liaison between and among the various players seems to be on a relatively standard basis – quarterly bilaterals between any two and trilaterals among all three, with quarterly monitoring reports submitted by WGGR/CWP/Compact and the Commission to the responsible unit. In the past there have been annual awaydays in order to foster partnership working and strategic planning. These arrangements were subjected to considerable stress during the refreshment and revision of the Compact and after announcement of the abolition of the Commission.

4.3.7 Arrangements for planning and joint working: Compact Action Plans

A summary of all action plans is in Appendix 3.

Action Plan 2000/01

The first action plan (which arose from the first annual meeting held on 9 May 2000) consisted of ten more or less concrete steps that were proposed as a means of taking the Compact forward and came with target dates for their completion. Four of these were targeted at central government departments:

- The Minister (Paul Boateng) was to write to Ministers across government to invite them to prepare their own action plans for implementing the Codes when published.
- A mapping exercise was to be undertaken to identify those staff in the various departments (including executive agencies and NDPBs) who had most contact with the sector in order to target the dissemination of Compact materials and the arrangements for awareness-raising briefings.
- The first of what would become an annual "awayday" event was to be arranged for senior civil servants and chief executives of voluntary organisations.
- A meeting was to be convened between WGGR and departmental VSLOs to share information in advice of the second annual meeting.

Two further points were designed to promote the development of Compacts at local and regional level:

- The development of local compacts was to be encouraged by the publication of guidance on good practice supported by the development of a strategy for encouraging the participation of local public spending bodies.
- A joint letter was to be sent from Ministers at the Home Office and the Department for Environment, Transport and the Regions to the regional development agencies encouraging them to adopt the Compact as a means of defining their relationships with the voluntary and community sector.

Three points were concerned with the further development of the Compact:

- The BME, Community Groups and Volunteering Codes were to be published.
- Further work was to be undertaken, arising from the Funding Code, in respect of: good practice in contracting for partnership-based initiatives; cross-departmental funding; and the development of a model grant application form.
- The need for mediation as applied to the Compact and its codes was to be reviewed along with the practicalities of how this might work.

And, finally:

- A campaign was to be conducted to raise awareness within the sector about its responsibilities under the Compact.

Joint Action Plan 2001/02

The plan for 2001/02 addressed some of the same areas for action. One-third of its eighteen items was concerned with central government. Some of these continued the work of the previous plan of mapping where the relationship between the government and the sector was significant and developing methods of communication and awareness raising. These objectives were to:

- complete and make available mapping of government units which had significant engagement with the sector
- set up a Cross-Departmental Officials' Compact Implementation Group
- establish quarterly VSLO/sector meetings to share information about implementation of Compact and Codes
- publish a summary of the annual report and lodge it in the Libraries of the Houses of Parliament and disseminate widely.

Others sought to ensure that the principles of the Compact were being heeded with departments by:

- working with key government departments to imbue Compact principles into the implementation of annual plans, paying attention to partnership, service delivery and regeneration initiatives
- ensuring that the government's ongoing policy reviews took account of the Compact and Codes.

And another was intended to assist voluntary and community organisations dealing with government by:

- producing a summary document of departmental complaints procedures.

The second plan also targeted action at local and regional level by:

- continuing to facilitate the development of local compacts and focusing activity on involving NHS/police forces/Learning and Skills Councils (LSCs) and the Probation Service
- continuing to facilitate the development of regional compacts.

And it reinforced the campaign to raise awareness in the sector by undertaking to:

- make resources available to the sector for Compact and Code implementation.

It also maintained an emphasis on further development of the Compact by:

- reviewing the role, composition, and funding of the CWG, with particular reference to community, BME and local activity
- developing and piloting systematic monitoring and review of Compact activities
- publishing a Compact and Codes implementation guide for government and the sector
- undertaking a project to consult and provide consistency across implementation of Codes
- setting up Compact Mediation Working Group to report on Mediation Service.

And it identified the need to:

- draw up awareness raising/training implementation plans for government and the sector and implement them.

Joint Action Plan 2002/03

There is a degree of continuity about the action points made in the third plan. These included:

- working with government departments to imbue Compact principles into the implementation of annual plans, paying attention to partnership, service delivery and regeneration initiatives
- facilitating the quarterly meetings of VSLOs with the sector
- lodging a summary account of the third annual review and posting it on ACU's and CWG's websites
- implementing the Compact-related recommendations of the policy reviews
- drawing up and implementing awareness-raising/training implementation plans for government and the sector
- taking forward the Local Compacts Strategy, taking account of policy and initiatives at the local level including Local Strategic Partnerships (LSPs), and secure involvement of relevant local statutory bodies
- continuing to facilitate regional involvement in the Compact and Codes
- piloting, evaluating and reporting on the Compact Mediation Scheme.

There were, however, some new suggestions including:

- increasing the level of departmental resources directed at implementing the Compact and Codes, including VSLO/Champion roles
- including the promotion of Compact principles as a requirement in grant conditions to funded bodies/organisations
- working with national and local umbrella organisations to educate members and local organisations (especially BME and community groups) in knowing about and using the Compact and Codes
- integrating Compact information into the staff induction processes of government and the sector.

The main difference between this and the earlier documents was a new emphasis on strategy and longer-term planning which involved:

- implementing the sector's delivery strategy and the key recommendations of ACU's Compact Strategy project
- working with the sector to produce a three-year implementation plan and a longer-term strategy.

Joint Action Plan 2003/04

Like its predecessor, the Plan for 2003/04 combines the restatement of familiar points with some newer material and some statements of broader aspirations rather than clear objectives or concrete actions. The familiar included:

- developing a learning programme for public sector officials to provide greater understanding of the sector, including partnership working
- working with key government departments to embed Compact principles into departmental business
- meeting quarterly with Champions across central government to agree and take forward implementation plans
- integrating Compact information into the recruitment and induction processes of government
- identifying key partner national sector organisations to ensure that trustees, staff and volunteers are aware of and working towards the sector's key undertakings
- encouraging local sector organisations to engage in local compact development
- continuing to resource the CWG Secretariat to support Compact and Code implementation
- monitoring and evaluating the operation of the Compact Mediation Scheme.

Newer action points included:

- a new emphasis on developing the research framework and monitoring Compact activities nationally, regionally and locally
- a review of the Funding Code to simplify messages and build on new guidance being developed on funding and procurement

- the need to agree a strategy for raising awareness with NDPBs and working with government departments to engage key NDPBs in implementing the Compact.

And the broader aspirations were:

- to make a step-change in the number of sector organisations making effective use of the Compact and Codes in their relationship with all levels of government, including the development of local compacts in every area
- to initiate a drive to raise awareness and understanding of the Compact within the sector and government; to include briefing, guidance, answers to Parliamentary Questions, press releases and protocol for linking local compacts with other initiatives
- to work with government at central, regional and local levels and sector umbrella organisations to educate members and local organisations (especially BME and community groups) in understanding and using the Compact and Codes, including maximising opportunities through government's funding criteria and programme implementation (e.g. Capacity Building and Infrastructure Strategy).

Subsequent plans

In later plans the tendency to replace concrete steps and limited objectives with more general – and more ambitious – statements of intent gathered momentum.

The **2004/05 Plan**, for example, included the aims of:

- embedding the Compact in government departments and NDPBs in ways which will see "visible progress on implementing their VCS strategies"
- increasing the effectiveness of local compacts
- engaging the sector so that organisations know, use and understand the Compact.

Increasing the effectiveness of local compacts remained an aim of the **2005/06 Plan** which was also looking for "further progress" in delivering the sector strategies of government departments.

In the **2006/08 Plan** the language had changed and the aim was to see "Compact principles" being "better applied" by central government, NDPBs and regional bodies. This plan, however, concluded with the announcement of a new era:

- A Compact Commissioner was to be appointed to oversee the Compact, promote effective ways of working and brokering on the operation of the relationship, and to strengthen the partnership between government and the sector to achieve common goals.
- The work of the Commissioner would be to "promote and oversee" the Compact to make a "visible difference" in implementation and stronger partnership working.

- Compact Plus was to be developed to ensure that the Compact principles were better implemented and to provide strong incentives for following best practice.

The Commissioner and Compact Plus were not mentioned in the final two plans which were limited to a statement of five (**2008/09**) or four (**2009/10**) broad aims which were, in the final document:

- raising the profile of the Compact (to continue to develop awareness and understanding of the Compact)
- building knowledge of the Compact (to provide evidence of the impact of the Compact)
- embedding the Compact in structures, process and policy (to promote greater use of the Compact)
- maintaining the relevance of the Compact (to ensure the continued relevance of the Compact).

Conclusion

While the initial action plans did provide some direction to the work of implementing the Compact, the later versions became progressively unhelpful in their focus on broad aims and aspirations rather than on achievable and measurable objectives. Some actions seem to have been abandoned as time went on, but others continued to appear and, in some cases, were presented in the kind of increasingly desperate terms which suggest a failure to make significant progress towards achieving them. It is hard to escape the conclusion that WGGR/CWG/Compact Voice and its partners in government lacked the authority and the resources that matched their ambitions.

4.3.8 Arrangements for overall coordination and control: Compact Annual Meetings

The only method for joint scrutiny of the development and implementation of the Compact is the annual meeting. The original Compact stated: "As part of the process of making the Compact work, there will be an annual meeting between the Government and representatives of the voluntary and community sector to review the operation of the Compact and its development. The report of that meeting will be published and placed in the Library of the Houses of Parliament" (para.16). The intention clearly was that on a regular basis both government and the sector would report on progress, discuss problems arising, engage in strategic planning and agree the annual plans discussed above. At the first annual meeting in May 2000 the joint chairs stressed the importance of the occasion. Paul Boateng said that this was "an important milestone in the development of the Compact and the relationship between Government and the Sector", and Sir Kenneth Stowe "endorsed [his] remarks and agreed that it was important that the meeting should not only reflect on what had been achieved so far, but should also look forward to what must be done to secure further the implementation of the Compact in the year ahead".[128] These expectations for the jointness, significance and usefulness

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[128] *First Annual Meeting Report,* 2/7.

of Compact annual meetings over the years have not always been met, and indeed the trajectory of these meetings in terms of their administration, content , published outputs and attendance can be seen as an illustration of the undermining of the Compact as a joint endeavour and a meaningful partnership.

The organisation and management of annual meetings reflects their underlying importance and use. As Table 5 shows, there were variations in the timetabling of these meetings – large gaps (May 2000 to October 2001, May 2004 to November 2005, December 2008 to February 2010), a short gap (October 2001 to April 2002), and no date for the overdue eleventh meeting. There were attempts to keep to an annual cycle, whether April/May or November/December, and, most recently, to harmonise the annual meeting with the government funding cycle. In terms of the location of these meetings there was a curious drift away from the political centre (Parliament, major Whitehall venues) to a somewhat frivolous periphery (Tate Modern and the London Zoo, which prompted the animal-loving minister's boycott). There are presentational benefits to predictability (for example, Volunteers' Week) and a location with gravitas, and later annual meetings seem to have forfeited these.

Table 5: Compact Annual Meetings

Meeting	Date	Venue	Total number of attendees
First	9 May 2000	Committee Room 17, House of Commons	24
Second	29 October 2001	Committee Room 7, House of Commons	29
Third	29 April 2002	Committee Room 7, House of Commons	30
Fourth	28 April 2003	Moses Room, House of Lords	85
Fifth	5 May 2004	Attlee Suite, Portcullis House	91
Sixth	30 November 2005	Royal Institution of Chartered Surveyors, Westminster	56
Seventh	22 November 2006	Central Hall, Westminster	75
Eighth	13 December 2007	Church House, Westminster	101
Ninth	2 December 2008	Tate Modern	93
Tenth	1 February 2010	London Zoo	91
Eleventh	Not scheduled		

Despite expectations that the annual meetings would afford opportunities for joint scrutiny and joint planning, they have gradually degenerated into PR events in which the main actors perform separately rather than act together. The initial agendas of the meetings included consideration of a progress report from government, a progress report from the sector and any additional topical papers, followed by an open discussion mainly about the annual plan, which was agreed subject to any changes mandated by the meeting. The salience of the annual meetings for discussing and agreeing the annual plan gradually diminished and has now disappeared altogether. In the early

meetings there were lively discussions about the annual plan, some of which were structured around the specific activities or targets in the plan. However, at the seventh annual meeting agreement of the plan became perfunctory: "Ed Miliband and Sir Christopher Kelly both welcomed the comments and confirmed that they would be built into the action plan or by separate action with the relevant partners".[129] At the eighth annual meeting the agreement of the annual plan was the job of hidden hands: "Phil Hope welcomed the LGA's offer to work with the Commission for the Compact on some of the issues. A more detailed implementation plan will be developed to deliver it, which will take account of the discussion at the meeting".[130] The ninth and tenth annual meetings were organised around speeches and focus groups with no discussion whatsoever of the plans.

This gradual diminution of meaningful content and the removal of responsibility for agreement of the annual plans was reflected in the published reports. Originally there was one report which followed a standard format - progress reports from both government and the sector, minutes of the meetings, a list of attendees and somewhat later commendations for outstanding work. The sixth and subsequent reports did not include progress reports, and CWG/Compact Voice published their own progress reports separately. The ninth and tenth reports showcased speeches and reported back on focus groups. It should be added that OCS decided to refrain from publishing the tenth report (seen in draft) due to the change in government, although it has for the first time since the fifth meeting published its own progress report (albeit entirely anodyne). Thus reportage has gone from straightforward descriptions of business meetings to selected highlights to no report at all.

Finally an examination of those who attended these meetings suggests the fragility of interest in the Compact. Excluding journalists, researchers and observers, four hundred individuals attended the ten meetings. Forty-one ministers did so. Of these 28 or 68 percent attended only once. However, stalwarts like Alun Michael (DEFRA) and Paul Boateng (Home Office and HM Treasury) attended four times; and Baroness Andrews (Communities and Local Government) and Ivan Lewis (Department for Education and Science and HM Treasury), three times. As Figure 1 shows, ministers' attendance peaked at the fifth meeting, and attendance at the tenth meeting was the lowest ever, a pathetic two. One hundred and eighty-six civil servants attended. Of these 136 or 73 per cent attended only once, 30 or 16 percent twice and 20 or 11 percent between three and six times. The top departments represented by civil servants were the Home Office, including ACU (27 attendances), CLG (19), Cabinet Office including OCS (14), HM Revenue & Customs (11), Department of Health and Department for the Environment, Food and Rural Affairs (10 each), and HM Treasury and Department for Culture, Media & Sport (9 each). One hundred and thirty-three people from the sector attended, mainly as members of WGGR/ CWG/Compact Voice. Of these 86 or 65% attended only once, 25 or 19 percent and 22 or 17 percent between three and ten times (Carl Allen, Stuart Etherington and Christopher Spence attended seven meetings and the faithful Paul

[129] *Seventh Annual Meeting Report*, 23.

[130] *Report to Parliament of the Eighth Annual Meeting to Review the Compact on Relations Between Government and the Voluntary and Community Sector* (Birmingham and London: Commission for the Compact, Compact Voice, Cabinet Office and Local Government Association, March 2008), 19 (hereafter *Eighth Annual Meeting Report*).

Barasi of WGGR/ CWG/Compact Voice attended all ten). Finally 32 people from local government, mainly representatives of the Local Government Association (LGA), attended. Of these 22 or 69 percent attended only once, 9 or 28 percent attended twice and one, Sir Jeremy Beecham, attended seven times. On average ministers attended 1.5 meetings; civil servants, 1.4; people from the sector, 1.7; and people from local government, 1.5. These figures indicate that, aside from a small number of dedicated individuals, most of those involved in the Compact project were passing through rather than there for the long haul, and this is particularly the case for civil servants.

Figure 1: Number of ministers who attended Compact annual meetings
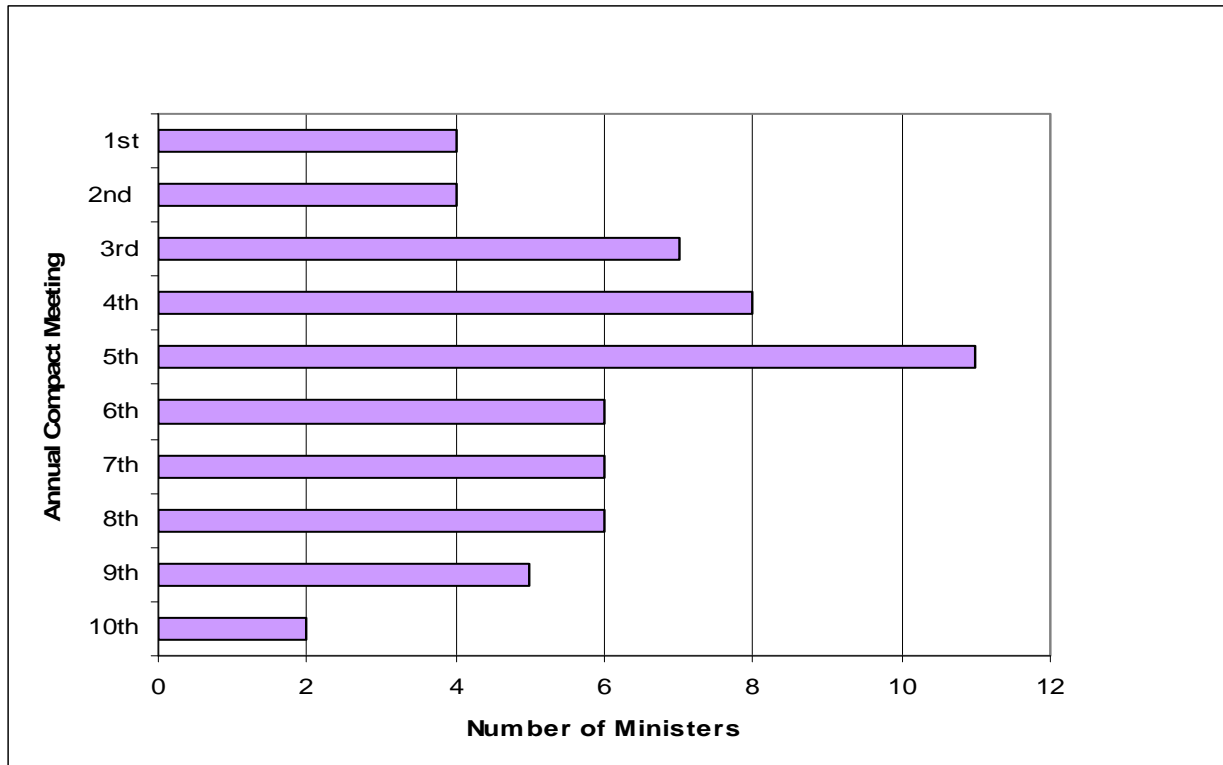
5. Assessing the impact of the Compact

It is clear from the weight of commentary and research of all kinds and qualities that in the last twelve years both government and the voluntary and community sector have changed to some extent the way they interact or expect to interact and that the Compact played some part in this. Many government bodies, especially those that already worked closely with the sector or had keen champions of the sector in positions of authority, have realised that the sector has something to offer and that they would be wise to accept its help. Many (although perhaps not those at the highest level) have also realised the limitations of their administrative capacity – confusion at policy level, silo-thinking in the design and delivery of major programmes, failure to translate high-level commitments into frontline actions, and a work culture shell-shocked in "a hyper-active horizontal policy environment"[131] – and the need for focus, stability and consistency. Many voluntary and community organisations have benefited from the opportunities that flowed from the sector's higher profile and actively pursued these into new worlds of partnership not only with government but also with other organisations in the sector. Many have realised that they will have to rev up their game in order to survive and thrive – act in a more businesslike fashion; be more accountable to members, service users and funders; and stop whingeing. Both government bodies and voluntary and community organisations have now recognised that the Compact provides a valuable framework and practical mechanisms for encouraging and regularising partnership working between government and the sector, including structures – still too weak and too little used – for resolving conflict.

It is, however, difficult precisely or even imprecisely to measure progress in developing and implementing the Compact.[132] There are a number of reasons for this. Firstly, the Compact operates in a complex environment, and it is difficult to attribute progress to any particular cause. Did something happen because of the Compact or because of something else? Secondly, the Compact is wide-ranging in its remit and multifarious in its implementation, and it is difficult to define a set of standard global measures and then to apply them over time. What measures are appropriate, reasonably cost-effective to implement and acceptable to all? Thirdly, the Compact has evolved – added new bits and extended its range - and it is difficult to know from where to measure. At what point (or points) should measurement begin (and it is getting a little late in the day for beginning)? Finally, the Compact is, in the end, a national initiative, and it is difficult to gauge progress from anything other than information collected on a national basis. If national measurement is required, who is responsible for carrying it out?

In this section we have taken a fairly pragmatic approach to reviewing progress in developing and managing the Compact. We have been broadminded about causality. Where possible, we have noted that there have been certain changes over time and put the Compact in the frame as a possible cause. We have been similarly broadminded

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[131]Jeremy Kendall, *The third sector and the policy process in the UK: ingredients in a hyper-active horizontal policy environment* (Third Sector European Policy Working Papers, No.5; London: Centre for Civil Society and Personal Social Services Research Unit, London School of Economics, 2005).
[132]For a useful framework for monitoring and evaluation see Craig *et al.*, 67-76.

about measures. We have used available information with a critical eye and have not attempted to reinvent the wheel. Ideally we would have liked to base our analysis on high quality trend or "before" and "after" information – the same information collected using the same methods at different points in time – but there is precious little of this for the voluntary and community sector in general and even less for the Compact in particular. We have, therefore, mainly relied on different sorts of information from different points in time in the hope that, by stacking it up, it would help us take a view. In support of our analysis we have used only what we consider to be the best available information – that from large, high-quality quantitative studies rather than case studies, qualitative studies or web-based surveys of the disgruntled. Finally we have disaggregated our analysis of the Compact as a whole to a number of its parts – funding and procurement, consultation and policy appraisal, volunteering and local compacts.

We would like to add that we regret OTS's decision to cancel the State of the Sector Panel research, which provided and would have continued to provide detailed insights into organisations' engagement with and views about the Compact process, and to impede use of this important information by researchers and, more importantly, the Commission. We also regret OTS's/OCS's failure to progress research on central government's and local authorities' funding of voluntary and community organisations beyond 2005/06 and 2003/04, respectively. These projects are an irreplaceable resource, the only existing time series on funding of voluntary and community organisations, begun in 1979 and 1982, respectively. Finally we regret the decision of Communities and Local Government to terminate the Citizenship Survey, which has provided high-quality data on people's involvement in their communities since 2001. We have relied on all of these studies in our analysis.

In the end, then, progress requires an accurate understanding of what is required, a strong commitment to making it happen and stamina in maintaining pressure on performance over the long haul. By all parties. At all levels. And it requires the commitment and resources to measure it.

5.1 Awareness

Awareness is the first step towards implementation, and implementation is the next step towards impact. Without knowledge of the Compact's existence, what it says, what can be done with it and how it can be done, no person or voluntary and community organisation or government body can act. Without a critical mass of persons and organisations and bodies acting together, then nothing will happen, and the Compact will not be used. If it is not used, then it will be lost.

There is surprisingly little research specifically about awareness, use and impact of the Compact, whether by government or the voluntary and community sector, but two studies, the Home Office's/Cabinet Office's State of the Sector Panel and the Commission's own Baseline Study, provide much food for thought.

5.1.1 State of the Sector Panel

The State of the Sector Panel was commissioned by the Home Office to provide information required for monitoring performance against its Public Service Agreements for the voluntary and community sector (see below). It included an annual postal survey on the subject of organisations' activities and funding over four years (full sample of 5,600 organisations) and three telephone surveys per year over three years, including one on the subject of organisations' engagement with government, including the Compact (reduced sample of 3,600 organisations). This research provided systematic and comparable information - available nowhere else - for critical years between 2002/03 to 2004/05.

As Tables 6-8 below show, in this period the proportion of members of the Panel that were aware of the national Compact increased from 54 percent to 64 percent, and the proportion that used it increased from 12 percent to 21 percent. The proportion that was aware of local compacts also increased from 43 percent to 47 percent, and the proportion that used them increased from 18 percent to 21 percent. These are positive developments. Members' awareness and use of all of the Codes also increased in this period, and it is interesting to note that use of the Funding and Procurement and Volunteering Codes was actually greater than use of the Compact proper. References to use of the Compact Mediation Service are somewhat anomalous, as it had very few users (this must be something of a halo effect).

Table 6: State of the Sector Panel: members' awareness of the national Compact and its parts, 2002/03 to 2004/05 (%)[133]

Survey year	2002/03	2003/04	2004/05
National Compact	54	61	64
Code of Good Practice on Funding and Procurement	65	69	77
Code of Good Practice on Volunteering	63	62	73
Code of Good Practice on Consultation and Policy Appraisal	57	61	67
Code of Good Practice on BME Voluntary and Community Organisations	55	56	62
Code of Good Practice on Community Groups	51	52	60
Reports of Compact Working Group monitoring progress	30	33	34
Compact Mediation Scheme	28	29	33
None of the above	23	22	11

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[133]Hazel Green, *State of the Sector Panel Survey: Report 3: Contacts with Public Sector Bodies* (London: Cabinet Office, 2009), Table 3.3, 13; Table A3.5, 24 (hereafter *State of the Sector Panel, Contacts with Public Sector Bodies*).

Base: All organisations; N = 3,599, 3,600, 3,600 (headline figure); organisations that were aware of the National Compact; N = 1,959, 2,182, 2,309

Table 7: State of the Sector Panel: members' use of the national Compact and its parts, 2002/03 to 2004/05 (%)[134]

Survey year	2002/03	2003/04	2004/05
National Compact	12	13	21
Code of Good Practice on Funding	14	14	23
Code of Good Practice on Volunteering	13	12	22
Code of Good Practice on Consultation and Policy Appraisal	8	9	15
Code of Good Practice on BME Voluntary and Community Organisations	9	8	15
Code of Good Practice on Community Groups	8	7	14
Reports of Compact Working Group monitoring progress	4	4	6
Compact Mediation Scheme	2	2	3
None of the above	77	79	67

Base: All organisations; N = 3,599, 3,600, 3,600 (headline figure); organisations that were aware of the National Compact; N = 1,959, 2,182, 2,309

Table 8: State of the Sector Panel: members' awareness and use of local compacts, 2002/03 to 2004/05 (%)[135]

Survey year	2002/03	2003/04	2004/05
Awareness			
Local compact with local authorities	39	40	46
Local compact with other bodies	4	3	4
All	43	42	47
Participated in the Compact	18	19	21

Base: all organisations; N = 3,600 for all (headline)

Members who used the national Compact were most likely to have used it with local authorities (71 percent), followed by NHS bodies (23 percent), central government (19 percent), LSCs (14 percent), police forces (11 percent) and fire services (5 percent), and these proportions held steady over the three-year period.[136]

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[134] *Ibid.*, Table 3.4, 14; Table A3.5, 24.
[135] *Ibid.*, Table A3.8, 25
[136] *Ibid.*, 14; Table A3.6, 25.

As Tables 9 and 10 and Figure 2 below show, in this period that members of the Panel who had used local compacts reported in the earliest year a greater impact on them than did those who used the national Compact, except in the cases of providing a better understanding of the limits that government works within, improving communication between government and the organisation and being of benefit to the organisation. They also show that members reported that the impact of the national Compact declined and that of local compacts increased over time. Finally they show that the most important impacts were providing a better understanding of the limits that government works within, enabling a starting point for improved trust and being of benefit, while the least important impact, sadly, was enabling an organisation to have more influence on government policy.

Table 9: State of the Sector Panel: members' views on the impact of the national Compact, 2002/03 to 2004/05 (%)[137]

Survey year	2002/03	2003/04	2004/05
Improved the organisation's engagement with government	35	33	30
Enabled the organisation to work in partnership with government	33	35	33
Enabled the organisation to have more influence on government policy	26	23	22
Provided a better understanding of the limits that government works within	55	52	54
Enabled a starting point for improved trust between the organisation and government	50	45	44
Improved communication between government and the organisation	41	36	33
Been of benefit to the organisation	52	47	46

Base: organisations that had used the national Compact; N = 446, 466 and 762, respectively.

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[137] *Ibid.*, Table 3.4, 14; Table 3.7, 19.

Table 10: State of the Sector: members' views on the impact of the local compacts, 2002/03 to 2004/05 (%)[138]

Survey year	2002/03	2003/04	2004/05
Improved the organisation's engagement with government	37	37	41
Enabled the organisation to work in partnership with government	41	38	45
Enabled the organisation to have more influence on government policy	29	29	28
Provided a better understanding of the limits that government works within	47	47	57
Enabled a starting point for improved trust between the organisation and government	54	51	54
Improved communication between government and the organisation	38	36	43
Been of benefit to the organisation	51	47	52

Base: organisations that had participated in a local compact with a local authority; N = 562, 613 and 648, respectively

Figure 2: State of the Sector Panel: members' views on the impact of the national Compact and local compacts, 2002/03 to 2004/05 (%)[139]

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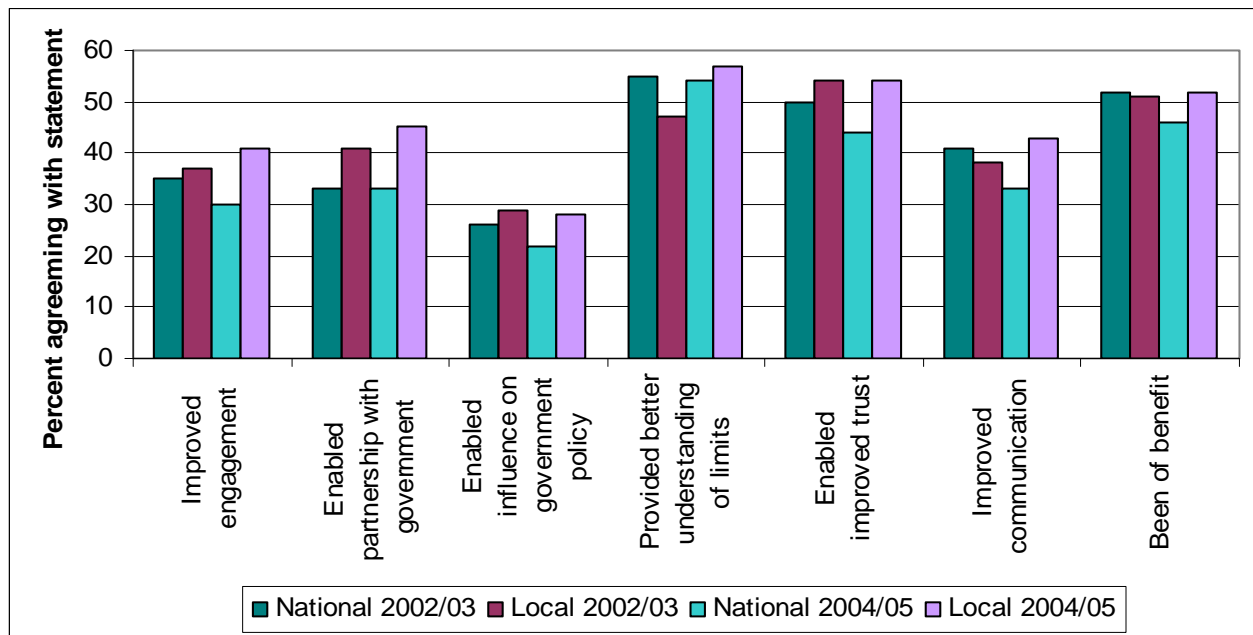
[138] *Ibid.*, Table 3.9, 20.
[139] *Ibid.*

5.1.2 Commission for the Compact's Baseline Study

Despite the importance of gauging the extent to which government bodies were aware of and used the Compact and the repeated references at annual meetings and in joint action plans to the need for or imminence of a "baseline" study, it was only in 2009 that the Commission embarked upon this research proper.

Findings of an early small survey of government bodies, written presumably by the government side (no author is listed), were presented to the first annual meeting in 2000. This survey had a low response rate with responses received from eleven government departments (61 percent), six government offices of the regions (67 percent), and two executive agencies (17 percent) – and an overall response rate of 49 percent. Twenty-six percent of respondents had taken action to disseminate the Compact; of those departments that had NDPBs 85 percent had forwarded the Compact to them. Nearly all respondents (95 percent) felt that they had scope for further work of dissemination (and suggested sensible ways of doing so), and the same proportion stated that they had conducted significant consultations with the voluntary and community sector in the last twelve months: of these 47 percent found the Compact useful and the remainder of little or no use. Forty-seven percent of respondents stated that they had funded voluntary and community organisations in the last twelve months: of these 67 percent found the Compact useful and the remainder of little or no use.[140]

The Baseline Study carried out by the Commission had similar problems with obtaining a sufficiency of responses in terms both of actual numbers and response rates for the various components, mainly due to the great number and complexity of central government's agencies and NDPBs and to difficulties in locating and contacting respondents. Overall the Commission obtained 137 valid responses to its web-based survey in October to December 2009, significantly fewer than anticipated. These included responses from eleven government departments, five executive agencies, five government offices, and forty-three NDPBs. All but five government departments took part.

Respondents had significant levels of contact with voluntary and community organisations and awareness of the Compact and Codes. For example, their main areas of interaction with voluntary and community organisations were in the key areas covered by the Compact: policy development and consultation (77 percent); strategic working (73 percent); commissioning (grants, funding, procurement; 48 percent) and other (unspecified; 14 percent).[141]

As Table 11 below shows, 91 percent of respondents were aware of the Compact, although this proportion was smaller for NDPBs than for government departments (86 percent vs 94 percent). Smaller proportions of respondents were aware of the Codes

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[140]Results of Questionnaire Sent to Government Departments, Government Offices for the Regions and Selected Executive Agencies (Paper 2 Annex B) [Paper for first annual meeting, 9 May 2000].
[141]nfpSynergy and Digital Public. *Compact Baseline Survey 2009/10: A study of the levels of awareness, knowledge, understanding and use of the Compact among Government and Non Departmental Public Bodies* (Birmingham: Commission for the Compact, 2010), Figure 7, 43.

than of the Compact itself (73%-81% vs 91%, and in all cases this proportion was lower for NDPBs than for government departments. Respondents were more aware of some Codes than others: Community Groups (81 percent, surprisingly); Funding and Procurement (78 percent), Volunteering (76 percent), Consultation and Policy Appraisal (75 percent) and BME Voluntary and Community Organisations (73 percent). In terms of "hard awareness" – i.e. use – government departments were more likely than NDPBs to have implemented the Compact (30 percent vs 26 percent), but while there was no real difference in the implementation of the BME Voluntary and Community Organisations Code, NDPBs were more likely to have implemented the other four Codes than government departments.[142]

Table 11: Baseline Study: respondents' awareness of the Compact and Codes, 2009 (%)

	Implemented	**Looked at it**	**Aware but not implemented or looked at**	**Not aware**
Compact				
All	28	45	18	9
Government departments	30	48	16	6
NDPBs	26	40	19	14
Codes				
BME				
All	9	41	23	27
Government departments	10	39	25	26
NDPBs	9	44	19	28
Community Groups				
All	11	39	20	29
Government departments	9	38	24	28
NDPBs	14	40	14	32
Volunteering				
All	13	41	21	24
Government departments	9	46	24	20
NDPBs	19	33	18	30
Funding & Procurement				
All	20	36	21	22
Government departments	18	36	25	20
NDPBs	23	35	16	25

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[142] *Ibid.*, Figure 11, 51; Figure 13, 54; Figure 14, 55.

Consultation & Policy Appraisal				
All	19	34	20	25
Government departments	18	35	24	23
NDPBs	21	33	14	28

Base: All respondents; N = 137

It is worth noting that operationalising the Compact by including references to it in official documentation was a minority pursuit – only 43 percent of respondents did so – 23 percent in strategic partnership documents (the obvious showcase), 18 percent in grant funding agreements, and 12 percent in both contracts and other documents.[143]

5.2 Funding and procurement

While government bodies and voluntary and community organisations engage in many different ways, funding is the most concrete and the most important. The amount and type of funding and the arrangements for its distribution and management demonstrate the nature of government's intention to involve voluntary and community organisations in the delivery of public services and in the creation of a better society. If the funding relationship is successful, all will benefit. Government will raise its game with the assistance of voluntary and community organisations' commitment, expertise, user focus and voice; organisations will increase their capacity to provide more and better services; service users will enjoy more appropriate and higher-quality services; taxpayers will get a better (if not bigger) bang for their buck; and the community as a whole will gain in cohesiveness and quality of life. If the funding relationship is not successful, then all will be the poorer for it.

For these reasons the provisions in the original, refreshed and revised Compacts that deal with funding and procurement are of critical importance. Their implementation across the wide range of government bodies and voluntary and community organisations and down into the crannies of administrative practice demonstrates the reality – as opposed to the spin – of the Compact way of working.

5.2.1 Undertakings

The Compact's provisions for funding and procurement are set out in a series of undertakings by government and the voluntary sector/third sector/civil society organisations. In the original Compact the undertakings were contained in a separate Funding Code (2000), later revised as the Funding and Procurement Code (2005) and amounted to 36 or 13 percent out of a total of 273 undertakings. In the refreshed Compact they were set out in the section on "Allocating resources (49 or 56 percent out of a total of 87 undertakings). In the renewed Compact they were set out in the sections on "Responsive and high-quality programmes and services" and "Clear arrangements

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[143] *Ibid.*, 75; Figure 28, 76.

for managing changes to programmes and services" (26 or 54 percent out of a total of 48 undertakings). The undertakings vary among the different versions of the Compact and cover, one way or another, most aspects of funding relationships (see Appendix 2 for a full list of undertakings). However, the most important of these are about the following:

- access to information about funding
- process of application
- length of funding
- payment of reasonable costs
- process of payment.
- monitoring and evaluation.

5.2.2 Government's approach to implementation

Implementing change in methods of operation and organisational culture across numerous and diverse government bodies is difficult to do. It requires punctilious and sustained commitment and a long lead-time, and outputs only become identifiable fairly late in the process, when they have accumulated and achieved critical mass.

As a first and fundamental step New Labour produced guidance to assist those involved in the distribution of funding to the voluntary and community sector. This included the following:

- HM Treasury's Guidance 2003[144] and 2006 revision[145]: This advised that a mixed economy of funding, to include "giving" (grants, grants-in-aid), "shopping" (contracts for services) and "investing" (loans), was appropriate and that types of funding should be sensibly matched to the purpose of the funding. It also recommended creating greater stability in funding relationships, improving the timing of payments and the balance of risk so as to share risks more equitably with organisations, recognising the legitimacy of organisations' recovery of an appropriate level of overhead costs, and reducing the burden of bureaucracy.

- Home Office's/Office of Government Commerce's Guidance 2004[146]: This emphasised the importance of increasing the participation of voluntary and community organisations in the delivery of public services and highlighted the special expertise and value-for-money opportunities that these organisations might offer. It provided for use at all stages of the procurement process a high-level checklist of what could be done to boost voluntary and community organisations' participation.

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[144] *Improving financial relationships with the third sector: Guidance to funders and purchasers* (London: HM Treasury, 2004).
[145] *Improving financial relationships with the third sector: Guidance to funders and purchasers* (London: HM Treasury, 2006).
[146] *think smart… think voluntary sector! Good Practice Guidance on Procurement of Services* (London: Office of Government Commerce and Home Office, 2004).

- Department of Health's Green Paper on Adult Social Care 2005[147]: This proposed an increased role for voluntary and community organisations in the commissioning and delivery of social care services and recommended that local authorities create the conditions that allowed these organisations to compete fairly with other providers.

- Department of Health's Third Sector Commissioning Task Force's Report 2005[148]: This addressed the barriers that prevented voluntary and community organisations from fulfilling their potential as providers of health and social care services and set out a series of detailed commitments on evidence-gathering, regulation, training, and user and stakeholder involvement.

- Department for Communities and Local Government's Guidance 2006[149]: This covered procurement of care services for programmes such as Children's Trusts and Supporting People. It dealt with the practicalities of procurement and ways of increasing opportunities for voluntary and community organisations to participate – for example, by advertising opportunities more widely and providing support for forming consortia, tendering and sub-contracting.

- Office of the Third Sector's Social Enterprise Action Plan 2006[150]: This set out a framework for supporting and enabling social enterprises to flourish and, in particular, to work more closely with government.

- Office of the Third Sector's Action Plan 2006[151]: This was jointly developed with five other spending departments and identified areas where public services were being "opened up" to a range of providers. It set out measures to improve engagement with voluntary and community organisations in four areas: commissioning, procurement, learning and innovation, and holding government to account.

- National Audit Office's web-based Decision Support Tool 2006[152]: This provides practical support for "real-life" decisions about the design of appropriate funding models, how to apply the principles of full cost recovery, etc.

- Office of Government Commerce's Guidance on dealing with social issues in public procurement 2008[153]: This set out a broad definition of value for money, not just as "buying the cheapest" but as "taking account of the whole-life cost and

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[147] *Independence, Well-being and Choice: Our Vision for the Future of Social Care for Adults in England* (London: Department of Health, 2005).
[148] *No excuses: Embrace partnership now. Step towards change! Report of the Third Sector Commissioning Task Force* (London: User Experience Involvement Group and Department of Health, 2006).
[149] *A Guide to Procuring Care and Support Services* (London: Communities and Local Government, 2006).
[150] *Social enterprise action plan – Scaling new heights* (London: Cabinet Office, 2006).
[151] *Partnership in public services: An action plan for third sector involvement* (London: Cabinet Office, 2006).
[152] *Financial relationships with third sector organisations: A decision support tool for public bodies in England* (London: National Audit Office, 2006).
[153] Angela Eagle, MP, Exchequer Secretary to HM Treasury, Foreword, *Buy and make a difference: How to address Social Issues in Public Procurement* (London: Office of Government Commerce, 2008).

wider factors such as social considerations", and provided advice on how to achieve this at all stages of the public procurement process within the existing legal framework. It gave specific examples of involvement of voluntary and community organisations and in using "social clauses" in contracts.

- Department for Work and Pensions' Merlin Standard 2009[154]: This standard, developed with the assistance of the Office of the Third Sector and the Commission for the Compact and others, aimed to improve relationships between the department and contractors – both prime contractors and sub-contractors – operating in its "Welfare to Work sector". The department's commissioning in this sector was increasingly characterised by large-scale, long-term contracts with payment by results, and this reoganisation had far-reaching implications for voluntary and community organisations as suppliers and potential suppliers. The standard was based on four "fundamental and integrated principles" – "supply chain design, commitment, conduct and review" and operates through openness, transparency and the provision of appropriate evidence of the dynamics of the various relationships. This was welcomed by some in the voluntary and community sector as a positive step to safeguard the position of organisations involved as sub-contractors but with the proviso that this model was not suitable for all cases, most particularly local commissioning.[155]

- National Audit Office's Successful Commissioning Toolkit 2010[156]: This toolkit summarised sensible thinking and best practice on commissioning in order to assist commissioners in the local public sector to get better value for money from third sector organisations and to help third sector organisations gain a clearer understanding of commissioning processes and what they should expect from financial relationships with the public sector. It has useful guidance on, for example, full-cost recovery and selection of appropriate methods of funding (grants or procurement). It also makes specific reference to the Compact: [Its] commitments reflect good practice and are consistent with other documents and guidance referred to in this guidance".

- National Audit Office's Review of collaborative procurement 2010[157]: This reported on the "landscape of collaborative procurement" across the public sector into which voluntary and community sector service providers will need to fit. It explored spending on eight standard commodities that are common

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[154]*Merlin: promoting supply chain excellence* ([London: Department for Work and Pensions, n.d.]), 1 *et passim*.
[155]Kevin Curley, Chief Executive of NAVCA, clearly stated this caveat: "The prime-contracting model lends itself to large, centralised government programmes, such as the DWP Work Programme. However, it is less relevant for smaller government programmes and I do not believe it is a suitable model for local commissioning. Indeed it is vital to differentiate between commissioning approaches which will enable large national charities to deliver services and those which will open up the market for local charities and voluntary organisations. A Merlin Standard approach would not help the local voluntary sector to engage with commissioners. I would be concerned if the adoption of the Merlin Standard encouraged increased use of large prime-contracting models, without rigorous options appraisal of different commissioning approaches." Letter to Nick Hurd, Minister for Civil Society, 15 October 2010.
[156]Available on the National Audit Office's website.
[157]*A review of collaborative procurement across the public sector* (London: National Audit Office and Audit Commission, 2010).

throughout the whole public sector and recommended maximising government's buying power by rationalising existing framework agreements, exploiting the potential benefits of volume and placing constraints on brand or specification choice.

The Coalition has just published an indication of its views:

- Government Green Paper on the modernisation of commissioning 2010[158]: This discussed how civil society organisations might be involved in plans for the opening up and restructuring of commissioning, including the use of consortia, payment by results, etc.

Government also provided practical support for voluntary and community sector infrastructure so that it could in turn support organisations, *inter alia,* in their funding relationships with government.

- Web-based government funding portal: Funding Central was established in 2003 by New Labour. It is managed by NCVO and is a "free website for charities, voluntary organisations and social enterprises". It functions as a one-stop-shop for information about grants, contracts and loans provided by government, charitable trusts and others. Recently the Coalition has announced that it will launch a new free site called Contracts Finder, which will be "a free facility for small businesses to find public sector procurement, and sub-contracting opportunities in one single place online". It will host all of central government's tender documents and contracts.[159]

- ChangeUp's/Capacitybuilders' support for voluntary and community sector infrastructure (New Labour): These programmes provided substantial investment in rationalising and strengthening infrastructure services, including specific support (e.g. Finance Hub and the Income Generation, Marketing and Communications and Performance Management National Support Services) for voluntary and community organisations' capacity to secure government funding. These end in 2010/11.

Finally, government provided practical support to staff responsible for managing funding relationships with voluntary and community organisations.

- National Programme for Third Sector Commissioning[160] (New Labour): This is led by the Improvement and Development Agency and the Office of the Third Sector and provides training in best practice for commissioners in local authorities,

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[158] *Modernising Commissioning: Increasing the role of charities, social enterprises, mutuals and cooperatives in public service delivery* (London: Cabinet Office, 2010) (hereafter *Modernising Commissioning*). This consultation was of less than twelve weeks' duration and so was non-Compact compliant.
[159] Funding Central website; *Modernising Commissioning*, 14; John Plummer, "NCVO to continue its funding opportunities website despite government's plan for rival service", *Third Sector Online*, 9 December 2010.
[160] See its recent baseline report: *Shared Intelligence, Evaluation of the National Programme for Third Sector Commissioning* (London: Cabinet Office, and Improvement and Development Agency, 2008).

primary care trusts and agencies such as the National Offender Management Service and Jobcentre Plus.

- Advice for government bodies for making informed decisions about cuts to funding of the voluntary, community and social enterprise sector 2010[161] (Coalition): This provides "information that may be used by Local Authorities and Government Departments to better understand the voluntary, community and social enterprise sector and its current situation, including the parts of the sector most at risk from reduction in public spending". It is proposed that this, along with dialogue with the sector, will support decision-making on the cuts.

5.2.3 Progress in implementing the Compact's provisions on funding and procurement

There has been progress in implementing the Compact's provisions on funding and procurement, but it has been slow, patchy, and episodic, as compliance spread down from the top and out from the centre. For example, the Report of the Cross-cutting Review 2002 noted that government had had teething difficulties with the Code, particularly confusion about its remit:

> "There is a lack of clarity across the statutory and voluntary sectors about the Funding Code. It is widely thought that the Code only applies to grants. As it stands, the Code applies to grants, contracts and service agreements alike and should be observed by all government departments and executive agencies. An increasing proportion of funding relationships are based on service agreements and contracts and a supplement to the Funding Code is being developed to bridge any gaps."[162]

In 2005 the National Audit Office's and Home Office's follow-up to this report noted that government had made progress in specific areas, set out some of the most important achievements, and recommended pressing on with implementation.[163] In 2007 the National Audit Office's study of twelve large national charities focused on difficulties in securing rigorous implementation of the Code at the local level, a "perceived disconnect... between central government commitments to more effective partnerships with charities and the reality of their local funding relationships. Central government had not managed to embed commitments... in local authorities, and no system existed to hold local authorities to account." [164] In the same year the Report of the Spending Review 2007 made a strong commitment to embed best practice in commissioning and

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[161] *Exposure of the Voluntary, Community and Social Enterprise Sector to Cuts in Public Funding: Information for Government Departments and Local Authorities* (London: Cabinet Office, 2010), 3.
[162] *Role of the Voluntary and Community Sector in Service Delivery,* para.7.7, 29.
[163] *Working with the Third Sector: Report by the Comptroller and Auditor General* (London: National Audit Office and Home Office, 2005), 40-48 (hereafter *Working with the Third Sector*).
[164] *Public Funding of Large National Charities: A Review by the National Audit Office* (London: National Audit Office, 2007) para.2.8, 9 (hereafter *Public Funding of Large National Charities*).

procurement across government bodies and to set tighter targets for performance and monitoring based on the Action Plan for Third Sector Public Services Delivery.[165]

Despite all this, however, funding is still a hot-button issue. Thirteen percent of respondents to the National Survey of Third Sector Organisations in 2008 were very/ fairly satisfied with grant funding/contract bidding arrangements by local statutory bodies, while only 8 percent were very/fairly satisfied with these arrangements by national statutory bodies.[166] Seventy percent of members of the State of the Sector Panel reported that funding had restricted their activities in 2005/06, far more than the proportion that reported accommodation (27 percent), volunteers (22 percent) and government regulation (21 percent).[167] Seventy-eight percent of complaints to the Compact Advocacy Programme between 2003/04 and 2006/07 were about alleged breaches of the Funding and Procurement Code, and the proportion of funding complaints rose from 59 percent of the total in 2003/04 to 89 percent of the total in 2006/07.[168]

In the sections below we take a broad overview of developments in government funding and progress in implementing the funding provisions of the Compact in some of the most critical areas.

5.2.4 Government funding of voluntary and community organisations in England: a bird's eye view

Where it exists, information about government funding of voluntary and community organisations is fragmentary, variable in quality and mostly not comparable, which makes it difficult to interpret. There are, however, some useful indicators of the total amount of funding, the types of government bodies that fund voluntary and community organisations and the types of voluntary and community organisations that receive this funding.

Government's record in terms of providing proportionately more – as opposed to just more – funding to voluntary and community organisations is mixed. NCVO's *Almanac 2010* reported that funding received by voluntary organisations in the UK from statutory sources increased from £8.0 billion in 2000/01 to £12.8 billion in 2007/08, a large rise, and that £5.3 billion or 41 percent came from central government and the NHS; £6.6 billion or 52 percent, from local authorities; and £0.9 billion or 7 percent, from European or international bodies.[169] The Cabinet Office reported that in the UK in 2005/06 central

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[165] *The future role of the third sector in social and economic regeneration: final report* (London: HM Treasury and Cabinet Office, 2007), 53-59, 90-93 (hereafter *Future role of the third sector in social and economic regeneration).*
[166] Ipsos MORI, *National Survey of Third Sector Organisations: Overall Report – National Results* (London: Cabinet Office, n.d.), Q16, 10, and Q29, 16. (hereafter *NSTSO Overall Report*). We have used these findings with reluctance as they contain large percentages of "not applicable" responses.
[167] Hazel Green, *State of the Sector Panel Survey: Report 1: Activities and Funding* (London: Cabinet Office, 2009), Table 1.4, 11 (hereafter *State of the Sector Panel, Activities and Funding*).
[168] *Annual Sector Report 2007, Annex 1: Compact Advocacy Programme Annual Report November 2006-2007* (Compact Voice, 2007), 21, 17, 19 (calculations by the authors; hereafter *Compact Advocacy Programme Report 2006-07*).
[169] Jenny Clark, David Kane, Karl Wilding and Jenny Wilton, *The UK Civil Society Almanac 2010* (London: NCVO, 2010), 47 (hereafter *Almanac 2010*), 47.

government departments and their agencies and non-departmental public bodies provided £5.4 billion to voluntary and community organisations and that in 2003/04, the last year for which figures are available, local authorities provided £4.3 billion. This is, without doubt, a lot of money.

However, the proportion of government's total spending in real terms allocated to voluntary and community organisations – the true measure of its commitment, both absolutely and relative to other priorities - has not followed a linear upward course. Indeed the proportion of central government departments' total expenditure allocated to these organisations was 1.0 percent in 1982/83; climbed to an all-time high of 2.0 percent in 1991/92 and 1992/93; then fell to an all-time low of 0.9 percent in 1997/98 and 1998/99; and thereafter began to rise, so that it was 1.4 percent in 2004/05 and 2005/06. Put another way, although the amount of funding was the second highest ever (after 1992/93), the proportion in 2005/06 was still lower than it had been between 1983/84 and 1994/95.[170] The proportion of local authorities' total expenditure allocated to these organisations was 1.1 percent in 1984/85; rose to a mini-peak of 1.6 percent in 1987/88; fell and then rose again to a new mini-peak of 1.9 percent in 1996/97 and 1997/98; wobbled and then began to increase significantly from 2001/02 (2.4 percent) to an all-time high of 3.7 percent when last reported in 2003/04.[171] Put another way, the proportion grew slowly, with ups and downs in the late 1980s and 1990s, and then recently grew rapidly and substantially. This rising trend was driven in part by the transfer of responsibilities for social care from the NHS to local authorities and the hiving off of these services to other providers, including voluntary and community organisations. However, while the transfer of responsibilities for social care from the NHS to local authorities increased local authorities' funding of these organisations, it also probably decreased that of the NHS – a case of swings and roundabouts.[172]

Some types of government bodies provide more funding to voluntary and community organisations than others. For example, in 2005/06 60 percent of members of the State of the Sector Panel reported that they had received funding from government bodies: 48 percent, from local authorities, followed by 28 percent, from central government; 17 percent, from the NHS; 7 percent, from the European Union; 6 percent, from LSCs; and 2 percent, from fire services/police forces. However, those funded by central government received the most median funding (£96,000), followed by £68,000 from local authorities; £55,000 from LSCs; £47,000 from the European Union; £38,000 from

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[170]Ian Mocroft, *Estimates of Central Government Expenditure on Voluntary and Community Organisations, 2004/05 to 2005/06* (London: Cabinet Office, n.d.), Table 2, 14 (current prices); Table 12, 36; and Table 15, 42 (constant [2003] prices) (hereafter *Estimates of Central Government Expenditure*).
[171]Ian Mocroft, *Estimates of Local Government Expenditure on Voluntary and Community Organisations, 2000/01 to 2003/04* (London: Cabinet Office, 2007), Table A.2, 24 (current prices); Table A.4, 27 (constant [2002] prices), 18 (hereafter *Estimates of Local Government Expenditure*). It is likely that this increase began earlier, say, in 1997/98, but was not documented due to problems with the collection of information.
[172]There is no hard information about the NHS's funding of voluntary and community organisations between 1996/97, when it stopped identifying outside providers by type, and 2003/04, so it is not possible to estimate with any degree of accuracy the impact of this change, save to say that CAF's study of NHS funding of voluntary and community organisations in London in 1996/97 found that 70 percent of total funding was allocated to residential care services, mainly for people with learning and physical disabilities and mental health problems, just those service users for whom local authorities are now responsible. Ian Mocroft, *The Voluntary and Community Sector: Data on Financial Trends* (London: Finance Hub, 2007), 25.

the NHS; and £9,000 from fire services/police forces. Moreover, between 2002/03 and 2005/06, with one exception, median funding actually increased – by 80 percent in the case of funding from fire services/police forces; 72 percent, from LSCs; 33 percent, from central government; and 12 percent, from the NHS. Median funding from the European Union actually decreased by 16 percent.[173]

Government bodies provide more funding to voluntary and community organisations active in some service areas than in others. NCVO's *Almanac 2010* found that in 2006/07 70 percent of voluntary organisations in the employment and training sub-sector received funding from statutory sources; as did half in the education, law and advocacy, social services and housing sub-sectors but only 16 percent in the environment, 15 percent in the religion and 7 percent in the research sub-sectors.[174] The Cabinet Office found that in 2005/06 central government departments and their agencies and NDPBs in the UK allocated 40 percent of their total funding of voluntary and community organisations to housing associations but only 4 percent to those providing voluntary and community infrastructure services, 2 percent each to those providing social services and environment services, and 1 percent to those providing health services, while in 2003/04 local authorities allocated 44 percent to those providing social services and an equal proportion to those providing education services.[175] IFF Research found that in 2006 government bodies provided 63 percent of the total income of social care organisations in England and Wales – of which local authorities provided three-fifths, central government a quarter and the NHS an eighth; and they provided 36 percent of the total income of health care organisations – of which the NHS provided three-fifths, local authorities a quarter and central government an eighth.[176]

Government bodies provide more funding to larger than to smaller voluntary and community organisations. NCVO's *Almanac 2010* shows that in 2007/08 statutory sources provided 36 percent of the total income of voluntary organisations in the UK. They allocated less than 5 percent of this funding to the smallest organisations, with an income of less than £10,000 - 53 percent of all organisations – but 37 percent to the largest organisations, with an income of more than £10 million - less than 1 percent of all organisations. Moreover, statutory sources provided funding to only 8 percent of the smallest organisations, and only 4 percent reported that they had received more than half of their total funding from this source; but they provided funding to 73 percent of the largest, and 42 percent reported that they had received more than half of their funding from this source.[177]

Government bodies also provide more funding to voluntary and community organisations located in some parts of the country than in others. The Cabinet Office

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[173] *State of the Sector Panel, Activities and Funding*, Table A1.3, 28 and Table A1.4, 29 (calculations of percentage changes by the authors). The base year for median amounts is 2002/03.
[174] *Almanac 2010*, 44.
[175] *Estimates of Central Government Expenditure*, Table 10, 30 (constant [2003] prices); *Estimates of Local Government Expenditure,* Table A5.2, 28 (constant [2002] prices).
[176] IFF Research Ltd, *Third Sector Market Mapping: Research Report prepared for Department of Health* (London: Department of Health, 2007), 24; Table 4.1, 23. Joint local authority/primary care trust funding was allocated equally between local authorities and National Health Service (calculations by the authors).
[177] *Almanac 2010*, 27, 46, 48.

found that in 2005/06 central government departments and their agencies and non-departmental public bodies allocated 27 percent of their total funding of voluntary and community organisations to those in London, nearly three times the proportion allocated to those in the second-place region, the South East (10 percent), and five times that allocated to those in the least–funded regions – the East Midlands, South West and Yorkshire and the Humber (all 5 percent). Even on the basis of funding per head of population there were disparities, as they allocated £128 per head in London, more than twice the amount allocated to the second-place region, the North East (£49), and four times the amount allocated in the least-funded region, Yorkshire and the Humber (£34).[178] Local authorities followed a similar, albeit less extreme, pattern of distribution. In 2003/04 they allocated 19 percent of their total funding of voluntary and community organisations to those in London, slightly more than the proportion allocated to those in the second-place region, the South East (17 percent) but nearly five times the proportion allocated to those in the least-funded region, the North East (4 percent). Even on the basis of funding per head of population there were disparities, as they allocated £82 per head in London, around a fifth more than the amount allocated in the second- and third-place regions, the East and South East (£68 and £67, respectively) and two-thirds more than the amount allocated in the least-funded region, the East Midlands (£49).[179]

There is a perception, mainly among voluntary and community organisations, that government bodies have significantly changed the way in which they distribute funding – that funding through grants is declining – and that this will have dire consequences in the future.[180] It is difficult to assess whether this is the case or not for a number of reasons. In the first place there is government's emphasis on recruiting voluntary and community organisations, especially social enterprises, as providers of public services, and on using contracting in order to ensure transparency and value for money. This has tended to give the impression in government bodies that grant-funding is passé – and un-businesslike to boot. In the second place there is widespread confusion about the terminology of funding. The Charity Commission found that 3 percent of main registered charities in England and Wales did not know what type of funding agreement they had, including 9 percent of the smallest charities, with incomes of less than £10,000, and 1 percent of those with incomes between £1 million and £10 million. It found that 17 percent of main registered charities identified service level agreements as a separate type of funding, including 7 percent of the smallest charities, 23 percent of those with incomes between £100,000 and £250,000 and 10 percent of the largest charities, with incomes of £10 million or more. It also found that 14 percent of main registered charities identified additional difficult-to-classify forms of funding such as "informal agreements" and "verbal/written agreements".[181] In the third place there is the convergence in

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[178] *Estimates of Central Government Expenditure*, Tables 5, 18, and Table 6, 19 (includes England-wide/unspecified funding; constant [2003] prices).
[179] *Estimates of Local Government Expenditure*, Table A6.2, 29 (constant [2002] prices).
[180] See, for example, Sally Cooke, *Why grants are important for a healthy local VCS: A study of four local authorities' policies* (London and Sheffield: Finance Hub and NAVCA, 2007) and B:rap, *The decline of Local Authority Grants for the Third Sector: Fact or Fiction?* (London: Finance Hub, 2008). In its *2008 Almanac* NCVO notes "a strong comparative shift from grant funding to contract funding over recent years" and dates the tipping point as 2002/03. Figure 4.14, 32.
[181] *Stand and deliver: The future for charities providing public services* (London: Charity Commission, 2007), 9, 28 (hereafter *Stand and deliver*).

practice between grants and contracts, since grants have been sharpened up, screwed down and monitored to within an inch of their lives. As a result many funders and recipients are not entirely sure whether their funding is the one thing or the other, since in operational terms they feel increasingly alike.[182] Finally there is confusion between changes in the absolute and the relative amounts of grant funding available. It may well be the case that there is relative stability in the amount of funding through grants but an increase in the amount of funding through contracts, with the result that grant funding comprises a smaller proportion of the total. For example, NCVO's *Almanac 2010* shows that between 2000/01 and 2007/08 voluntary organisations' voluntary income (grants) declined slightly from £4.1 billion to £3.7 billion but that their earned income (contracts) increased from £4.0 billion to £9.1 billion.[183], which is consistent with this view. The Audit Commission's detailed study of a sample of local authorities found "little evidence of councils cutting grant budgets in order to procure more services under contract".[184] It may well be the case that, as government bodies have narrowed their focus to activities and services deemed to be policy priorities, there has been a change in the population of winners and losers of funding, with the "usual suspects" losing out and other organisations taking up the slack.

These variations in the distribution of government funding suggest that there is not – and never has been – a level playing field, and, in a time of rising expectations, it may be the case that much of the friction that has arisen between government bodies and voluntary and community organisations is due to lack of basic understanding of the mechanics of funding and these long-standing variations in the distribution of funding.

Access to information

In order to promote successful funding relationships, government bodies should disseminate as widely as possible and in a timely fashion information about opportunities for funding. This will increase the variety and quality of applicants and decrease any sense that such funding is reserved for the "usual suspects". Initiatives such as the web-based government funding portal and capacity-building work on information-sharing carried out by the Finance Hub; the Income Generation, Marketing and Communications and Performance Management National Support Services; and regional and local voluntary and community sector networks have greatly improved the availability of information about funding opportunities.

There are, however, gaps in coverage. For example, in 2007 the Commission for the Compact discovered that, disappointingly, only 46 percent of the forty-one central government grants programmes[185] it investigated were advertised on the government

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[182]A position eloquently summarised by one of the Audit Commission's informants: "Contracts and grants, what's the difference? They have contract conditions, so you have grant aid conditions... grant aid comes down to a contract anyway. They're giving you money for something that's specified in the grant aid document. It's a lot of semantics really." *Hearts and minds: commissioning from the voluntary sector* (London: Audit Commission, 2007), 53 (hereafter *Hearts and minds*).
[183]*Almanac 2010*, 47.
[184]*Hearts and minds*, 51.
[185]Including those of the National Lottery.

funding portal.[186] There are, as well, variations in performance among different types of government bodies. For example, in 2005/06 three-fifths of members of the State of the Sector Panel stated that they were very/fairly satisfied with the performance of central government (63 percent), local authorities (59 percent), LSCs (57 percent), the European Union (57 percent) and fire services/police forces (57 percent) in providing access to information about opportunities to apply for funding, but only 37 percent stated that they were satisfied with the performance of the NHS (and 38 percent were fairly/very dissatisfied). Between 2002/03 and 2005/06 levels of satisfaction increased slightly for central government (up 3 percent), stayed about the same for local authorities and fire services/police forces (down by 1 percent and up by 1 percent, respectively) but declined substantially for the NHS (down by 8 percent), LSCs (down by 8 percent) and the European Union (down by 4 percent).[187]

Process of application

In order to promote successful funding relationships government bodies should use application processes that are clear, simple and proportionate to the amount and type of funding on offer. Given that many voluntary and community organisations seek different types of funding from different sources, the administrative cost of applying for funding can be extremely high. For example, the twelve large national charities examined by the Audit Commission reported that they had between ninety-five and more than four thousand separate funding relationships with government bodies and spent on average £381,000 per annum in managing these relationships.[188] The interim evaluation of Futurebuilders found that successful applicants for funding had invested on average thirty-three person days in preparing their applications at a cost of between £2,100 and £3,800 for Stage 1, between £4,500 and £5,900 for Stage 2 and between £6,600 and £9,700 for both stages; and that the overall cost to all 1,300 applicants was between £5.8 million and £9.0 million.[189] The Directory of Social Change's recent report about ineligible applications made by voluntary organisations to grant-making trusts found that 36 percent of these were wasted efforts, with a lower incidence of wastage in trusts that operated on a larger scale and hence had greater experience and better systems, and that funders (including government) could reduce the burden on themselves and applicants by providing clear information, explaining procedures, providing feedback and learning from mistakes.[190] Better processes for application would increase the variety and quality of applicants and cut the overheads of both funders and applicants. Government bodies have begun to use a more standardised, comprehensive and

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[186]Naomi Diamond, *Compact Funding Study: Central Government Grants for the Voluntary and Community Sector and the extent to which they comply with the Compact* (Birmingham: Commission for the Compact, 2007), 7 (calculations by the authors; hereafter *Compact Funding Study*). When the portal was originally established it only covered funding provided by the Department for Education and Skills, Department of Health, Home Office, the Office of the Deputy Prime Minister and government offices of the regions.

[187]*State of the Sector Panel, Activities and Funding,* Table A1.7, 32, and Table A1.8, 33.

[188]*Public Funding of Large National Charities*, para.2, 2.

[189]Futurebuilders Evaluation Team, Centre for Regional Economic and Social Research, Sheffield Hallam University, *Evaluation of Futurebuilders: Interim Report – Summary* (London: Cabinet Office, 2008), para.3.17, 13; paras.3.31 and 3.32, 17 (hereafter *Futurebuilders Interim Report*).

[190]*Ineligible Applications: The Wasted Work of the Voluntary Sector* (London: Directory of Social Change, n.d.).

sensible approach – clearer criteria for eligibility[191]; shorter and simpler forms; electronic formats; a two-stage application process (expression of interest/full application); and guidance, seminars and training on how to complete forms correctly and provide appropriate supporting information.

There are, however, variations in performance among different types of government bodies. For example, in 2005/06 71 percent of members of the State of the Sector Panel stated that they were very/fairly satisfied with fire services'/police forces' application processes; 55 percent, with central government's; 54 percent with local authorities'; 47 percent with LSCs', 41 percent with the NHS's; but only 33 percent with the European Union's. Forty-three percent were fairly/very dissatisfied with the European Union's (43 percent), LSCs' (36 percent) and the NHS's (34 percent). Between 2002/03 and 2005/06 levels of satisfaction increased for fire services/police forces (up 4 percent), stayed about the same for central government and local authorities, and declined for the NHS (down by 10 percent), LSCs (down by 5 percent) and the European Union (down by 4 percent).[192] Only 10 percent of respondents to the National Survey of Third Sector Organisations in 2008 were very/fairly satisfied by the process involved in applying for funding/bidding for contracts from local statutory bodies; and 9 percent, from national statutory bodies.[193]

Length of funding

In order to promote successful funding relationships government bodies should match the length of funding to its purpose and, where possible, move away from shorter-term to longer-term funding. In general, the shorter the duration of the funding, the smaller the payload delivered between starting up and winding down; and, conversely, the longer the duration, the larger the payload. Increasing the duration of funding will, therefore, as a rule, increase the efficiency of the funding process, and HM Treasury made an explicit commitment to three-year funding as the norm in its Pre-Budget Report in December 2006. Movement towards longer-term funding has been painfully slow and creaky and will ultimately stall at the natural limits imposed by government funding cycles and voluntary and community organisations' willingness, if unsuccessful in obtaining funding, to be "out of the game" for too long. In their follow-up report in 2005 the Audit Commission and Home Office found that only half of central government departments were able to estimate the amount of funding provided for one year or less and/or for longer periods; that the Office of the Deputy Prime Minister declared that doing so would be "virtually impossible"; and that the proportion of funding for one year or less ranged from 3 percent in the Department of Transport to 72 percent in the Home Office.[194] In 2007 the Commission for the Compact found that in only 54 percent of central government grants programmes funding for three years or more was the norm,

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[191]Although there is apparently no accounting for fools or those who do not read instructions: in 2007 73 percent of unsuccessful applicants for Futurebuilders funding, heavily promoted and clearly described as an innovative investment programme, "believed that [they] would receive at least 50 percent of funding in the form of a grant", although in order to complete their applications they had had to confirm that they were primarily seeking a loan! *Futurebuilders Interim Report*, para.3.10, 11.
[192]*State of the Sector Panel, Activities and Funding,* Table A1.7, 32, and Table A1.8, 33.
[193]*NSTSO Overall Report,* Q14, 9, and Q27, 15.
[194]*Working with the Third Sector*, paras.3.38 and 3.39, 35.

allowable in framework agreements or available in at least one funding stream.[195] In the same year the Charity Commission reported that 68 percent of charities had funding arrangements that lasted one year or less.[196]

There are, however, variations in the availability of funding for three years or more. Only 6 percent of respondents to the National Survey of Third Sector Organisations in 2008 were very/fairly satisfied with the opportunity for three-year or longer funding/contracts from local statutory bodies; and 5 percent, from national statutory bodies.[197] NCVO has reworked these figures to reflect satisfaction among applicable organisations and has found that the largest voluntary organisations were most likely to express satisfaction with national and local statutory sources (27 percent and 24 percent, respectively), while the smallest organisations were the least likely (10 percent and 12 percent, respectively).[198] In 2005/06 28 percent of members of the State of the Sector Panel reported that all of their funding from government was for three years or more, while 39 percent reported that none of it was. Those in receipt of funding from the NHS were more likely to have all of their funding for three years or more (42 percent) than those in receipt of funding from central government and local authorities (34 percent each). Between 2002/03 and 2005/06 the proportion of those in receipt of all of their funding for three years or more increased overall by 9 percent; for the NHS, by 12 percent; for local authorities, by 8 percent; and for central government, by 7 percent.[199]

Provision of full costs or reasonable overheads

In order to promote successful funding relationships government bodies should, where appropriate, pay voluntary and community organisations' reasonable overheads. "Full-cost recovery" is a highly-charged issue and within the voluntary and community sector there is "an ongoing feeling that the sector is still not being treated fairly".[200] It is also a very complicated issue, and there has been considerable misunderstanding on all sides. Although government made a commitment to the principle of full-cost recovery, it has not secured any "dramatic change"[201] in government bodies' procedures to operationalise this commitment. For example, in 2007 the Commission for the Compact found that 39 percent of central government grants programmes stated that they aimed for full-cost recovery or funded full costs; and that 44 percent covered some costs or included some overheads.[202] Voluntary and community organisations have high expectations of the delivery of full-cost recovery, and they have been vociferous in noting non-performance (although less so in following through with official complaints). For example, in 2006 the Charity Commission found that 12 percent of charities delivering public services reported that they obtained full-cost recovery in all cases; 37 percent, that they had done so in some or most cases; and 43 percent, that they had not

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[195] *Compact Funding Study*, 7 9 (calculations by the authors).
[196] *Stand and Deliver*, 14.
[197] *NSTSO Overall Report,* Q14, 9, and Q27, 15.
[198] *Almanac 2010*, 47.
[199] *State of the Sector Panel, Activities and Funding,* Table A1.6, 31.
[200] *Office of the Third Sector – Implementation of Full Cost Recovery: A Review by the National Audit Office* (London: National Audit Office, 2007), para.1.10, 7 (hereafter *Full Cost Recovery*).
[201] *Ibid.,* para.3.2,14.
[202] *Compact Funding Study*, 7 (calculations by the author).

done so for any of the services they delivered.[203] In their detailed analyses of the state of play in implementing full-cost recovery the Audit Commission and the National Audit Office noted that there was a widespread but erroneous assumption that full-cost recovery was universally applicable: while it is appropriate for "shopping" transactions, it is not generally appropriate for "giving" and "investing" transactions. They also noted that, to be successful in practice, full-cost recovery required voluntary and community organisations to include their full costs in bids, which was not always the case, and for them to have sufficient financial competence to manage both costing (for internal purposes) and pricing (for the marketplace), which was not always the case.[204] These misunderstandings and contradictions make it impossible to take a view as to the success or otherwise of the implementation of full-costs recovery.

There are, however, variations in the availability of full-cost recovery. Only 5 percent of respondents to the National Survey of Third Sector Organisations in 2008 were very/fairly satisfied with their ability to recover overheads as well as direct costs from local statutory bodies and national statutory bodies.[205] In 2005/06 29 percent of members of the State of the Sector Panel reported that they were able to recover all of their costs from government bodies, while 44 percent reported that they were able to recover none of their costs. Forty percent of those in receipt of funding from central government were able to recover all their of their costs, as did 34 percent of those funded by the NHS and 33 percent of those funded by local authorities. Between 2002/03 and 2005/06 the proportion of those able to recover all of their costs increased by 5 percent and for central government, by 6 percent, while it increased by only 1 percent for local authorities and declined by 1 percent for the NHS.[206]

Process of payment

In order to promote successful funding relationships government bodies should be reasonable in their arrangements for making payments and, in effect, sharing risk: that is, they should make payments in advance, where appropriate, and make payments when they are due. Given that organisations may need to gear up in terms of staffing, IT, training, accommodation, etc, in advance of beginning work funded by government bodies, timely payments will reduce organisations' cash flow problems and encourage them to work wholeheartedly in partnership with government bodies. Failure to make timely payments stems, it would seem, more from government bodies' misunderstanding of government accounting rules (assumed to prohibit payments in advance of expenditure) and cack-handed financial management than any particularly negative view of voluntary and community organisations. Since HM Treasury made it clear in its Guidance that payment in advance is entirely correct in appropriate circumstances, there has been reasonable progress. In 2007 the Commission for the Compact found that in 80 percent of central government grants programmes payment in advance was

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[203] *Stand and deliver*, para.1.6, 10.
[204] See, in particular, *Hearts and minds*, *Full cost recovery* and *Public funding of large national charities*.
[205] *NSTSO Overall Report,* Q14, 9, and Q27, 15.
[206] *State of the Sector Panel, Activities and Funding,* Table A1.5, 30.

provided or was possible but that in only 20 percent of programmes funding decisions were made in time to allow a three-month lead-in before the start date.[207]

There are, however, variations in the management of payment processes. Sixteen percent of respondents to the National Survey of Third Sector Organisations in 2008 were very/fairly satisfied with timely payment by local statutory bodies; and 13 percent, by national statutory bodies. These were the highest levels of satisfaction expressed for any of the aspects of funding by statutory bodies in this survey.[208] In 2005/06 79 percent of members of the State of the Sector Panel stated that they were very/fairly satisfied with fire services'/police forces' payment procedures; 69 percent, with central government's and local authorities', respectively; 60 percent, with LSCs'; 55 percent, with the NHS's; but only 41 percent, with the European Union's (and an equal proportion were fairly/very dissatisfied). Between 2002/03 and 2005/06 the proportion of those who were satisfied with payment procedures increased by 9 percent for central government; by 3 percent for the European Union; by 2 percent for LSCs and fire services/police forces, respectively; while it decreased by 12 percent for the NHS and 1 percent for local authorities.[209]

Monitoring and evaluation

Finally, in order to promote successful funding relationships government bodies should monitor and evaluate the performance of funded organisations in a fashion which is meaningful, reasonable and proportionate to the amount of funding. Monitoring and evaluation are emotive subjects, and horror stories abound.[210] On the one hand government bodies tend to set the bar high in terms of "multiple metrics"[211], the amount and frequency of the information they require in order to manage - and to be seen to manage – the deployment of public money. On the other hand organisations have to satisfy the different requirements of different funders, and the greater the number of funders, the greater their administrative overheads (particularly in cases where there are multiple funders for the same project or programme). Targeting monitoring and evaluation on meaningful outputs/outcomes related to the satisfaction of customers, reducing the number of indicators, scaling information requirements to the amount of funding (with a light touch for smaller amounts), cutting back on the frequency of reporting, and accepting organisations' own management information will free up

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[207] *Compact Funding Study*, 7 (calculations by the authors).
[208] *NSTSO Overall Report,* Q14, 9, and Q27, 15.
[209] *State of the Sector Panel, Activities and Funding,* Table A1.7, 32, and Table A1.8, 33.
[210] For example, 15 percent of a modest grant of £13,200 to Ryedale Voluntary Action for community transport was consumed by photocopying an audit trail; and Impact Initiatives, an organisation in Sussex that provided a range of community inclusion services and had between fifteen and twenty contacts with various government bodies, was audited eight times by different bodies over a six-week period. *For good measure: Contract, without squeezing, voluntary and community groups – an appeal for action* (Sheffield: NAVCA, 2006). However, there is a suggestion that some government bodies' were less than stringent in collecting monitoring information. An interim evaluation of one element of the implementation of ChangeUp noted that: "This review has not been able to come to a conclusion on the overall effectiveness of the consortia model. There is not enough evidence on which to make an objective judgment. This is not just because it is too early. It is because consortia are not systematically collecting the evidence on which such a judgment could be made" – and that the responsible government body was not requiring their compliance. *Fit for Purpose: Review of the Change up Consortia Model: Report to Capacitybuilders* (London: Auriga Consultants, 2007), 29.
[211] *Public funding of large national charities*, para.2.23, 13.

organisations to concentrate of doing what they have been paid to do. Progress has been glacially slow, and an experiment in "passporting", sharing information among funders, foundered on government bodies' lack of resources, constant procedural changes, and unwillingness to accept validations carried out by another body.[212]

There are, however, variations in the quality and intensity of evaluation and monitoring of funding. Eleven percent of respondents to the National Survey of Third Sector Organisations in 2008 were very/fairly satisfied with the administration involved in receiving funding/maintaining contracts with local statutory bodies; and 8 percent, by national statutory bodies.[213] In 2005/06 82 percent of members of the State of the Sector Panel stated that they were very/fairly satisfied with fire and police forces' monitoring and evaluation process; 59 percent, with central government's; 56 percent, with local authorities'; 51 percent, with the NHS's; 45 percent, with the Learning and Skills Councils'; but only 34 percent, with the European Union's (and 44 percent were very/fairly dissatisfied).[214]

5.2.5 Summary of progress

There has been progress in implementing the Compact's provisions for funding and procurement, but it has been halting and uneven, and, in some cases, early achievements have been undone by later events. This is the case across all types of government bodies, including, surprisingly, those central government departments tasked with championing the voluntary and community sector, and across the various areas of tension dealt with by the Compact. Government produced clear and comprehensive guidance on funding issues, achieved a clearer understanding of "intelligent commissioning" through the work of the Audit Commission and the National Audit Office, improved its interface with voluntary and community organisations, invested in capacity-building among voluntary and community organisations and began to train its staff in good procurement practices, but these reforms have not reached all government bodies and all divisions, departments and sections within those bodies, and, even when they have done so, they have not always been correctly understood or taken on board.

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[212] *Working with the Third Sector*, paras.4.13-4.16, 45. The Department for Work and Pensions' evaluation of the Lead Funder Project report suggested that this was a non-starter: "This is Whitehall-speak for 'no chance, mate'". Stephen Cook, "Editorial: Admitting the problem is the first step", *Third Sector Online*, 2 March 2005.
[213] *NSTSO Overall Report,* Q14, 9 and Q27, 15.
[214] *State of the Sector Panel, Activities and Funding,* Table A1.7, 32 and Table A1.8, 33.

5.3 Consultation and policy appraisal

Consultation by government bodies with voluntary and community organisations is a vital component of the delivery of public services, and it is a test bed of democratic accountability. In order to be effective consultation should be a two-way street. Both government bodies and voluntary and community organisations should participate in good faith; both should be respectful of the needs and constraints of the other; and both should receive benefits sufficient to make their investment of time and resources worthwhile. Consultation enables government bodies to reach out to the communities they serve and voluntary and community organisations to represent the interests and concerns of their members and service users, many of whom are from socially- excluded groups. It enables government bodies to make informed decisions about the appropriateness of policies and the methods and timing of their implementation and voluntary and community organisations to share their knowledge and expertise. It enables government bodies to improve the reach and quality of the services they provide and voluntary and community organisations to guide and participate in this improvement. It enables government bodies to be more accountable to members of the public, particularly service users, and voluntary and community organisations to facilitate better communications between their members and service users and government bodies.

In the last decade there has been a substantial amount of consultation between government bodies and stakeholders, including service users and voluntary and community organisations. However, consultation has not always achieved the openness, representativeness and transparency that are required for success and credibility. There have been difficulties in framing the terms of reference in a way that treats consultees' views as part of a learning process rather than as merely confirming/opposing existing proposals. There have been difficulties in providing sufficient resources - time, funding and expertise. There have been difficulties in reaching beyond the "usual suspects" to involve a representative selection of all those who are affected by/have knowledge or views about the subject of the consultation. There have been difficulties in selecting and using appropriate methods of carrying out the consultation. There have been difficulties in managing and interpreting the information provided by consultees, which can be voluminous, complex and contradictory. There have been difficulties in formulating sensible and useful outputs, including recommendations. There have been difficulties in providing meaningful feedback about the outputs of the consultation to those who have been consulted and in managing their responses, especially if these are adverse. There have been difficulties in using outputs to feed into policy development and implementation, particularly if these are not in accord with existing thinking.

While there are indications that some serial consultees may be suffering from "consultation fatigue", this may be more a product of exasperation with the end results of "going through the motions" than the actual efforts involved, and tiredness may very well fade when consultations prove meaningful: "Many respondents stated that consultation

fatigue would be less of a problem if the consultation exercises were well organised and had a real impact on the policy".[215]

5.3.1 Undertakings

The Compact's provisions for consultation and policy appraisal are set out in a series of undertakings by government and the voluntary sector/third sector/civil society organisations. In the original Compact the undertakings were contained in a separate Consultation and Policy Appraisal Code (2000) and amounted to 22 or 8 percent out of a total of 273 undertakings. In the refreshed Compact they were set out in the section on "Involvement in policy development" (22 or 25 percent out of a total of 87 undertakings). In the renewed Compact they were set out in the section on "Effective and transparent design and development of policies, programmes and public services" (9 or 19 percent out of a total of 48 undertakings). The undertakings vary among the different versions or the Compact as to scope, timing and processes (see Appendix 2 for a full list of undertakings), but their intention is, as it was in the original Code, to ensure that consultation and policy appraisal is a win/win situation:

> "Government consults with outside interests to ensure that in developing its policies it is informed by a wide range of experience and takes into account the impact of its proposals on different sectors of society. For voluntary and community organisations, consultation presents an opportunity to bring their knowledge, experience and expertise to bear on Government policy on behalf of the people and causes they work for. They should be willing to offer their advice to Government based on objective experience and appropriate consultation with those they work with. This helps to establish and maintain the credibility of voluntary and community organisations as a valuable source of informed opinion."[216]

5.3.2 Government's approach to implementation

New Labour gave high priority to improving the reach, quality and effectiveness of consultation on policy formation and implementation. Its aim was to create "a listening and responsive Government":

> "Over the next ten years, the Government wants to see greater recognition of the multiple voices present in and represented by the third sector, alongside building a culture where the Government understands and celebrates the right of third sector organisations to campaign for change. The Government recognises that the closeness of many third sector organisations to their beneficiaries, whether through service provision, community ownership or advocacy, often puts organisations in a unique position to inform and influence policy making and to campaign for change.

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[215] *Effective consultation: Asking the right questions, asking the right people, listening to the answers: Government response* (London: Department for Business and Enterprise and Regulatory Reform, 2007), para.4.52, 17 (hereafter *Effective consultation: Government response*).
[216] *Consultation and Policy Appraisal Compact Code of Good Practice* (London: Home Office, 2000), para.2.1, 2-3.

The Government wants to work towards enhanced consultation processes with the third sector so that more voices can be heard, in conjunction with greater transparency around the action that Government takes as a result of consultation...." [217]

New Labour described how this commitment should be operationalised in its Code of Practice on Consultation, first published in 2000, revised in 2004 and then revised again, after consultation, in 2008. The Code is limited in its application and discretionary rather than mandatory. It applies to central government departments and their agencies but not to other government bodies "unless they explicitly adopt it". The Code does not override Ministers' "existing discretion not to conduct formal consultation exercises", and it is "not intended to create a commitment to consult on anything, to give rise to a duty to consult, or to be relied on as creating expectations that the Government will consult in any particular case". It applies to consultation generally, including consultation with voluntary and community organisations, although in the case of consultation with voluntary and community organisations it explicitly refers to the Compact Code of Good Practice on Consultation and Policy Appraisal, with which it should be used "in conjunction". It sets out seven criteria for consultation:

"1. When to consult: Formal consultation should take place at a stage when there is scope to influence the policy outcome.
2. Duration of consultation exercise: Consultations should normally last for at least twelve weeks with consideration given to longer timescales where feasible and sensible.
3. Clarity of scope and impact: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.
4. Accessibility of consultation exercises: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.
5. The burden of consultation: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.
6. Responsiveness of consultation exercises: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.
7. Capacity to consult: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience." [218]

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[217] *Future role of the third sector in social and economic regeneration,* paras.2.6, 2.7, 19.

[218] *Code of Practice on Consultation* (London: Better Regulation Executive, Department for Business, Enterprise and Regulatory Reform, 2008), 4-6. The 2000 version had seven criteria: "1. Timing of consultation should be built into the planning process for a policy (including legislation) or service from the start, so that it has the best prospect of improving the proposals concerned, and so that sufficient time is left for it at each stage. 2. It should be clear who is being consulted, about what questions, in what timescale and for what purpose. 3. A consultation document should be as simple and concise as possible. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for readers to respond, make contact or complain. 4. Documents

In 2008 the Cabinet Office published a handbook on consultation with the third sector based on research on "what works". This made specific reference to the Compact and the Consultation and Policy Appraisal Code. This argued that consultation between government and the third sector was working at cross-purposes and needed to be "reconfigured" in order to achieve its full potential. As it stood, even with the best will in the world, both government and the third sector were not getting the most out of their shared experience. It recommended that both government and the sector be clear about their aims, joint and several; understand their opposite numbers sufficiently well to be able to communicate and work together; and successfully negotiate the contradictions (or at least hold them in suspension) of their positions – internally and vis a vis each other. For example organisations needed to be able to reconcile their role as campaigner/critical friend with that of grant-holder or contractor. They needed to be able to "meet their own internal objectives and help public bodies shape theirs". Government needed to be able to involve the sector in consultations "without exhausting the patience and resources of third sector organisations in the process". The handbook provided practical suggestions of how this can be done – from planning to feedback – including relationship-building, using innovative methods, creating a safe space for criticisms, providing adequate resources, and giving political support for open dialogue.[219]

5.3.3 Progress in implementing the Compact's provisions on consultation and policy appraisal

It is not possible to estimate progress in implementing the Consultation and Policy Appraisal Code. There are two reasons for this.

The first reason is that there is no definitive information about the number, type and characteristics of consultations carried out by all government bodies at local, regional and national levels. The Cabinet Office provided some information about consultations carried out by central government departments and their agencies at national level: in 2003 these carried out 622 consultations of which 77 percent allowed at least twelve weeks for responses; in 2004 the figures were 621 and 76 percent, respectively; in 2005, 583 and 80 percent, respectively; and in 2006, 571 and 75 percent, respectively.

should be made widely available, with the fullest use of electronic means (though not to the exclusion of others), and effectively drawn to the attention of all interested groups and individuals. 5. Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the standard minimum period for consultation. 6. Responses should be carefully and open-mindedly analysed, and the results made widely available, with an account of the views expressed and reasons for decisions finally taken. 7. Departments should monitor and evaluate consultations, designating a consultation co-ordinator who will ensure the lessons are disseminated." *Code of practice on written consultation* (London: Cabinet Office, 2000). The 2004 version had six criteria: "1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy. 2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses. 3. Ensure that your consultation is clear, concise and widely accessible. 4. Give feedback regarding the responses received and how the consultation process influenced the policy. 5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator. 6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate." *Code of Practice on Consultation* (London: Better Regulation Executive, Cabinet Office, 2004), 4.
[219]Emily Fennell, Karin Gavelin and Richard Wilson, *Better together: improving consultation with the third sector* (London: Involve and Guidestar Data Services for Cabinet Office, 2008), 15.

But this information is ambiguous: it may suggest that at least on the narrow front of time allowed for responses to consultations there was no significant progress in implementing the Code or it may simply suggest that the limits of applicability of this particular element were reached early on and maintained.[220] The Audit Commission provided some information about consultations carried out by local authorities in 2002 as part of their comprehensive performance assessments: of 150 local authorities ninety-six had good arrangements for consultation and sixteen had particularly good arrangements for reaching out to socially-excluded groups, but fifty-two had arrangements that were poor or in need of review and twelve had particularly poor arrangements for reaching out.[221]

The second reason is that there is no definitive information about the participation of voluntary and community organisations in these consultations. While government bodies generally list the names of consultees in their reports, they only rarely analyse these consultees by type or sector. An exception to this rule is the Department for Business, Enterprise and Regulatory Reform, which indicated that 23 percent of all written responses (114 in total) to its consultation on revising the Code of Practice on Consultation were from third sector organisations, the second largest group after trade associations.[222] In 2003 the Audit Commission carried out a survey of a small number of voluntary and community organisations, which had taken part in one or more local consultations in the previous year ("including local government, health and criminal justice related consultations"). Of the thirty-four organisations only two or 6 percent reported that the overall quality of the consultations was very good, while ten or 29 percent reported that it was very poor and the remainder fell in the middle (fairly good or fairly poor). These organisations also indicated that the least successful consultations were those that were health-related. The Audit Commission concluded that voluntary and community organisations were being asked to – and did - participate in consultations by local government bodies but that they were "not impressed with the overall planning or strategic approach to consultation" and were "frustrated by lack of feedback or evidence to show that their views have had a genuine influence".[223]

In the 2007 Cross-cutting Review the Cabinet Office and HM Treasury recognised this crippling lack of information about voluntary and community organisations' participation in consultations and directed the OTS to "invest in research to promote better understanding of innovative and effective methods of consultation and engagement with the third sector and act as an exemplar of best practice in consulting and feeding back to the sector, building on the consultation undertaken as part of the third sector review."[224] This resulted in the publication of the handbook discussed above. It is worth noting that 33 percent of complaints to the Compact Advocacy Programme between 2003/04 and 2006/07 were about alleged breaches of the Consultation and

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[220] *Code of Practice on Consultation Assessment of Performance: 2004* (London: Cabinet Office, 2004); *Effective Consultation: asking the right questions, asking the right people, listening to the answers* (London: Cabinet Office, 2007), para.2.6, 10; *Code of Practice on Consultation, Assessment of Performance: 2006* (London: Cabinet Office, 2007).
[221] *User focus and citizen engagement: Learning from comprehensive performance assessment: Briefing 4* (London: Audit Commission, 2003), paras.6 and 7, 3.
[222] *Effective consultation: Government response*, paras.2.4 and 2.5, 4-5.
[223] *Connecting with Users and Citizens – User Focus* (London: Audit Commission, 2003), Appendix 2.
[224] *Future role of the third sector in social and economic regeneration,* para.2.13.

Policy Appraisal Code, second only to the proportion of complaints about alleged breaches of the Funding and Procurement Code (see above). The proportion of complaints was higher in the first two years (41 percent and 42 percent, respectively) than in the last two years (30 percent and 34 percent), and in 2006/07 12 percent of national cases involved alleged breaches of this Code but 48 percent of local cases did so.[225] It is also worth noting that recently a number of short consultations (less than twelve weeks) on important issues – the renewal of the Compact, third sector commissioning (both Cabinet Office) and the termination of the Citizenship Survey (Communities and Local Government) – have created an unfortunate impression of indifference at the top to the Compact's provisions.

Recent research has provided a number of insights into government's performance in the management of consultation and policy appraisal and the voluntary and community sector's involvement in and views on the subject. This paints a complicated picture from which it is difficult to draw definitive conclusions.

Firstly there are variations in the opportunities created by government for involvement of voluntary and community organisations in consultation and policy appraisal. As Table 12 below shows, in the Commission for the Compact's Baseline Study respondents from government departments were in every case more likely "always" to carry out the stated activities than those from NDPBs – which chimes with repeated injunctions in joint action plans and at annual meetings to spread the Compact way of working beyond central government departments to agencies and NDPBs. As Table 13 below shows, members of the State of the Sector Panel reported different combinations and intensities of involvement with different types of government bodies. For example, respondents were most likely to be involved with central government by attending an event (66 percent), participating in one-off consultations (63 percent) or lobbying ministers/senior officials (52 percent); with local authorities, by participating in ongoing consultations (66 percent) and attending an event (54 percent); with the NHS, by participating in ongoing consultations (57 percent) and attending an event (46 percent); with fire services, by participating in one-off consultations (38 percent) and ongoing consultations (27 percent); with police forces, by participating in ongoing consultations (46 percent) and attending an event (31 percent); and with LSCs, by attending an event (44 percent) and participating in one-off and ongoing consultations (36 percent and 35 percent, respectively). Put another way, it would appear that consultation and policy appraisal by central government were more in the form of discrete activities (an event, a one-off consultation, a lobbying visit), while those by local authorities, the NHS and police forces were more extended (ongoing consultations).

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[225] *Compact Advisory Programme Report 2006-07, 21* (calculations by the authors) and 15.

Table 12: Baseline Study: respondents' activities on consultation and policy development, 2009 (% answering "always")[226]

	All	Government departments	NDPBs
Have policies which encourage and support the contribution of the wider third sector to policy development	35	41	26
When making policies ensures that the views of, and impact on, the wider third sector are taken into account	34	43	21
Appraise new policies and procedures at a development stage to identify implications for third sector organisations	29	38	18
Encourage and support third sector organisations to contribute their views towards policy development, service design and to respond to consultations	47	54	39
Usually allow 12 week consultation period	41	45	35
Record how many organisations from the third sector respond to your consultations	41	43	39
Notify third sector consultees of consultation decisions or outcomes relating to the consultation process	40	45	33
Recognise the right of third sector organisations to campaign and challenge government policy	53	53	53

Base: all respondents; N = 137

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[226] *Compact Baseline Survey*, Figure 38, 87; Figure 39, 88; Figure 30, 89.

Table 13: State of the Sector Panel: members' contacts with government bodies by type of contact, 2004/05 (%)[227]

	Central govt	LAs	NHS	Fire	Police	LSCs
Attended an event	66	54	46	24	31	44
Participated in a one-off consultation						
Written	40	29	24	16	12	24
In person/by telephone	35	29	25	30	20	21
Working Party	24	24	18	6	9	11
All one-off consultations	63	41	38	38	26	36
Participated in an on-going consultation						
Written	30	50	40	16	26	25
In person/by telephone	28	53	44	23	36	26
Working Party	20	49	40	11	30	21
All ongoing consultations	44	66	57	27	46	35
Provided information/took part in research	34	41	37	22	30	30
Lobbied ministers/senior officials	52	37	31	11	22	17

Base: organisations that had non-funding-related contact with body in last year; N = 1,072, 1,950, 2,150, 512, 843, 559, respectively

Secondly, there are variations in the attention paid by government to the various elements of the package, which is greater for general principles and armchair thinking than it is for specific activities and outreach. For example, a larger proportion of respondents to the Baseline Study "always" recognised the right of third sector organisations to campaign and challenge government policy (53 percent) and encourage and support third sector organisations to contribute their views towards policy development, service design and to respond to consultation (47 percent), but a smaller proportion usually allowed a twelve-week consultation period (41 percent), recorded how many third sector organisations responded (41 percent), notified third sector consultees of consultation decisions or outcomes (40 percent) and – the smallest proportion of all (29 percent) – appraised new policies and new policies and procedures at a development stage to identify implications for third sector organisations, a bad start to

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[227] *State of the Sector Panel, Contacts with Public Sector Bodies,* Table 3.2, 8.

meaningful consultation and one that undermines the integrity of all that follows.[228] This inverse ratio between thinking good thoughts and doing something about them is borne out by respondents to the National Survey of Third Sector Organisations. Twenty-six percent strongly agreed/tended to agree that local statutory bodies informed their organisations about issues which affected them or were of interest to them; 22 percent, that their organisations were consulted; 16 percent, that their organisations were involved appropriately; and only 13 percent, that their organisations' opinions and responses were acted upon.[229]

Finally, there are variations in voluntary and community organisations' perceptions of their experiences of consultation and policy appraisal. As Table 14 shows, members of the State of the Sector Panel overwhelmingly agreed (59 percent to 90 percent) that contact with government bodies was beneficial to them, although those who had contact with strategic health authorities and LSCs were the least convinced. However, respondents were less happy when it came to being treated as equal partners, with the largest proportion agreeing that this was the case with fire services (55 percent) and police forces (53 percent); and the smallest proportion, with strategic health authorities (27 percent). They were also less happy when it came to having a twelve-week consultation period, with the largest proportion agreeing that this was the case with local authorities; and the lowest, with fire services. As Table 15 shows, when respondents' views were converted to mean scores, fire services and local authorities generally scored more highly than others, and strategic health authorities scored the lowest. Between 2002/03 and 2004/05 the mean scores for local authorities and police forces increased noticeably, but there was little change in the scores for the other bodies. It is interesting to note that the Cabinet Office did not include information about central government in the analysis cited in Tables 14 and 15, which would enable comparison to be made between central government and other government bodies. This information was collected.

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[228] *Compact Baseline Survey*, Figure 38, 87; Figure 39, 88; Figure 30, 89.
[229] *NSTSO Overall Report*, Q21, 12.

Table 14: State of the Sector Panel: members' views about contacts with government bodies by type of contact, 2004/05 (%)[230]

	LAs	PCTs	NHS	SHAs	Police	Fire	LSCs
They provide us with clear and consistent information	67	57	57	43	70	78	62
They take account of input from us as far as possible	73	62	63	44	72	70	56
They give us a minimum of 12 weeks for consultation	41	39	38	44	34	32	38
They treat us as equal partners	46	43	40	27	53	55	44
Contact with them is beneficial to us	89	84	84	59	89	90	74
Mean score (Range 1-5)	3.53	3.40	3.39	3.12	3.62	3.69	3.35

Base: organisations that had non-funding-related contact with body in last year (body considered to be the best or most frequently contacted); mean scores calculated on the basis that 1= strongly disagree and 5 = strongly agree
N = 1,914, 895, 533, 161, 843, 512, 555, respectively.

Table 15: State of the Sector Panel: members' overall ratings of contacts with government bodies by type of contact, 2002/03-2004/05 (mean scores)[231]

	2002/03	2003/04	2004/05
Local authorities	3.44	4.33	3.53
Primary care trusts	3.43	3.40	3.40
NHS trusts	3.38	3.39	3.39
Strategic health authorities	3.16	3.19	3.12
Police forces	3.54	3.60	3.62
Fire services	3.72	3.75	3.69
LSCs	3.33	3.35	3.35

Base: organisations that had non-funding-related contact with body in last year (body considered to be the best or most frequently contacted); mean scores calculated on the basis that 1= strongly disagree and 5 = strongly agree; N 2002/03 = 2,208, 1,077, 499, 203, 1,051, 600, 889; N 2003/04 = 2,235, 1,061, 543, 160, 1,101, 588, 874; N 2003/04 = 1,914, 895, 533, 161, 843, 512, 555, respectively

5.3.4 Summary of progress

The lack of information about voluntary and community organisations' participation (and indeed other consultees' participation) in the process of consultation and policy appraisal is particularly reprehensible and tantalising, as this is the area of interaction between

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[230] *State of the Sector Panel, Contacts with Public Sector Bodies,* Table A3.3, 23.
[231] *Ibid.*, Table A3.4, 24.

government bodies and voluntary and community organisations that has undergone perhaps the most significant change in the last twelve years and also the one which has potentially the greatest impact on the quality of public services, the meaningfulness of democratic accountability and the *raison d'être* of voluntary and community organisations. Government has invited voluntary and community organisations to enter the big tent rather than to stand outside it and thus to become insiders rather than outsiders and co-producers rather than critics or opponents of producers. This could be an exciting opportunity for real change or a cunning method for ensuring that responsibility for non-change is shared (a classic scenario of the governmentality hypothesis). Consultation could be the vehicle for "evidence-based policy-making" or "policy-based evidence-making"[232]. Without a detailed understanding of the shape and dynamics of the process of consultation and policy appraisal and, in particular, the role played by voluntary and community organisations, it will not be possible to understand on which rung of Arnstein's ladder of citizen participation[233] – from manipulation through tokenism to citizen control – we are standing.

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[232] *Effective consultation: Government response*, para.4.30, 14.
[233] Sherry Arnstein, "A Ladder of Citizen Participation", *Journal of the American Planning Association* 35, 4 (1969), 216-24.

5.4 Volunteering

Volunteering[234] is important because of its near universality, its reach into all parts of society, its capacity to inspire and energise change, and its value to those who participate, those organisations that involve volunteers, those people and communities that benefit from volunteers' activities and those government bodies that gain from volunteers' contributions to public services and public life. At any one time most people are involved in volunteering in some way, and over the course of their lives the vast majority of people will be involved.[235] Volunteers do all sorts of things –and indeed most do more than one thing at a time for more than one organisation at a time.[236] Volunteers are involved in all sorts of fields, from education, health and social care to animal welfare, justice and human rights, and safety and first aid. Volunteers are active in the private, public and voluntary and community sectors, although they are of greatest importance in the voluntary and community sector, and many grassroots organisations are entirely dependent on their efforts.[237] Volunteers can change lives, not least their own, and they contribute to social capital, the "ties that bind" people to those within their own communities, whether of interest or place; to others outside their communities; and, through "voice", campaigning and political activism, to government.

The provisions of the original Compact on volunteering were important because they aimed to nurture volunteering in all its diversity – to create and maintain the conditions in which it would flourish and to enable as many people as possible of both sexes, all ages, all ethnic groups, all faiths, and all walks of life to participate – and to enjoy and gain from their participation.

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[234]"Volunteering" is "any activity which involves spending time, unpaid, doing something which aims to benefit someone (individuals or groups) other than or in addition to close relatives, or to benefit the environment". "Informal volunteering" is volunteering on an individual basis - one person helping another. "Formal volunteering" is volunteering on a collective basis - people getting together through groups, clubs or organisations to help. Justin Davis Smith, *The 1997 National Survey of Volunteering* (London: Institute for Volunteering Research, 1998), 13-14 (hereafter *National Survey 1997*).

[235]In 2001 70 percent of people in England and Wales reported that they had volunteered informally at some point in their lives; and 73 percent, that they had volunteered formally. Not surprisingly, the likelihood of volunteering increases with age. Eighty-three percent of people aged seventy-five and over reported that they had volunteered informally, but only 54 percent of those aged between sixteen and twenty-four did so. Ninety-three percent of those aged seventy-five and over reported that they had volunteered formally; but only 58 percent of those aged between sixteen and twenty-four did so. Chris Attwood *et al.*, *2001 Home Office Citizenship Survey: people, families and communities* (London: Home Office Research Study 270; Research, Development and Statistics Directorate, Home Office, 2003), Table 5.16, 106, and Table 5.19, 108 (hereafter *Citizenship Survey 2001*). In 2007, 79 percent of people in England reported that they had volunteered formally at some point in their lives. Natalie Low *et al.*, *Helping Out: A national survey of volunteering and charitable giving* (Office of the Third Sector, Cabinet Office, 2007), Table 8.1, 64 (hereafter *Helping Out*).

[236]For example, in 2007 72 percent of those who volunteered formally at least once in the last year were involved in more than one activity (and 27 percent were involved in five or more activities); and 59 percent were involved with more than one organisation (and 6 percent with six or more organisations). *Helping Out*, Table 4.8, 29, and Table 4.1, 23.

[237]In 2005 in England and Wales 79 percent of those who volunteered formally at least once in the last year did so in the voluntary and community sector; 28 percent, in the public sector; and 15 percent, in the private sector (percentages add up to more than 100 percent due to multiple responses). *Citizenship Survey 2005*, unpublished information, calculations for Volunteering England by Dr James Brown, Southampton University. In 2007 in England 65 percent of those who volunteered formally at least once in the last year did so in the voluntary and community sector; 23 percent, in the public sector; and 11 percent, in the private sector (percentages add up to 100 percent as they are based on volunteers' involvement in one <u>main</u> organisation). *Helping Out*, Table 4.2, 24.

5.4.1 Undertakings

The Compact's provisions for volunteering are set out in a series of undertakings by government and the voluntary sector/third sector/civil society organisations. In the original Compact the undertakings were set out in a separate Volunteering Code (2001; revised in 2005) and amounted to 60 or 22 percent out of a total of 273 undertakings. Unlike funding and procurement and consultation and policy appraisal, which were significant topics across all three versions of the Compact, volunteering (like community groups) was deprioritised in the refreshed and renewed versions. The original Compact attributed great importance to volunteering: "Volunteering is an important expression of citizenship and fundamental to democracy. It is the commitment of time and energy for the benefit of society and the community, and can take many forms."[238] It had a clear definition of volunteering (unpaid, not as a substitute for paid work), and it aimed to support volunteering from the top down through recognising and celebrating the contribution of volunteering and volunteers to society; creating and maintaining an appropriate volunteering infrastructure; and ensuring that volunteer-involving organisations had suitable arrangements in place to recruit, train and manage volunteers. It also highlighted a number of other, more practical, issues. The refreshed Compact (6 or 7 percent out of a total of 87 undertakings spread across all three sections) and the renewed Compact (6 or 13 percent out of a total of 48 undertakings dotted across four out of five sections) were more workmanlike in their approach. They focused <u>only</u> on involving volunteers (among others) in the design or review of programmes and services; assessing the impact of changes in funding on (among others) volunteers; and removing barriers to the involvement of volunteers, particularly free checks by the Criminal Records Bureau (CRB) (see Appendix 2 for a full list of undertakings). While the provisions in the refreshed Compact are in line with New Labour's gradual de-emphasis of its civil renewal agenda, the provisions of the renewed Compact fail to reflect the increased emphasis of the Coalition's new version of this agenda, the Big Society. This aims to make "social action [giving and volunteering] the social norm".[239]

5.4.2 Government's approach to implementation

Government has attempted to support volunteering and implement the Compact's provisions on volunteering in a number of different ways.

First of all government bodies aimed to create a positive climate for volunteering. Their activities included the following:

- Volunteering programmes and projects (New Labour): With the exception of the pioneering and long-running Opportunities for Volunteering and the s.64 grants programme (merged into the Third Sector Investment Programme), run by the Department of Health, these were sponsored by the lead department for volunteering (Home Office/Cabinet Office) and included, for example, the Active

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[238] *Volunteering Code of Good Practice* (London: Home Office, [2001], 2005), para.2.1, 4.
[239] *Giving Green Paper* (London: HM Government, 2010), 4.

Community Demonstration Projects (ACDPs), Beacon Councils, Black and Minority Ethnic Twinning Initiative (BMETI), Experience Corps, GoldStar Volunteering and Mentoring Exemplar Programme, Home Office Older Volunteers Initiative (HOOVI), Mentoring/Mentoring and Befriending Programmes, Millennium Volunteers, Strategic Grants Programme, TimeBank, v and Volunteering for All. All of these programmes and projects included elements of promotion of volunteering as a positive activity, the recruitment of particular groups of volunteers and the dissemination/celebration of good practice.

- Volunteering programmes and projects (Coalition): These are emerging and include the Community First Fund, match-funded support for neighbourhood groups working to improve their neighbourhoods; Community Organisers Programme, training for organisers (paid and unpaid) to work with community groups in order to "build and mobilise local networks and leadership to drive the change that the community needs"; National Citizen Service, "a residential and community based programme of activity" for "16 year olds from different backgrounds"; and Volunteer Match Fund Programme, match-funding of private donations to volunteer-involving organisations that are "helping to build momentum behind fundraising efforts and enabling an expansion in the number of volunteering opportunities".[240]

- High-level promotional campaigns (New Labour) such as the Queen's Award for Voluntary Service, the United Nations' International Year of Volunteers 2001, the Year of the Volunteer 2005 and the European Year of Volunteering 2011. All of these aimed to attract media coverage and raise the profile of volunteering.

- Performance measures on volunteering in central government departments' Public Service Agreements (PSAs) and in local authorities' Local Area Agreements (LAAs) (New Labour). These testified to the designation of volunteering as a key and therefore measurable part of government's social and community policies. The Coalition has announced its intention not to have such measures and has cancelled the Citizenship Survey, the primary tool for collecting data.

- Appointment of Baroness Neuberger, chair of the Commission on the Future of Volunteering, as the Prime Minister's special advisor on volunteering (New Labour).

Secondly, government bodies supported rationalising and improving the capacity of the volunteering infrastructure. Their activities included the following:

- Strategic funding for national infrastructure bodies such as Volunteering England (created by the government-promoted merger of the National Centre for Volunteer, Volunteer Development England and the Consortium on Opportunities

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[240] *Ibid.*, 18-19; "Background note on key OCS programmes" attached to "Voluntary sector asked for their ideas on how to do more for less", Cabinet Office press release, CAB 133-10, 29 July 2010.

for Volunteering in 2004), Community Service Volunteers and v (New Labour). This is currently under review by the Coalition, which plans to reduce the number of strategic partners, provide match-funding only, and phase out of all funding over the next three years.

- New forms of infrastructure support through ChangeUp/Capacitybuilders (New Labour). This included a network of local and regional partnerships and the establishment of the Volunteering Hub, one of six hubs (first phase) and the Modernising Volunteering Workstream, one of nine workstreams of National Support Services (second phase) and involved coordinating and modernising infrastructure from the local up to the national level. These end in 2010/11.

- Supporting locally-based volunteer centres through various capacity-building programmes (New Labour). The Coalition has announced a Volunteer Infrastructure Programme to provide brokerage as well as front-line support to volunteers and volunteer-involving organisations.

Finally government bodies endeavoured, where possible, to incorporate good practice in their involvement with volunteers, whether their staff or their clients. Their activities included the following (both New Labour and the Coalition):

- Employer-supported schemes for volunteering for public servants.

- Sympathetic treatment of clients who wish to volunteer – for example, benefits claimants, patients, and tenants, including free CRB checks.

5.4.3 Progress in implementing the Compact's provisions on volunteering

Although there was great interest in volunteering at the highest levels of New Labour, including personal support by both of its Prime Ministers, this did not translate into sustained and effective action, and over time its approach to volunteering became increasingly instrumental, segmented (with a focus on certain kinds off activities, such as mentoring and befriending, and certain kinds of volunteers such as young people), dominated by targets and operationalised through "vanity vehicles" rather than existing infrastructure bodies.[241] It is difficult to see any significant progress in implementing the Compact's provisions on volunteering and/or linking positive changes in volunteering, where they exist, to government bodies' efforts to implement them.

It is worth noting that alleged breaches of the Compact under the Volunteering Code barely registered with the Compact Advocacy Programme between 2003/04 and 2006/07. In those four years only 1 percent of all complaints were about alleged breaches of this Code.[242]

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[241]For a detailed analysis of government's approach to volunteering see Meta Zimmeck, "Government and Volunteering: Towards a history of policy and practice", in Colin Rochester, Angela Ellis Paine and Steven Howlett, *Volunteering and Society in the 21st Century* (Basingstoke: Palgrave Macmillan, 2010), 84-102.
[242]*Compact Advisory Programme Report 2006-07,* 21 (calculations by the authors).

There are two reasons why government's good intentions have not produced good results. The first is that volunteering is about individuals and their choices – to volunteer or not, to do one thing rather than another, to stay or go. The scope for effective intervention by government bodies is limited, on the one hand, to what they can persuade people to do, short of compulsion, and on the other hand to what they can persuade/support volunteer-involving organisations to do for volunteers and potential volunteers. The second is that volunteering takes place on a grand scale, with large numbers of volunteers and potential volunteers and large numbers of volunteer-involving organisations and potentially volunteer-involving organisations, and that change, if it is to register, must be on a similarly grand scale. The scope for effective intervention by government bodies is limited by the resources, whether of effort or funding, they are prepared to allocate, and the landscape of past government interventions is littered with the unillustrious corpses of programmes and projects with champagne aims and beer budgets.

In the sections below we take an overview of developments in volunteering and then look at progress in implementing the provisions of the Compact in some of the most critical areas - the positioning of volunteering in the policy context, implementing equal opportunities and widening access to socially excluded groups, supporting the local volunteering infrastructure, and removing institutional/administrative barriers.

5.4.4 Volunteering in England: a bird's eye view

As Table 16 below shows, between 2001 and 2008/09 the proportion of people who volunteered informally at least once in the last year fell from 67 percent to 62 percent. The proportion of those who did so at least once a month rose slightly from 34 percent to 35 percent.[243] At the same time the average hours contributed in the last four weeks (the measure of intensity) by informal volunteers who were active at least once in the last year rose from 4.8 to 5.3. The average hours contributed by those who were active at least once a month rose from 7.3 to 7.7. Overall, then, by the end of this period there were 0.5 million fewer people who volunteered informally at least once in the last year but 1.0 million more people who did so at least once a month, and in both cases they were putting in more hours.

In the same period the proportion of people who volunteered formally at least once in the last year increased from 39 percent to 41 percent. The proportion of those who did so at least once a month declined slightly from 27 percent to 26 percent.[244] At the same time the average hours contributed in the last four weeks by formal volunteers who were active at least once in the last year rose from 8.1 to 8.6. The average hours contributed by those who were active at least once a month rose from 11.0 to 12.6. Overall, then, by the end of this period there were 1.6 million more people who volunteered formally at

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[243]Headline findings from 2009-10 suggest that this proportion fell in both cases – to 54 percent for those who volunteered informally at least once in the last year and to 29 percent for those who did so at least once a month. *Citizenship Survey: 2009-10 (April 2009-March 2010), England* (Cohesion Research, Statistical Release 12, July 2010; London: Communities and Local Government, 2010), Figure 5, 10 (hereafter *Citizenship Survey 2009-10*).
[244]The proportion fell in both cases fell – to 40 percent for those who volunteered formally at least once in the last year and to 25 percent for those who did so at least once a month. *Ibid.*, Figure 4, 9.

least once in the last year and 0.2 million more people who did so at least once a month, and in both cases they were putting in more hours.

Table 16: Citizenship Surveys: Participation rates, number of volunteers and average hours contributed, informal and formal volunteers, 2001-2008/09[245]

	2001	2003	2005	2007/08	2008/09	Difference 2001-2008/09
Informal volunteering						
% at least once in the last year	67	63	68	64	62	-5
% at least once a month	34	37	37	35	35	+1
Number at least once in the last year (000)	26,500	25,110	27,398	26,422	25,992	-508
Number at least once a month (000)	13,506	14,874	14,881	14,436	14,555	+1,049
Average hours last four weeks at least once in the last year	4.8	5.6	5.4	5.1	5.3	+0.5
Average hours last four weeks at least once a month	7.3	7.8	7.9	7.8	7.7	+0.4
Formal volunteering						
% at least once in the last year	39	42	44	43	41	+2
% at least once a month	27	28	29	27	26	-1
Number at least once in the last year (000)	15,323	16,953	17,890	17,704	16,927	+1,604
Number at least once a month (000)	10,545	11,116	11,577	11,072	10,700	+155
Average hours last four weeks at least once in the last year	8.1	8.1	8.3	7.6	8.6	+0.5
Average hours last four weeks at least once a month	11.0	11.5	11.9	11.0	12.6	+1.2

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[245]Emma Drever, *2008-09 Citizenship Survey: Volunteering and Charitable Giving Topic Report* (London: Communities and Local Government, 2010), Table 1, 71 (the authors have reorganised the data; hereafter *Citizenship Survey 2008-09*).

Figures 3 and 4 below show in graphic form increases in the number of volunteers.

Figure 3: Citizenship Surveys: Number of informal volunteers, 2001-2008/09
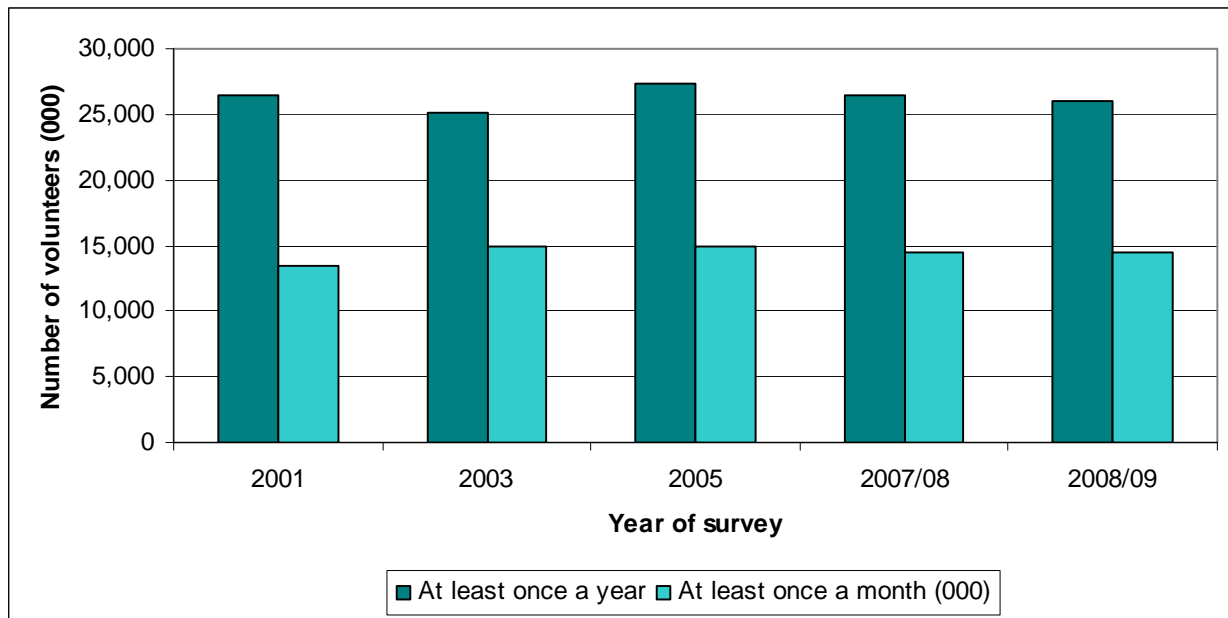
Figure 4: Citizenship Surveys: Number of formal volunteers, 2001-2008/09
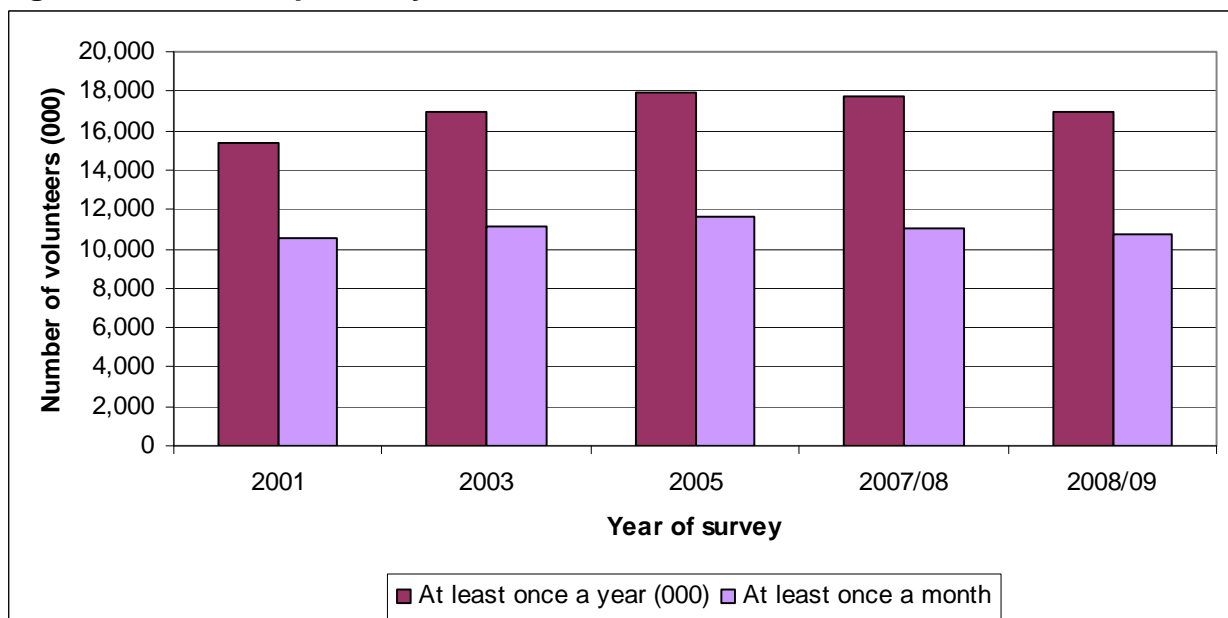
The underlying causes of these changes in participation are not clear, although the increase in numbers is partly due to the increase of the underlying population by 2.3 million during this period. It is particularly interesting to note that over the period the increase in informal volunteering at least once a month, 1.0 million, was larger than that for formal volunteering at the same frequency, 0.2 million people, and yet New Labour showed no particular interest in and committed no resources to increasing informal

volunteering.[246] On the basis of changes in formal volunteering at least once a month in the last year, which was the operative part of New Labour's volunteering targets, it is not possible to claim an unalloyed victory – a decline in the proportion but a small increase in the numbers.

In addition to changes in the proportions of people who volunteered and the number of volunteers there were also changes in the fields in which volunteers were active. Although the figures for formal volunteering at least once in the last twelve months set out in Table 17 below are not strictly comparable, because of variations in the questions asked in surveys and the organisation of data in publications, they do indicate where the ebb and flow of people's involvement occurred since 1997. For example, people's participation in the fields of politics; safety and first aid; trade unions; and justice and human rights remained stable. In the fields of local community, neighbourhood and citizens' groups; health, disability and social welfare; religion; and the elderly, it grew modestly. In the fields of environment and animals; youth/children's activities (outside school); hobbies, recreation, arts and social clubs; sports and exercise; and education (children's and adults), it grew substantially and in the case of the last three very substantially indeed. Again the causes of these changes are not clear, but it is interesting to note that the largest growth was in leisure-based volunteering (sports and exercise and hobbies etc), while growth in traditional public service volunteering (health, disability and social welfare) and civil renewal volunteering (local community, neighbourhood and citizens' groups) was of a much lower order. This suggest that New Labour's policies for volunteering failed to do what they said on the tin.

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[246]The Liberal Democrats' recent policy paper has grasped the nettle of informal volunteering: "We believe that everyone, whatever their age, range of abilities and health deserves the right to feel they are making a useful contribution to those around them, to use their human skills – their time and their ability to care – in the voluntary sector, but crucially also in the public sector. This means: simple mutual support is as important as more formal volunteering, and it may sometimes be necessary for the government to get out of the way of this – so that databases and regulation do not corrode neighbours providing each other with support; the voluntary effort of parents, family and neighbours is the essential ingredient in the effective working of economy and democracy…." *Community Futures: Policies on the Voluntary Sector and Volunteering (*Policy Paper 98: London: Liberal Democrats, 2011), 33-34 (hereafter *Community Futures*).

Table 17: Citizenship Surveys: participation in formal volunteering at least once in the last twelve months, by field of interest[247]

Field of interest	1997 UK	2001 England & Wales	2007 England	2007/08 England	2008/09 England
1. Education (all categories)	**27**	**41**	**31**	**50**	**56**
Children's education	23				
Children's education/schools		30		33	38
Education – schools, colleges, universities			31		
Education for adults	4	11		17	16
2. Sports/exercise	**26**	**34**	**22**	**51**	**51**
3. Local community/neighbourhood/citizens' groups (all categories)	**24**	**20**	**17**	**30**	**29**
Local community groups	14				
Local community or neighbourhood groups		15		21	20
Citizens' groups	10	5		9	9
Local community, neighbourhood or citizens' groups			17		
4. Religion	**23**	**23**	**24**	**31**	**30**
5. Health/disability/social welfare (all categories)	**19**	**16**	**29**	**23**	**25**
Health/social welfare	19				
Health/disability/social welfare		16		23	25
Health/disability			22		
Social welfare			7		
6. Hobbies/recreation/arts/social clubs/museums (all categories)	**18**	**25**	**21**	**39**	**38**
Hobbies/recreation/arts	18				
Hobbies/recreation/arts/social clubs		25		39	38
Hobbies/recreation/social clubs			13		
Arts/museums			8		
7. Youth/children (all categories)	**14**	**18**	**18**	**27**	**28**
Youth/children	14				
Youth/children's activities (outside school)		18		27	28
Children/young people			18		
8. Safety/first aid	**9**	**6**	**4**	**10**	**10**
9. Environment/animals/conservation/	**8**	**12**	**18**	**18**	**19**

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[247] *National Survey 1997*, Table 4.1, 46; *Citizenship Survey 2001*, Table 5.15,104; *Helping Out*, Table 4.4, 25; Sarah Kitchen, *2007-08 Citizenship Survey: Volunteering and Charitable Giving Topic Report* (London: Communities and Local Government, 2009), Table 17, 75 (hereafter *Citizenship Survey 2007-08*); *Citizenship Survey 2008-09*, Table 17, 88.

heritage (all categories)					
Environment	5				
Environment/animals		12		18	19
Animal welfare	3		10		
Conservation/environment/heritage			8		
10. Elderly people	**6**	**11**	**8**	**14**	**13**
11. Politics	**4**	**4**	**4**	**5**	**5**
12. Justice/human rights	**3**	**4**	**4**	**7**	**6**
13. Overseas aid/disaster relief			**11**		
14. Trade unions		**5**	**3**	**10**	**7**
15. Other	**6**		**3**	**16**	**15**

Commitment to volunteering as a key social policy: Performance measures for volunteering

While New Labour voiced a strong commitment to volunteering, the nature and intensity of its commitment can best be judged by examining the role of volunteering in its overarching targets, Public Service Agreements (PSAs), as these show what it proposed to measure and therefore where its real interests lay. Overall, in the last twelve years New Labour's interest in volunteering moved from the general to the particular and from a sort of genial well-wishing to a hard-nosed instrumentality. It is probably too early to say what the Coalition's approach will be other than that it will not be subject to micro-management and measurement.

In SR (Spending Review) 1998, the first year in which New Labour produced performance targets, the relevant target was "increasing the quantity and quality of people's involvement in their community and ensuring fulfillment on the vision of the Giving Age".

In SR2000 the target (Home Office PSA13) was "make substantial progress by 2004 towards one million more people being actively involved in their communities", and it was accompanied by a technical note that defined "actively involved in their communities" with reference to informal and formal volunteering and "substantial progress" as 500,000 or more people aged sixteen and over between 2001 and 2003.

In SR2002 the target (Home Office PSA8) was "increase voluntary and community sector activity, including increasing community participation, by 5 percent by 2006", and it had two limbs, "increasing the contribution of the voluntary and community sector to the delivery of public services" and "increasing the involvement of people to their community". It was accompanied by a technical note that defined "community involvement" as "participating at least once a month in the last year in any of three core activities – civic participation, informal volunteering and formal volunteering" – and "5 percent" as 931,655 people aged sixteen and over between 2001 and 2005/06.

In SR2004 the target (Home Office PSA6) was "increase community engagement, especially amongst those at greatest risk of social exclusion"; and it had two limbs, "increasing voluntary activity by individuals at risk of social exclusion" and "increasing the voluntary and community sector contribution to delivering public services". It was accompanied by a technical note that defined "voluntary activity" as informal volunteering and formal volunteering and "people at risk of social exclusion" as those with no qualifications, people from minority ethnic groups and people with disabilities and set the measure as an increase (unquantified) in voluntary activity by those in socially excluded groups between 2003/04 and 2007/08.

In SR2007 the target (HM Treasury/Communities and Local Government PSA21) was "build more cohesive, empowered and active communities", and it had six indicators – the "percentage of people who believe that people from different backgrounds get on well together in their local area", the "percentage of people who have meaningful interactions on a regular basis with people from different ethnic or religious backgrounds", the "percentage of people who feel that they belong to their neighbourhood", the "percentage of people who feel they can influence decisions affecting their local area", a "thriving third sector", and the "percentage of people who participate in culture and sport". It was accompanied by a technical note that defined, *inter alia*, Indicator 5, a "thriving third sector" by reference to the percentage of people who engage in formal volunteering on a regular basis (at least once a month) and "the number of full-time equivalent staff employed within the sector" and the measure as an overall 6 percent increase of the two components in index form.

The Office of the Deputy Prime Minister/Communities and Local Government included an indicator for volunteering, "an increase in the number of people recorded as or reporting that they have engaged in formal volunteering on an average of at least two hours per week over the past year", in its set of thirty-five indicators to be used in monitoring performance by LSPs. This indicator was optional in Rounds 1 and 2 but mandatory in Round 3.[248] This indicator was not particularly apt, as it did not harmonise with the national indicator used in the Citizenship Surveys; and, by concentrating on more intense and regular volunteering, it set the bar very high, caused widespread confusion and made measurement difficult, if not impossible. As part of SR2007 HM Treasury and Communities and Local Government revised the system for monitoring performance and issued a set of 198 national indicators, some mandatory and some discretionary, from which each LSP had to create a portfolio of up to thirty-five priority targets/improvement targets. National Indicator 6, which is mandatory, is "participation in regular volunteering", defined as "the proportion of individuals undertaking regular (once

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[248] *Local Area Agreements: Guidance for Round 3 and Refresh of Rounds 1 and 2* (London: Office of the Deputy Prime Minister, 2006), 13.

a month) formal volunteering".[249] It now matches the national indicator used in the Citizenship Surveys.[250]

Thus since 1998 New Labour moved from viewing volunteering, both informal and formal, as the critical component of community involvement across all sectors to viewing formal volunteering as an increasingly minor element of a thriving third sector. It also moved from viewing the third sector as valuable in its own right to viewing parts of the third sector as valuable in proportion to their ability to deliver government's particular (and evolving) agenda – social inclusion, social cohesion, provision of public services and future Olympians. Moreover, as the episode of LSP indicators shows, it had difficulties in coordinating policies and their measures across departments. These changes of emphasis and lack of coordination sit badly with the wide, generous, joined-up and long-term vision for volunteering enshrined in the original Compact.

Promotion of equal opportunities in volunteering

One of the key articles of faith in the Compact is that volunteering should be open to all and that, where barriers to people's participation exist, they should be removed. However, although all people may be equal in human terms, they are not equal in terms of their propensity to volunteer, and detailing their attitudes and attitudes has been one of the prime tasks of research on volunteering. Multivariate analysis of data collected by the Citizenship Surveys suggests certain commonalities in terms of the demographic characteristics and attitudes of people more likely and less likely to volunteer.

People more likely to volunteer include those from the following groups:

- those aged 65 to 74 (compared to those aged 16 to 25)
- women (compared to men)
- those living in rural areas (compared to those in urban areas)
- those who regularly had meaningful interaction with people from different economic and religious groups (compared with those who never had regular meaningful interactions)

People less likely to volunteer include those from the following groups:

- those with no qualifications and those whose highest qualification is at GCSE level (compared to those with degrees or equivalent)
- those not born in the UK (compared to those born here)
- those in lower supervisory and technical/semi-routine and routine occupations (compared to those in higher/lower managerial and professional occupations)

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[249] *Briefing note for Local Strategic Partnerships: NI 6: "Participation in Regular Volunteering"* (London: Cabinet Office, April 2008).
[250] Although national and local outputs were not, strictly speaking, comparable because of the different survey methodologies used. The Citizenship Surveys used face-to-face interviews, while the Place Survey used postal surveys.

- those earning £5,000 or more per year (compared to those earning less)
- those with long-term limiting illness or disability (compared to those without)
- those who disagreed that they can influence decisions affecting their local area (compared to those who agreed).

As the summary of PSAs above shows, New Labour gave attention in SR2004 to increasing participation rates of groups "at risk of social exclusion" – people with long-term limiting illness or disability, from ethnic minority groups or without qualifications. Table 18 below shows the participation rates of these groups and a number of other groups that serve as indicators of whether or not New Labour's interest in advancing equality in volunteering actually had an effect. The "others" include people aged 16 to 25, people who never worked or were unemployed and people who lived in London, the region with the lowest participation rates. In some cases rates were not available, as the published reports did not include figures for volunteering at least once a month. The overall picture is clear: there was no progress at all in increasing the participation of people from marginalised groups or of those living in London, and indeed in most instances participation declined between 2001 and 2009/10.

Table 18: Citizenship Surveys: Participation rates of "advancing equalities" groups of people who volunteered formally at least once a month in the last year, 2001-2009/10[251]

	2001	2003	2005	2007/ 08	2008/ 09	2009/ 10
All	27	28	29	27	26	25
Aged 16-25		24	28	23	24	23
Never worked/long-term unemployed			22	19	18	
No qualifications	16	16	16	15	14	
Long-term limiting illness or disability	23	23	23	22	21	
Ethnic minority groups	25	23	24	22	21	18
Pakistani	22	24	19	16	20	15
Bangladeshi	22	22	15	15	21	16

[251]"Volunteering in England – Key Statistics", Memorandum, Research, Development & Statistics Directorate, Home Office, c.2006; Sarah Kitchen *et al., 2005 Citizenship Survey: Active communities topic report* (London: Communities and Local Government, 2006) (hereafter Citizenship Survey 2005), Table 12, 55; Table 20, 58; Table 22, 59; Table 30, 61; *Citizenship Survey 2007/08,* Table 2, 59; Table 3, 60; Table 4a, 62; Table 5, 63; Table 6, 64; Table 7, 65; *Citizenship Survey 2008/09,* Table 1, 71; Table 2, 72; Table 3, 73; Table 4a, 74; Table 5, 76; Table 6, 77; Table 7, 78; *Citizenship Survey 2009-10,* Table 4, 38-39; Table 5, 40 .

Groups at risk of social exclusion	21	22	22	21	20	
Living in London	25	23	27	23	20	20

There are two reasons for this lack of advancement of equalities in volunteering: lack of resources[252] and lack of focus. Although in SR2004 New Labour targeted specific groups at risk of social exclusion, it did not allocate significant resources towards bringing more people in these groups into the volunteering fold, and in SR2007 it dropped this particular target. Rather it allocated the vast bulk of its volunteering resources on young people, despite the fact that they were by no means the least likely to volunteer. This clear privileging of one group of volunteers/potential volunteers over others, especially those from groups that have exceptionally low participation rates and suffer to a large degree from social exclusion, did not accord well with the spirit of the original Compact and its Volunteering Code.

Support for volunteering infrastructure

New Labour's policies on support for the voluntary and community sector's infrastructure have not been particularly advantageous to those parts of the volunteering infrastructure that deliver support to volunteering and volunteers in the widest sense. These policies combined a focus on increasing and modernising the delivery of public services by voluntary and community organisations (with volunteers on board but with their role not well understood), an idiosyncratic interest in certain "modern" types or methods of volunteering such as mentoring, anything involving IT and anything imported from the United States, and a tendency to set up new "signature" organisations – Big Brothers and Sisters, Experience Corps, National Mentoring Network/Mentoring and Befriending Foundation, TimeBank, v, Volunteering Hub, – rather than work with existing organisations.

The contentious trajectory of arrangements at national level for volunteering under ChangeUp/Capacitybuilders illustrates the narrowing of New Labour's approach to partnership. The Volunteering Hub was set up to do much of what Volunteering England was already doing, at the cost of additional layers of governance and management. Its brief was broad: to modernise volunteering infrastructure "to achieve effective, efficient and sustainable England-wide coverage"; to support development of volunteer management by disseminating information and good practice and improving access to training; to deal with emerging issues of volunteering and risk management; and to involve the volunteering infrastructure "in the process of creating a strategic approach to the development of volunteering".[253] It performed well and was judged to have performed well in the Durning Review, which assessed the performance of all six hubs

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[252]For an exploration of the main barriers to the involvement of volunteers from under-represented groups and the additional resources need to break down these barriers, see CSV Consulting and Applied Policy and Practice Research Unit, Manchester Metropolitan University, *The costs, barriers and benefits of involving volunteers from under-represented groups* (Birmingham: Commission for the Compact, 2009), 21-27.
[253]*Report on Volunteering Hub activity for the Infrastructure National Partnership* (London: Volunteering Hub, 2006), 1-2.

and recommended that Volunteering England should directly take over the work of the Hub.[254] But when New Labour reformatted Capacitybuilders, it wrote the Volunteering Hub out of the script but then, following acrimonious public debate, wrote it back in as one of nine workstreams (albeit in the second tier of the less-well-funded) and tasked it, rather more instrumentally, with "addressing the broader needs of third sector organisations in engaging its current and potential unpaid workforce [that is, volunteers], including activism, trusteeship, encouraging diversity and diversifying opportunities for involvement (including through ICT)".[255]

Arrangements for supporting the volunteering infrastructure at local level did not have so much a trajectory as a depressingly steady state. All logic suggested that putting the network of local volunteer centres on a sound footing was long overdue and would produce significant benefits. The devolved administrations in Northern Ireland, Scotland and Wales already provided long-term core funding to networks of volunteer centres that had full geographical coverage and modernised services, so government in England was odd-man-out. Volunteer centres already played a critical (although often unappreciated) role in delivering government programmes at local level. Volunteer centres' potential was revealed by Volunteering England's ongoing modernisation of the network, with its focus on carrying out standard core functions, accreditation and branding (funded by the Hub). Volunteer centres were of particular importance to their clients, particularly those from disadvantaged groups. In 2007 2 percent of all those who volunteered at least once in the last year reported that their route into volunteering was via volunteer centres – the same proportion as those who mentioned national/local TV and involvement with an organisation but not as a service user and a larger proportion than those who mentioned national newspapers, local radio and general volunteering websites. Moreover, women, people with no qualifications, Asian people, Black people and people interested in befriending were more likely than others to report that they used volunteer centres.[256] Volunteer centers were also effective in delivering product, converting potential volunteers into actual volunteers through face-to-face contact. A survey for Volunteer Centre Tower Hamlets in 2007 showed that while 25 percent of its clients actually began to volunteer after brokerage, 38 percent of those who had face-to-face appointments but only 17 percent of those who used the on-line facility did so.[257] The Volunteering Hub commissioned research in order to find out what "long-term, sustained, predictable and reliable core funding" for a modernised and rationally configured network would look like,[258] and Volunteering England put in a bid to SR2007 for funding from central government and local authorities to start this process.[259] This bid was rejected. The work of modernising the network remains incomplete and many

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[254]Jo Durning, *Review of ChangeUp National Hubs: Final Report* (Birmingham: Capacitybuilders, 2006).

[255]*National Support Services: Background Information* (Birmingham: Capacitybuilders, 2007), 12.

[256]The percentages were as follows: women 3 percent; people with no qualifications 5 percent; Asian people 3 percent; Black people 4 percent; people interested in befriending 4 percent. *Helping Out*, Table 5.5, 39; Table 5.6, 40; and Table 5.7, 41.

[257]Kim Donahue, *Volunteering in Tower Hamlets: Local Perspectives on Volunteering Trends and Issues* (London: Volunteer Centre Tower Hamlets, July 2007), 31-32.

[258]Ann Gilbert, Becky Nixon and Damon Gibbons, *A Sustainable Funding Framework for Volunteer Centres: Final Report* (London: Volunteering Hub, 2006), 5.

[259]*Modernising the network of volunteer centres: a ten-year plan* (London: Volunteering England, 2006).

volunteer centres remain in fragile state: many have closed or face closure as the cuts begin to bite.

Removal of institutional/administrative barriers: Benefits and volunteering

One of the most intractable – but entirely unnecessary – barriers to volunteering has been the Department for Work and Pensions' inconsistent stance on volunteering by benefits[260] claimants. While it was always possible for benefits claimants to volunteer, albeit under certain conditions[261], for many years the department failed to formulate clear and simple guidance, cascade it down to front-line staff, and ensure that front-line staff implemented it thoroughly. Because the department did not do this it left people with the distinct impression that it was not possible for claimants to volunteer and that if they did so they might lose their benefits or be penalised in some other way. This had a disproportionately negative impact on some of the most vulnerable and disadvantaged people in society for whom volunteering might literally have been a lifeline – people from minority ethnic groups, people with disabilities, people who were ex-offenders[262] and people who were homeless[263]. In 2007 7 percent of non-volunteers who indicated that they would like to volunteer said that they had not done so because they were worried about losing benefits. People aged between twenty-five and thirty-four, thirty-five and forty-four and sixty-five and over and Asian people were more likely than others to say that this was the case.[264] It is only since summer 2006, when the department issued guidance, *inter alia*, that denied the legitimacy of the reimbursement of lunch expenses of claimants who volunteered and this was met by a campaign of furious resistance led by Volunteering England, that the department finally addressed this issue and attempted to resolve it in a sensible and systematic way. However, over the long haul the department's stance demonstrated the persistence of thinking in silos among government departments and cast a shadow over many volunteers and potential volunteers.

5.4.5 Summary of progress

Volunteering has been high on government's agenda under New Labour and it looks as though it will be high on the Coalition's agenda as well. New Labour did not translate this interest into sufficient or appropriate action and, as the deletion of the volunteering as a meaningful subject from the refreshed Compact shows, it lost even that interest in principle. The failure of the Coalition to reassert the importance of volunteering in the

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[260]Including carer's allowance, child tax credit, council tax benefit, disability living allowance, housing benefit, incapacity benefit, income support, jobseeker's allowance, national insurance credit, pension credit and working tax credit (some of which are administered by local authorities). *A Guide to Volunteering While on Benefits* (London: Department for Work and Pensions, 2006).

[261]At one time it was only possible for benefits claimants to volunteer for a maximum of sixteen hours per week, but there is now no limit on the number of hours they may volunteer, although claimants are still subject to regulations governing their readiness to attend job interviews/take up employment and reporting/accounting for any payments, payments in kind or expenses reimbursed.

[262]See, for example, *Volunteering for all? Exploring the link between volunteering and social exclusion* (London: Institute for Volunteering Research, 2003).

[263]See, for example, Kate Bowgett, *Homeless people and volunteering* (London: Off the Streets and into Work, 2005).

[264]*Helping Out*, Table 8.8, 69 and Table 8.9, 70. The percentages for these groups were 9 percent, 11 percent, 9 percent and 8 percent, respectively.

renewed Compact is cause for concern, and it can only be hoped that it will give this vital component of "social action" the attention it deserves.

5.5 Local compacts

5.5.1 The local vision

While the national Compact established the framework for partnership working, it was always understood by all parties that the real work of the Compact was at local level where, it was estimated, 70 percent to 90 percent of relationships between government bodies and the voluntary and community sector were hammered out. In the foreword to the original Compact Jack Straw, Home Secretary, and Sir Kenneth Stowe, Chair of the WGGR, announced their intention to carry the work forward (or rather down) to local authorities and other local government bodies:

> "We shall now carry it forward – developing codes of good practice in key areas and working closely with the Local Government Association and others to encourage the adoption of its principles and undertakings at local level."

The Compact's statement about "Taking the Compact forward" gave a more precise recipe:

> "The Government intends to encourage actively its extension to other public bodies, for example, Non-Departmental Public Bodies, and to local government, who will be invited to adopt and adapt the Compact to suit their relationship with the voluntary and community sector" (para.17).

The first local Compact, between Dorset County Council and the sector, was signed in April 1999, and after that there was a relatively slow unfolding of local compact development until 2003, when it was time "to reap the full potential of the Compact now that the architecture [of the Codes] [was] in place".[265] This signaled the prioritisation of local compact development and resulted in a flurry of activity and in formal working with the LGA, symbolised by the appearance of its chair or vice-chair as signatory/speaker at every annual compact meeting from the fifth onwards and as joint signatory of the refreshed Compact.

The refreshed Compact does not make any specific reference to local compacts but its accompanying guidance, *An introduction to the Compact*, points out that the "the majority of relationships between the third sector and public bodies exist at a local level" and goes on to say that:

> "The national Compact does not directly apply to these relationships. Instead, there are Local Compacts, which govern the relationship with local government, NHS organisations (such as strategic health authorities and primary care trusts), police and other local statutory bodies.
>
> Local Compacts should be built on the principles of the national Compact, and they will often share key commitments. The national Compact also sets the

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[265]Paper 2/ARC/2002: Sector Snapshots, 1.

context and provides the framework for Local Compact negotiations between the third sector, local government and other public bodies."[266]

The renewed Compact does not mention local compacts, although the *Accountability and Transparency Guide* which accompanies it provides information about how to make a complaint about a local public body.

5.5.2 The approach to implementation

For most voluntary and community organisations their relationships with local government bodies were of the greatest importance and so therefore was their need for partnership working through local compacts of the greatest importance. A constructive relationship can make an important contribution to establishing the conditions in which the local sector can thrive and can make a positive contribution to improving the services provided to the beneficiaries of its activities. Given the complexity of the tiers of local government organisation (and reorganisation), the ramifications of political control or no overall control, variability in local government bodies' views of the desirability and efficacy of working with the sector and the sector's views about working with local government bodies, it was difficult to design a one-size-fits-all strategy for implementation. However, the national parties to the Compact eventually fixed on a "two-pronged 'directive/incentive' approach"[267] – that is, the stick and the carrot.

Among the initial steps towards implementation of the Compact taken by ACU and WGGR, included in the Compact Action Plan 2000/01, was the publication of guidance on developing a local compact. *Local Compact Guidelines* was issued in 2000 and an updated version, *Local Compact Implementation Workbook,* followed in 2006. These included advice on the processes involved in developing a compact; the structures needed and especially the role of a steering group; the kinds of issues that might arise; and the importance of adequate resources for the development process.

This guidance was the product of the joint Steering Group on Local Compacts set up by the WGGR and the LGA. Its publication in July 2000 was felt by some to be "absurdly late" as some local voluntary bodies had already developed compacts: "The guidelines would have been helpful a year ago".[268] The delay was explained by the need for the LGA to circulate a draft to its local authority members and refine it in the light of their feedback. The Steering Group, having taken on the responsibility for the development of regional compacts in 2002, was superseded the following year by two new groupings – the National Forum on Local Compacts which brought together central government, local government and the sector, and the Local Compact Developers Network, which brought together front-line staff from local authorities and the sector. In September 2007 the latter became Local Compact Voice, a change of name which might have eased its absorption into Compact Voice in 2008. This final change can be seen as the loss of a

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[266](London and Birmingham: Compact Voice, Cabinet Office, Commission for the Compact and Local Government Association, 2009), 5.
[267]Paper 1/ARC/2002: Making it Work, 9.
[268]Nicola Hill, "Slow progress: Nicola Hill on belated guidelines for local partnerships", *Guardian*, 27 July 2000.

separate focus for local compacts or as an overdue consolidation of national and local concerns into a single place.

For its part, the LGA was active in commending local compacts to its members but always with a focus on the practicalities of joint working. For example, at the fourth annual meeting in 2002, Sir Jeremy Beecham, chair of the LGA, "confirmed his strong support for the Compact" but stated that the focus of the meeting was too "process driven and there was a need to address issues on the ground" – including "the need to understand variance across the voluntary and community sector"; "the role of scrutiny in Local Government", and mechanisms for examining input from the voluntary and community sector to policy issues; and "the need to look at the connection between work with the sector and the improvement of services to the public".[269] In August 2003 Phil Swann, the LGA's director of strategy and communications, reported that: "over the coming months, the Local Government Association will be working with the Compact Working Group and the Active Community Directorate to promote the development of local compacts to the remaining 90 councils which have yet to make the commitment to develop one."[270]. Beecham later highlighted the need for local compacts to become more inclusive on the government side and involve the police, fire services and local further education colleges.[271] How influential the LGA was in this respect is difficult for us to judge, but we can assume that its attempts to persuade – for that was its only lever – met with very varied receptions.

Government seized on the importance of local compacts as a measurable at an early stage. In 2001/02 the assessment criteria for the accreditation of LSPs stated that "meaningful community engagement takes time" and that assessment should look at "levels of participation of the community and voluntary sectors in the LSP", including "evidence of continuing and effective Local Compact development, explicitly linked to the Local Strategic Partnership".[272] The report of the Cross-cutting Review 2002 recommended that government should "commit itself in the medium term to increasing the number of local Compacts" and that there should be "sensible targets".[273] In the following year, the Office of the Deputy Prime Minister and the LGA published a national strategy for procurement by local government, which, as part of a package of improvements in the way in which local authorities spent money on external procurement, recommended the development of local compacts with the sector which would include protocols for grant funding and contracting.[274] Another publication – from the Local Partnerships Taskforce set up as part of the Treasury's Cross-cutting Review 2004 – included in its check-list for local practitioners the need both to improve the understanding between local public bodies and voluntary and community sector

[269] *Fourth Annual Meeting*, 6.
[270] Phil Swann, "OPINION: Thinkpiece: Local councils do have buy-in to the Compact", *Third Sector Online*, 6 August 2003.
[271] Quoted by Matthew Little in "Beecham urges sector scrutiny", *ibid.*, 12 May 2004.
[272] Sundeep Aulakh, Jayne Woolford, Mike Smith and Chris Skelcher, *Accreditation of Local Strategic Partnerships (2001/02): An Analysis and Review of Documentation: A Report for the Neighbourhood Renewal Unit at the Office of the Deputy Prime Minister* (Research Report No.4; Birmingham: Institute of Local Government [INLOGOV], University of Birmingham, 2002), 67/68.
[273] *Role of the voluntary and community sector in service delivery*, para.7.6, 29.
[274] *National procurement strategy for local government* (London: Office of the Deputy Prime Minister, 2003), 47, 49.

organisations and to develop a more stable and effective funding relationship between them which should be based on the principles of the Compact.[275]

Government also set a deadline for the publication of a compact in all local authority areas. This was originally to be April 2005 but was extended to March 2006. In the event, 94 percent of the 388 local authorities were reported to be "compact-active" (having signed or working on a compact) by 2005.[276] This was despite a general lack of leverage on the part of government. The main way in which local authorities could be required to develop a compact was through their linkage to the system of LAAs and LSPs. We have already noted that progress towards a Compact was among the assessment criteria for registration of an LSP, and this would appear to represent an important lever in the hands of central government. According to Jeremy Kendall, while "Compact enthusiasts" welcomed voluntary sector involvement in the LSPs they were concerned that this might "crowd out" attention which might otherwise have been devoted to compact processes.[277] The answer to this threat was the requirement that a local compact should be developed as a prior condition for the release of central government funds to the LSP. Unfortunately for them, however, even tokenistic nods towards a compact were enough to meet this requirement in the eyes of the staff of the government offices of the regions who administered the programme.

Another possible lever came in the form of one of the optional national indicators which formed part of the later regime of target-setting through Comprehensive Performance Assessment introduced in 2008. This was NI 7: environment for a thriving third sector. The Cabinet Office's guidance includes a reference to what can be seen as a statement of Compact principles; that this thriving environment could be achieved by local authorities "through their approaches to partnership working, consultation, funding relationships, or in the ways they commission and procure services".[278] There was, however, no explicit mention of the Compact as a means to this end.

Local authorities were not, however, the only local public bodies who were expected to engage with the sector through a compact. In 2002, David Lammy, the Health Minister, wrote to all NHS trusts and primary care trusts to encourage them to sign up to their local compacts, and, in December of that year, he told the House of Commons that the Department of Health was "determined to see all national health service organisations in England signed up to geographically relevant compacts by 31 March 2004; as at 29 September 45 have done so".[279]

Attempts to deliver a nation-wide comprehensive set of local compacts have thus been advanced through the formation of tripartite promotional structures which involved representatives of central government, local government (mainly by local authorities'

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[275] *Effective Local Partnerships: A Checklist for Local Practitioners in the Public and Voluntary Sectors* (London: Home Office, c.2005).
[276] Craig *et al.*
[277] See Jeremy Kendall, *The Voluntary Sector: Comparative perspectives in the UK* (London: Routledge, 2003), 72-73.
[278] *Briefing for Local Strategic Partnerships NI 7: 'Environment for a Thriving Third Sector'* (London: Cabinet Office, 2008), 4.

umbrella organisation, the LGA, and, increasingly the central government department responsible for local government, Communities and Local Government) and the voluntary and community sector; the publication of practical guidance on implementation; and a variety of attempts by central government and the LGA to encourage and persuade local authorities to commit themselves to the initiative. These were reinforced by measures such as linking the Compact to LSPs and, implicitly, to NI 7 but these have provided only weak forms of persuasion.

There were, however, "bottom-up" approaches that complement these "top-down" efforts to implement policy. Part of Compact Voice's programme has involved practical face-to-face support for voluntary and community organisations as they sought to develop better relationships with local government bodies, and it anticipates that this work will be enlarged in the immediate future. And, while the purpose of the Compact Advocacy Programme is to challenge breaches of the Compact, its approach goes beyond addressing specific issues or problems to try to improve the underlying relationships between organisations and government bodies. The Commission, too, developed similar programmes that offered expert support to local government bodies and local voluntary and community organisations to help them adhere to their local agreements or local compacts and engage with each other. This approach to implementing local compacts through organisational development offers an appropriate mean of addressing some of the major issues of understanding and capacity which can stand in the way of developing effective partnerships and nurturing the relationships on which they depend and which they are designed to reinforce.

5.5.3 Progress in developing local compacts

There is no definitive list of local compacts (and, for that matter, analysis other than case studies, generally of the "usual suspects"[280]), and this makes a comprehensive analysis of their distribution, configuration and impact a daunting task. The minutes of the second annual meeting note that a National Register of local compacts had been established, and the minutes and other documentation for subsequent annual meetings up to and including the seventh in November 2006 gamely report the numbers, although generally cloaked in the spin-friendly terminology of "compact-active". The Commission's report to the eighth annual meeting notes that compacts were "agreed and being updated" in "virtually all areas".[281] And that was that. Compact Voice, which is the holder of the National Register, has not made this publicly available and has only recently posted a "green flag" map of "where in England Local Compacts are currently working best, based on telephone interviews with local groups and our own knowledge of Local Compact performance" (N = 18).

We have attempted to assess progress in implementing local compacts in four ways. Firstly, we have tried to map the extent to which government's target of geographically

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[280]See, for example, *Local Compacts at Work: A portfolio of short case studies demonstrating the practical application of Local Compacts* (London: Compact Voice, 2011).
[281]*8th Annual Review of the Compact on relations between Government and the Voluntary and Community Sector (VCS): Progress report against the Joint Compact Action Plan 2006-08, 13 December 2007* (Birmingham: Commission for the Compact, 2007), 3

complete coverage of England has been achieved and how long the process took. Secondly, we have tried to establish how far government's aim of securing the involvement of a range of public bodies in local compacts has been met. Thirdly, we have looked at the nature and scope of these local arrangements. And, finally, we have tried to identify the kinds of impact they may have had on relationships between the sector and local government bodies.

Number of local compacts

The course of implementation of local compacts, according to Compact Voice's annual survey, attached to its *Annual Sector Report 2006*, is set out in Figure 5: This shows that by November 2006 363 local compacts had been signed, another 19 were in the works and in six areas – Allerdale, Brentwood, City of London, Isles of Scilly, Three Rivers and Welwyn Hatfield, nothing was happening.

Figure 5: Compact Voice: Number of local compacts signed and proportion of local areas covered by a local compact, 1999-2006[282]
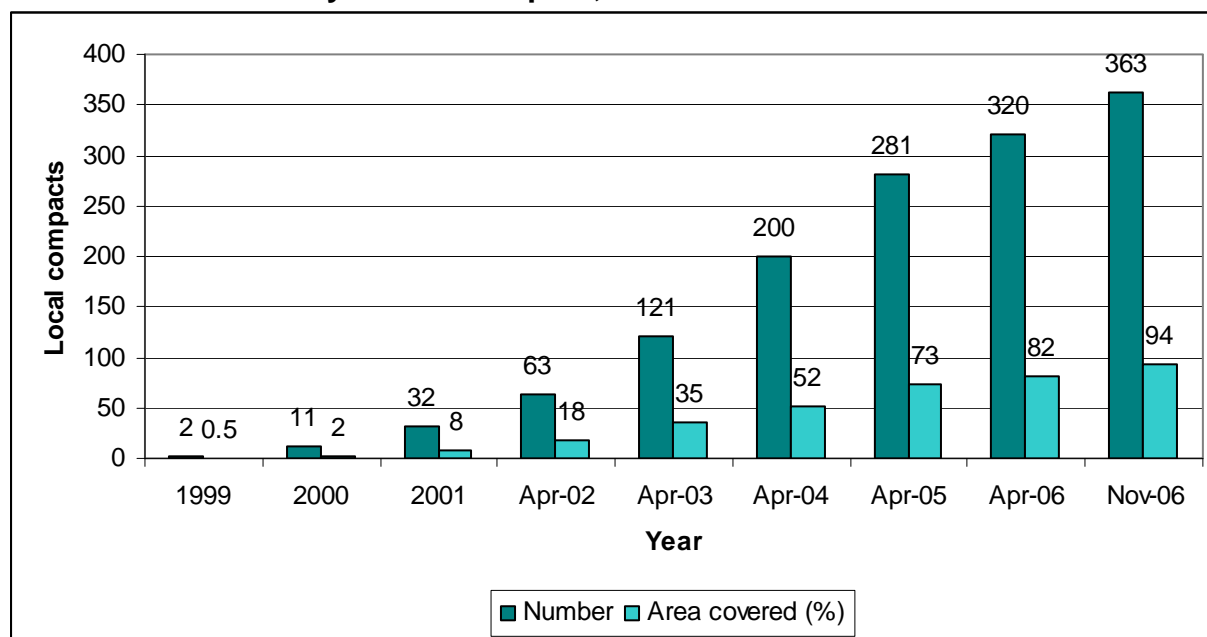
We have constructed a more up-to-date summary which shows the growth in the number of local compacts over the period 2000-2010. This is based on a list published by Compact Voice in February 2003 and updated in February 2006; information on the Commission's website; and our search for local compacts and their ancillary documentation currently live on the web, mainly on the websites of local authorities and councils for voluntary service. There are two complications involved in establishing exactly when these were created. The first is the absence of critical descriptive information: some compacts have been revised or updated and make no reference to the original document, while others do not include the date of signature or publication.

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[282] *Annual Sector Survey 2006*, 6.

The second is the reorganisation of local government in 1995-98 and 2009 which led to the creation of 56 unitary authorities, the reduction in the number of shire counties from 39 to 27 and the reduction in the number of district councils from 294 to 201. In 1998 there were 388 local authorities in England. There are now 353 local authorities. The tables in this section are based on the current organisation of local government.

Figure 6 below shows the date of signing of the 187 compacts known to us. There was a steady climb in the number of local compacts signed from 2000 to the peak years of 2004 and 2005. After 2005 there was a decline for two years, then a jump in 2008 before another decline. The higher figure for 2008 is due not to new local compacts coming on stream but to the refreshment of existing compacts.

Figure 6: Number of local compacts available on the web in 2011, by date signed (N = 187)
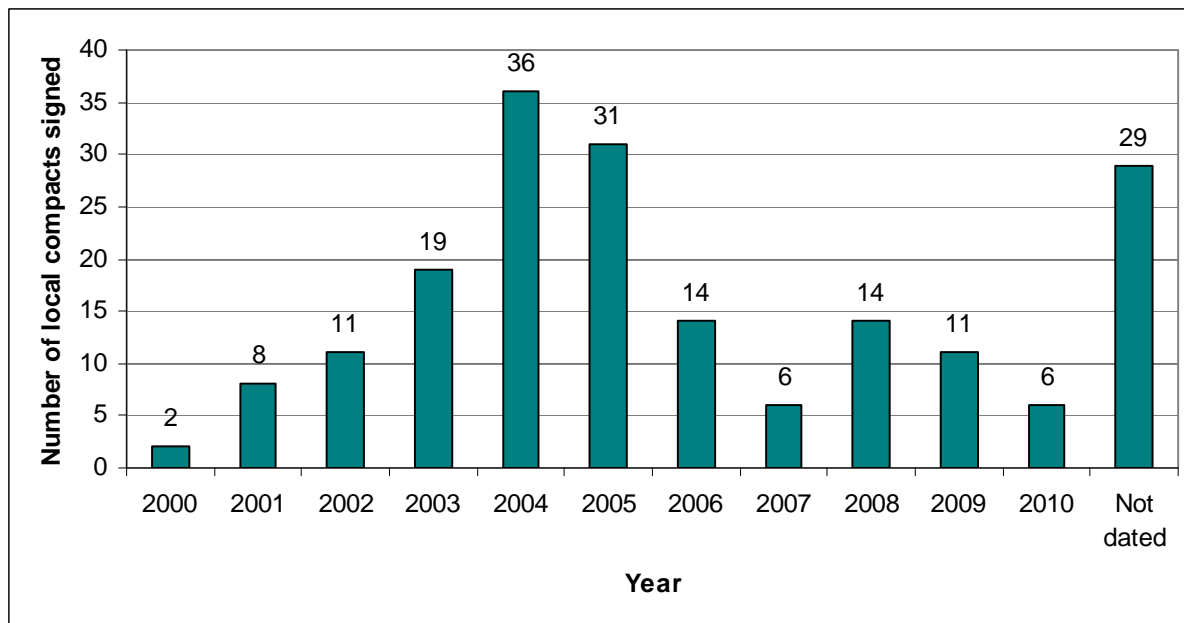
Table 19 provides a breakdown of the number of local compacts by the type of local authority and date signed.

Table 19: Number of local compacts available on the web in 2011 by type of local authority and date signed (N = 187)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	No date
Unitary authorities	1	2	3	3	8	10	3	1	5	5	2	8
Metropolitan borough councils	1	2	4	2	7	6	2	3	3	2	3	0
London boroughs	0	3	1	5	7	1	1	0	1	2	1	11
District councils	0	0	1	6	11	8	2	1	1	1	0	10
County councils	0	1	2	3	3	6	6	1	4	1	0	0
All Compacts	**2**	**8**	**11**	**19**	**36**	**31**	**14**	**6**	**14**	**11**	**6**	**29**

Of the 29 undated local compacts, 8 are in unitary authorities, 11 in London boroughs and 10 in district councils This may skew the distribution, especially for London boroughs, but not the general trend.

Table 19 also reveals that there is life in local compacts: many have been refreshed or created recently. 2010-vintage local compacts are located in Cornwall, Northumberland, Birmingham, Leeds, Newcastle-upon-Tyne and Enfield.

It has been difficult to estimate the proportion of all local areas covered by local compacts. As noted above, there were originally 388 local authorities and Compact Voice recorded the signing of 363 local compacts by 2006. We have recorded 187 existing local compacts. All 33 London boroughs and 27 county councils have local compacts. All but one of 36 metropolitan borough councils have local compacts. Fifty-one of 56 unitaries have local compacts. In 1998 there were 258 district councils of which 241 had local compacts (93 percent) and 17 (7 percent) did not. Following reorganisation there are now 201 district councils of which 138 or 69 percent are covered by county compacts, 41 or 20 percent have individual compacts and the remaining 22 do not have compacts. That is, overall 28 (or 8 percent) of all local authorities do not have local compacts (not locatable on the web). This suggests that national coverage of local compacts is currently around 92 percent after a process of consolidation under county compacts.

Signatories

While most of the local compacts have been signed by representatives of the local authority and officers of the council for voluntary service (or equivalent), the identity of other signatories varies considerably. The most common of these are representatives of NHS primary care trusts, followed in frequency by representatives of police forces and fire services.

The number and identity of signatories varies widely: Colchester (2004) has 50 signatories; and Dacorum (2007), 70. Tendring (2003) includes the Sea Cadets; Watford (2002), the YMCA; Redcar and Cleveland (2005), two MPs, the TUC and Middlesbrough FC; Norfolk (2001), HMP Wayland; and Worcestershire (2006), the chamber of commerce, the local university, Church of England Diocese and HSBC.

Some local compacts offer individual organisations the opportunity to sign up and provide a form for that purpose. This may be on the local authority's website or, less commonly, on that of the council for voluntary service. Examples include Cornwall (2010), Darlington (2004), Oldham (2009), Rochford (2008) and Slough (2005).

Table 20: Number of local compacts available on the web in 2011, by type of local authority and type of signatory (N = 187)

	Total signed by LA and CVS or equivalent	Total signed by other types of signatory in addition to LA and CVS or equivalent					
		Health	Police	Fire	Other	CVS only	Not clear
Unitary authorities	46	27	19	11	24	5	24
Metropolitan borough councils	33	17	6	3	12	2	15
London boroughs	33	23	11	3	9	0	10
District councils	37	20	9	3	10	4	6
County councils	25	16	11	5	9	2	9
Total	174	103	56	25	64	13	64

Table 21: Number of local compacts available on the web in 2011, by type of signatory and type of local authority (N = 187)

	Total with this combination of signatories	Unitary authorities	Metropolitan borough councils	London boroughs	District councils	County councils
LA and CVS or equivalent	174	46	33	33	37	25
Health, Other & Police	25	9	3	4	4	5
Health & Other	18	5	5	3	2	3
Health, Fire, Other & Police	17	9	2	2	2	2
Health & Police	13	0	1	5	5	2
Other	3	0	2	0	1	0
Health & Fire	2	0	1	1	0	0

Health, Fire & Police	2	1	0	0	0	1
Health, Fire & Other	1	1	0	0	0	0
Fire, Other & Police	1	0	0	0	1	0

Nature and scope of local compacts

Given the absence of a prescribed model and the presence of guidance which is more about the process of developing and agreeing a local compact than about what it should contain, it is hardly surprising that local partners have adopted and adapted the national Compact in so many different ways. The variety of approach and content suggest that a great deal of time and effort has been devoted to crafting individual responses for specific localities, although some local compacts acknowledge that they have borrowed from other compacts which provided a suitable model.

The documents vary enormously in length and in the way they are presented. At one end of the spectrum they are as short as two pages and presented in the form of a (web-based) leaflet. Others are considerably longer (twenty pages) and may take the form of well-designed and copiously illustrated publications. Most of them – but by no means all – follow the national model to the extent of supplementing the main text with codes of good practice. The number of codes varies: there are as many as seven, although the average is three. As a general rule the later the local compact is developed the larger the number of codes, while some of the early documents include a commitment to produce codes at a later date – commitments which are not always met. Some local compacts have other kinds of statements of principle and checklists such as "twelve key elements of partnership". Some include information about their origins and/or the process by which they were developed. Others focus on issues of local significance such as gypsies and travelers; the needs of small groups; or the management of community premises.

Many local compacts also specify how they are to be managed and some include procedures for when things go wrong. In the first case these are linked to detailed and concrete action plans with clear arrangements for monitoring and reviewing progress although these were not always delivered. In the second case they address issues of conflict and disagreement; resolution of disputes; and conciliation, mediation and arbitration.

Impact

A report from the Audit Commission[283] has highlighted the impact which an effective local compact can make.

The Audit Commission found that, in general, voluntary organisations benefited from developing a local compact by gaining a greater understanding of the constraints on

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[283] *Hearts and minds.*

both sides and improving local authorities' understanding of full-cost recovery. For their part, local authorities benefited from strengthening the relationships through improved mutual understanding, consulting with a wider range of voluntary organisations and establishing joint principles and the concept of joint working.

More specifically, the Audit Commission found that local compacts have - to some extent - helped to improve funding and commissioning practice. Half of the respondents to its study expressed this view and suggested it had led to longer-term funding; increased confidence about future funding arrangements; greater transparency; and a greater willingness on the part of organisations to challenge local authorities' decisions.

Other evidence about the impact of local compacts tends to be anecdotal. It tends to provide case studies rather than solid quantitative data. Our key informants were in agreement on the following:

- The value of local compacts varies greatly from place to place, and this depends on a number of factors, including the quality of the existing relationship between the sector and local government bodies; the capacity of the leading sector infrastructure body; and the quality of its leadership.

- The main impact of local compacts is to reinforce existing good practice and healthy relationships and provide some insurance against changing circumstances such as a change in political control or the movement of key individuals.

- At their best, local compacts have a considerable impact on the behaviour of key people which may lead to important benefits for organisations and the people they serve.

- Evidence of good practice can be readily found in the work of those who have won awards since the system was reformed by the Commission for the Compact in 2009 to introduce more robust criteria for judging excellence.

- There is continuing evidence of the continuing force of the "paradox of compacts": they can improve relationships which are reasonably well-founded but cannot change them where change is most needed.

Specific issues

There are a number of specific issues which contribute to the success of failure of local compacts. The Audit Commission identified three main reasons why they might not work effectively:

- lack of resources for implementation
- lack of tangible incentives for engagement
- failure to take account of local circumstances.

Other explanations include:

- A tendency to focus on the production of a document for publication rather than on the long-term task of developing the relationship of understanding and trust without which the local compact will not work.

- Failure to follow through when the agreement has been made and to ensure that there are adequate arrangements for implementation and review. These are essential if the local compact is to have long-term value.

- Lack of time and other resources to sustain the process of building relationships; agreeing a Compact; and implementing it. This was often an issue for the council for voluntary service or other infrastructure organisations which needed to free up the time of a senior member of staff for the purpose.

- Distractions in the form of many other competing initiatives such as Local Area Agreements and LSPs; the Comprehensive Performance Assessment; Community Empowerment Networks; and, for councils for voluntary service, the ChangeUp infrastructure development programme.

5.5.4 Summary of Progress

Given that the WGGR/CWG/Compact Voice and their partners in the ACU/ACD/OTS lacked both carrots and sticks with which to promote local compacts and there was considerable competition from other policy initiatives over the period, it is remarkable that the idea of local compacts has spread so widely and with such comparative speed. And, as we have seen, local compacts at their best have helped to improve and reinforce good relationships between the sector at local level and the government bodies with which they have to deal to the benefit of both parties.

On the other hand, we have also noted that the proportion of local compacts which function at this level is now quite low, not only because of the migration of remit from district councils to county councils but also because of the relative lack of energy of many local compacts. We do not have the evidence to be precise about the proportion of existing local compacts which are "resting", but one informed estimate is that approximately one-third may be working well; another third may be moribund; and the rest are somewhere in between.

On the face of it, then, the approach adopted by both Compact Voice and the Commission for the Compact of trying to build on the good practice of the best local compacts and use a face-to-face process of organisational development to help others to emulate their success seems appropriate. But there are formidable problems with this strategy. The most immediate of these is the question of resources. While Compact Voice will be able to increase the resources it deploys in the field, these additional resources will not make up for the loss of the much more significant resources that have

vanished with the winding-up of the Commission, and it is difficult to see how these can be replaced. Secondly, developing and sustaining local compacts has been challenging enough in the "good times" of comparative prosperity and growing financial support for the sector but it will be a great deal more difficult to work on a better relationship between the sector and the government bodies with which it works when the latter's key agenda will be to make deep cuts in funding. There is, however, an even more threatening scenario. If the Coalition pursues its radical policies of marketisation of the public sector and reduction in the name of localism of the role of local authorities to that of commissioning services from "any willing provider", there is unlikely to be a place for a local compact and unlikely to be recognisable local government bodies with which to negotiate it.

6. Discussion and conclusions

6.1 The "story" so far

The creation of the Compact was an act of partnership about partnership by government and the voluntary and community sector. On the one hand the sector through the agency of the Deakin Commission made clear its unhappiness with the current state of play and its hopes for a more positive relationship – embodied in the Commission's recommendation of a "concordat". On the other hand the Labour Party soon to be in government through the agency of its extensive consultation on future policy with regard to the sector made clear its willingness to try something new – embodied in its recommendation of a "compact". These two streams of thought and anticipated action met and through parallel and joint working both sides agreed on "a new approach to partnership.... based on shared values and mutual respect" and embarked on the journey to implementation.

The publication of the original Compact was, therefore, both the product of a good deal of energetic activity and the catalyst for continuing activity by government and the sector. In its early years working groups hammered out the five Codes of Good Practice; another group developed guidance to enable the Compact to be adapted and applied at local level; the first annual review meetings took place; and the first joint action plans were drawn up. While the development of local compacts continued, reaching a peak in 2004 and 2005, in general the intensity of work on implementing the Compact was not sustained and five or six years in the work was faltering.

In 2005-06 it was decided to energise the process of implementation through the mechanism of Compact Plus, an initiative that itself faltered before it could complete its mission. However, one of the remedies proposed by Compact Plus was the appointment of a Compact Champion and, while Compact Plus disappeared, the idea of the Champion had legs and in due course led to the appointment of the Commissioner and the establishment of his Commission for the Compact. For the first time in the life of the Compact, government committed serious resources to the work of promoting the Compact, and the Commission led the way to a new beginning, the negotiation of a slimmed-down and fit-for-purpose "refreshed" Compact.

This second spell of purposeful activity and high hopes was brought to an end by the arrival of the Coalition Government following the general election of 2010. The Coalition decided to wind up the Commission at the end of March 2011 and dispense with the services of the Commissioner, Sir Bert Massie, and his expert and effective staff team. It did not, however, lead to the abandonment of the Compact. Instead the Coalition redrafted the document as the "renewed" Compact so that it was a more accurate reflection of its own policies. And it increased somewhat the funding of Compact Voice at a time when funding of government's "strategic partners" in the sector under severe stress.

The ebb and flow of energy and resources devoted to the implementation of the Compact is one important thread in its story. Another is the way in which the policy environment has changed during the period it has been in existence. We can identify three key changes: a shift from partnership to commissioning; the growing importance of targets and performance indicators as instruments of government policy; and the development of the idea of a unified "third sector".

The first shift in government policy was from the general, support for the voluntary and community sector in all its multifarious activities, to the particular, support for those parts of the sector that might contribute to public service delivery. The original Compact was negotiated against a policy background in which partnership with the sector was prized by government for broad strategic reasons. It would help to "unify" various strands in New Labour's programme including increasing trust and combating social exclusion as well as marketising public service delivery.[284] The Compact can also be seen as the starting point for a shift in the nature of government's relationship with the sector from "co-production" to "co-governance" or, in other words, from contracting to "networked partnership".[285] This approach to policy may help to explain why government supported the development of the Codes of Good Practice on Community Groups and Volunteering, which are only tangentially linked to issues of funding and procurement, and why voluntary and community sector organisations were expected to play a full role in Local Strategic Partnerships.

Over the life of the successive New Labour administrations and of the Compact the broad approach to partnership has changed into a narrower and more instrumental emphasis on relationships based first on contracting and subsequently on commissioning. Increasingly, the solution to shortcomings in the delivery of public services was seen to lie in the discipline of the market rather than alliances and complementarity between sectors. This major change in the policy landscape helps to explain the perceived need to revise the Compact to reflect new realities. From this point of view, the refreshment undertaken in 2009 came too late and did not go far enough, which is one reason for the haste with which the Coalition rewrote it. Neither of the two more recent versions exhibits the symbols of partnership found in the original document – in which eighty-three of the undertakings were made jointly by government and the sector and which had a joint foreword signed by the Home Secretary and the Chair of the Sector's Working Group. And there has been a growing focus on funding and procurement issues at the expense of other areas: the latest version has a total of forty-eight undertakings of which twenty-six are directly related to funding issues and another nine are about the design and development of services.

It may also be worth noting here that, when we looked at the impact of three of the five Compact Codes (in Section 5), the one that was seen to have made a difference at both national and local level was the Funding and Procurement Code, while we knew very little about the impact of the Consultation Code and found little evidence that the Volunteering Code had made much difference.

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[284]See Haugh and Kitson.
[285]See Kelly.

The second important shift of policy is focused on government's interaction with local authorities, which has become progressively more prescriptive. The trend began with the framework of Local Area Agreements and was intensified by its replacement by the Comprehensive Performance Assessment and then, for a brief period, the Comprehensive Area Assessment. As we have seen, these arrangements were used to some extent as levers for the development of local compacts, although with limited impact. Perhaps more importantly, they have the effect of downgrading the importance of local compacts: in a system where performance is prescribed and meeting targets is mandatory why should local authorities be interested in an agreement that does not have to meet clear central government requirements or does not require them to demonstrate that they have met targets?

The third shift of policy away from the "loose and baggy monster" has been the way in which voluntary and community sector organisations have been redefined as a single entity – the "third sector" – which is primarily in the business of providing services and which has adopted the private-sector norms of performance management. This has been driven by measures such as the adoption of the term "third sector" by government; an increasing emphasis on social enterprise as a kind of "magic bullet"; and highly normative programmes of "capacity-building". While it has been argued[286] that the Compact was itself part of this process, we can also see the impact that "sectorisation" made on it. In 1998, Sir Kenneth Stowe was adamant that his Working Group did not "represent" the sector - nobody could – but, more recently its successor body could assert that it was "the voice of the sector on the Compact" and feel secure in a claim for legitimacy which was based on a board made up of representatives of national infrastructure organisations who are regarded by government and themselves as spokespeople for the sector. More generally, there is a growing tendency for voluntary and community sector organisations at both local and national levels to opt out of the process on the basis that it is the business of infrastructure organisations to deal with these kinds of issues. As a result "ownership" of the Compact within the sector is vested in a decreasing number of hands.

6.2 Problems of implementation

Both the ebb and flow of energy and the changing policy context have impacted on the implementation of the Compact. It is probably the case that much public and social policy can be analysed in terms of the ways in which excellent policies have had their impact reduced by flaws in their implementation. The Compact was hailed as a groundbreaking initiative of great importance, but its achievements and impacts over the twelve years of its existence have been comparatively modest (to the extent that we can measure them). The gap can be explained to a large extent by five factors.

- **Lack of consistent and effective leadership at ministerial level**. The ability of Ministers to provide consistent and effective leadership in achieving the government's agenda for the sector was constrained by: the short time most of

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[286]For example, by Carmel and Harlock.

them held the post; the extent to which they had responsibilities other than the Compact; the depth of their knowledge or their interest in the sector; the degree of political influence they could exert; and the level of their political skills.

- **The inadequacy of the key part of the machinery of government**. What in 1998 was the VCU and is currently the OCS has experienced continuous change and has had almost as many heads as it has had ministers. In the early years of the Compact it was completely overstretched and, although its staffing has been increased, so too has the scale of its responsibilities. It has been able to devote very few staff resources to work on the Compact.

- **The shortcomings of the lead body for the VCS**. Funding for the Secretariat of the WGGR/CWG/Compact Voice was very modest to begin with and is still very modest. The abolition of the Commission for the Compact has led to a small increase in funding, but this is not enough. There are serious questions about Compact Voice's ability to represent the sector and its independence from NCVO on the one hand and OCS (which provides its funds) on the other.

- **The weakness of mechanisms for liaison**. The original means of liaison between government and the sector was the annual meeting. Over the years the function, status and value of these occasions has changed for the worse at the same time as the joint action plans have progressively abandoned concrete objectives for broader aspirations. While the system of appointing liaison offices appears to have been successful, the performance of the higher-level Champions has varied a great deal. Regular meetings between OTS/OCS and Compact Voice (and the Commission while it existed) are important but do not replace more representative gatherings.

- **The limitations on the Commission**. The Commission was hamstrung by lack of authority – it sought the power to demand papers – and lack of independence from OTS/OCS. It needed to be formally constituted and to report to a Parliamentary Committee rather than Ministers (who could be and were in breach of the Compact on more than one occasion). It also needed a clearer statement of its role and functions – the boundaries between Compact Voice and itself were a cause of friction**.**

6.3 Was it the right approach?

In this section so far, we have tended to assume that the Compact was a "good idea" which just needed better implementation, but we are aware that this is not a universally accepted view. In this section, we will therefore address some of the more common criticisms that have been leveled at it.

The most common criticism of all is that it does not work because it has no "teeth". In the words of one critic, "You are completely out to lunch if you think a renewed Compact is going to have the slightest effect on what local authorities are or aren't deciding they are

going to do with everyone's budgets or retendering their contract". Proponents of the Compact counter this by suggesting that the criticism is based on a misunderstanding of what it is intended to achieve. One informant said that he "originally thought the Compact was a quasi-judicial document that told us exactly what we should do and the sword of Damocles would come down upon us if we didn't. Then I realised it was more about telling people how to behave and letting people work out their own way of aspiring to what it sets out". Others have pointed out that there are mechanisms for seeking compliance aligned with the Compact: the Compact Advocacy Programme had a good track record and, with, public law, offered a means of addressing problems. On the other hand, some of these "teeth" might end up drawing blood without securing redress: a judicial review can make the local authority rerun its consultation, but it cannot make it change the decision to cut a grant to a voluntary organisation. Developing a relationship which avoids confrontation in the courts because a proper process exists and can be used may be an attractive alternative.

A second criticism is that the Compact is only of relevance or use to the comparatively small number of voluntary and community sector organisations which are funded by government bodies and is of no interest to the many organisations which do not have those relationships. Given the changes that have been made in the text of the "refreshed" and the "renewed" Compacts, that criticism seems to be justified. See Appendix 4 for an example of this "ownership".

A third criticism is that the Compact is entirely discredited because those who claim to speak for the sector at national or local level have no right or mandate to do so. This is often combined with disapproval of what has been said or done by the self-appointed representatives and here we come to the nub of the critique developed by supporters of the National Coalition for Independent Action. They believe that those who claim to speak for the sector are self-serving or naïve - or both. Until recently, they argue, the organisations these spokespeople represent have gained prestige and resources from their ability to contribute to government's agenda for the sector and they have been careful not to rock the boat. NCIA regards the "sector leaders" as naive because they believe that the document that is the Compact can act as a counterweight to the fundamentally unequal balance of power between the government and the sector.

The analysis that is developed from here is a practitioner equivalent to the academic concept of "governmentality" we discussed earlier in this report. It is based on a number of beliefs. As well as emphasising the unequal nature of the relationship between government and the voluntary and community sector these include the view that the "leaders" of the sector have been co-opted by government on the basis that there are shared values across the sector boundary which enable both sides to work together and that it thus undermines the ability of the sector to express "political" views and put forward alternative policies. And, at bottom, it may be based on distrust of government rather than belief that it is a force for good. From this point of view, the "rules of engagement" need to recognise that the relationship between the state and the sector may involved disagreement and conflict about values as well as policies and programmes.

6.4 What next for the Compact?

For those who recognise and accept the force of the radical critique outlined in the previous section the answer to the question, "What next for the Compact?" is straightforward: it is not only discredited and useless but also positively harmful as a means of co-opting the sector and disguising the real nature of the unequal relationship between the government and the sector. The only possible decision is to get rid of it.

For those who take the view that the Compact is a good idea which has been poorly implemented, the answer is less obvious. The best opportunity for a practical way of embedding good practice, promoting healthy relationships in central and local government and restoring some of its appeal to the wider voluntary and community sector has been lost with the Commission. The want of a properly-resourced independent body with powers of investigation and a duty to report to Parliament - as it could have become - will be felt in the immediate future. And the Compact has also been weakened by flagrant breaches by both New Labour and the Coalition and damaged by the shortcomings of the hastily assembled "renewed" text.

In the immediate future, moreover, the Compact will come under more pressure than it has yet experienced as government's programme of cuts in public expenditure impacts on voluntary and community organisations and the people they serve. This will test the belief expressed by a number of our informants that the Compact was a useful tool for the good times but less of an asset when the going got tough. It will also test the more optimistic view that the harder the times, the greater the need for the Compact, and, while it could not be expected to stave off the cuts, it could ensure that the process was carried out in a more inclusive and considered way. While some might appeal to the Compact in the hope it will help them achieve a more orderly process, others might put it away in a safe place ready to be retrieved and used again when times improve.

On the other hand, if the scenario offered to us by one of the members of our reference group, Professor Nicholas Deakin, comes to pass, it is difficult to envisage any future place for a Compact. He suggests that:

> "If government, central and local, is to withdraw entirely from delivery of public services of any kind (except justice and espionage), as seems to be the Prime Minister's present intention, then the state with which any Compact is made will be a quite different sort of animal. When there is a wide range of activities where the voluntary sector and the state share common interests and responsibilities, as they do currently, it still makes sense to talk about 'partnership'. But once central government's role is confined to setting the level and terms of financing and determining the format for contracting it ceases to do so. In these new circumstances, all that would be relevant in the Compact would be a version of the former funding and procurement code, adapted to meet the situation which will now exist."

What next for the Compact? We seem to be left with three equally unappealing options:

1. Recognise that it is a sham and a fig-leaf and get rid of it.

2. Believe in the value of its principles, hold on and wait for better times.

3. Wait for it to swept away by the development of the radical policies of the Coalition.

But there is a more hopeful scenario. A policy paper prepared for the Liberal Democrats' 2011 Spring Conference[287] notes the success of Liberal Democrat-led council in Leeds in adapting and implementing the Compact but suggests that funding of the Compact "as a national organisation" should be discontinued. Our informants felt that it was at the local level that Compact principles had been most influential and offered most hope for the future. It is there that people have "used it", and it may be that it is principally at the national level that we will "lose it.

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[287] *Community Futures,* 19.

Appendix 1: List of key informants

Professor Pete Alcock
Paul Barasi
Lord (Jeremy) Beecham
Andy Benson
Alison Blackwood
Simon Blake
Dawn Carr
Ravi Chauhan
Richard Corden
Kevin Curley
Professor Nicholas Deakin
Nick Drew
Seb Elsworth
Sir Stuart Etherington
Georgina Fletcher-Cooke
Andy Forster
Adam Gaines
Richard Hebditch
Phil Hope
Jeremy Kendall
Jay Kennedy
Tom Levitt
Sir Bert Massie
Alun Michael, M.P.
Oliver Reichardt
Sian Sankey
Matthew Scott
Sir Kenneth Stowe
Alan Strickland
Professor Marilyn Taylor
Howard Webber
Louise Whitfield
Richard Williams

Note: We conducted semi-structured interviews with the thirty-three key informants listed above. Of these twenty-three were in person and the remainder were by telephone. Most lasted for about an hour, but a few were longer and a few were shorter. With one exception all interviews were digitally recorded and transcribed for analysis.

Key informants at the Office of Civil Society were unable to speak with us.

Appendix 2: Undertakings under the Original, Refreshed and Renewed Compacts

Original Compact

Ref	Subject	Under-taking
C 9.1	To recognise and support the independence of the sector, including its right within the law, to campaign, to comment on Government policy, and to challenge that policy, irrespective of any funding relationship that might exist, and to determine and manage its own affairs.	G
C 9.2	To take account of the recommendations of the Better Regulation Task Force report on *Access to Government Funding for the Voluntary Sector* (which referred to the need for greater proportionality, targeting, consistency and transparency in Government funding frameworks) and to pay particular regard to the concept of strategic funding, ensuring the continued capacity of voluntary and community organisations to respond to Government initiatives.	G
C 9.3	To develop in consultation with the sector a code of good practice to address principles of good funding for Government Departments. This will promote:	G
C 9.3.1	the allocation of resources against clear and consistent criteria, including value for money	G
C 9.3.2	funding policies which take account of the objectives of voluntary and community organisations and their need to operate efficiently and effectively	G
C 9.3.3	common, transparent arrangements for agreeing and evaluating objectives, performance indicators and their associated targets, facilitating prompt payment, reviewing financial support, consulting upon changes to the funding position, and informing voluntary and community organisations about future funding as early as possible, normally before the end of the current grant period	G
C 9.3.4	the value of long-term, multi-year funding, where appropriate, to assist longer term planning and stability.	G
C 9.4	To recognise the importance of infrastructure to the voluntary and community sector and volunteering and, where appropriate, to support its development at national, regional and local level.	G
C 9.8	To respect the confidentiality of information provided by the sector, within the constraints of the law and the proper performance of public duties, when given access to it on that basis.	G
C 9.9	To develop jointly with the sector a code of good practice covering consultation, policy appraisal and implementation. This will draw on central guidance on impact assessment and excellence in consultation developed by the Cabinet Office.	G
C 9.10	To promote effective working relationships, consistency of approach and good practice between Government and the sector, particularly where cross-Departmental issues are concerned.	G
C 9.12	To review the operation of the Compact annually in conjunction with the sector.	G
C 9.13	To promote the adoption of the Compact by other public bodies.	G
C 10.1	To maintain high standards of governance and conduct and meet reporting and accountability obligations to funders and users. Where applicable, to observe the accounting framework for charities.	VCS
C 10.2	To respect and be accountable to the law, and in the case of charities observe the appropriate guidance from the Charity Commission, including that on political activities and campaigning.	VCS
C 10.3	To develop quality standards appropriate to the organisation.	VCS
C 10.6	To promote effective working relationships with Government, other agencies and across the voluntary and community sector.	VCS

C 10.7	To involve users, wherever possible, in the development and management of activities and services.	VCS
C 10.9	To review the operation of the Compact annually in conjunction with the Government.	VCS
C 11	Although the principles and undertakings contained in the Compact apply across the voluntary and community sector, particular consideration needs to be given to the specific needs, interests and contribution of community groups and Black and Minority Ethnic voluntary and community organisations.	VCS
BME 3.1.1	develop a partnership approach to carry forward the Government's strategy for achieving race equality, including promoting and sharing best practice and celebrating success;	J
BME 3.1.3	encourage, develop and support volunteering by and within BME communities in line with the Compact Code of Good Practice on Volunteering and the Code of Good Practice for Community Groups; and	J
BME 3.1.4	make suitable mention of this Code of Good Practice in all appropriate Government documentation and voluntary and community sector publications.	J
BME 3.2.1	value the work, knowledge and expertise of the BME voluntary and community sector, including its important role in helping Government to achieve its objectives;	G
BME 3.2.2	recognise and support the independence of the BME sector and its right within law to challenge institutions, policy and practice, irrespective of any funding relationship that might exist, and to determine and manage its own affairs;	G
BME 3.2.3	operate effective and transparent equal opportunity monitoring and evaluation systems that ensure BME voluntary and community organisations are treated fairly and with respect in all their interactions with Government;	G
BME 3.2.6	ensure that BME voluntary and community organisations have fair and equal access to Government funding programmes, particularly those that impact significantly on BME communities;	G
BME 3.2.7	consider the case for setting aside additional funds for BME organisations to build capacity, prepare and deliver projects;	G
BME 3.2.8	ensure that Government grants are appropriately administered and allocated to BME groups with the capacity to deliver agreed outputs and outcomes to agreed and predetermined standards;	G
BME 3.2.9	endeavour to include consultation, partnership and funding of the BME voluntary and community sector within guidance on the statutory duty of public authorities to promote race equality;	G
BME 3.2.12	require all partnership bids to Government programmes to demonstrate genuine consultation and involvement with BME communities, inclusive of partnership boards, programme plans, outputs and outcomes.	G
BME 3.3	The BME voluntary and community sector recognises that receipt of public funds, and active involvement in the processes of Government carries with it responsibilities. In order to meet these responsibilities the sector undertakes to:	VCS
BME 3.3.6	ensure proper governance, placing clear responsibility on trustees and chief officers to use public funds appropriately and inform funders when organisations face significant management and resource challenges, including financial difficulties;	VCS
BME 3.3.7	adopt appropriate quality standards and apply best practice in management and delivery within organisations;	VCS
BME 3.3.8	make use of appropriate training opportunities, particularly support and training for trustees and senior staff; and	VCS
BME 3.3.9	develop open and dynamic organisations providing opportunities for voluntary and community action by a diverse range of individuals demonstrating a commitment to wider equality issues in addition to race equality.	VCS
BME 4.10.1	Clear performance management frameworks for achieving race equality objectives within Government and the sector.	J

BME 4.10.2	All public and voluntary and community sector organisations should develop and implement a human resource strategy which creates a diverse workforce.	J
BME 4.10.3	Committed and visible leadership at senior levels within Government and the sector to achieving race equality objectives.	J
BME 4.10.4	Ensure that complaints procedures are known and that BME voluntary and community groups are encouraged to utilise these without fear of reprisals.	G
BME 5.1	The activities and knowledge of the BME voluntary and community sector can provide Government with experience and skills of vital importance in the effective development and delivery of policy to BME communities. Consultation with the sector should be all inclusive, recognising the broad spectrum of interests, such as women's groups, gay and lesbian groups, youth groups, disabled groups, age groups, religious and faith groups, which make up the BME voluntary and community sector.	G
BME 5.3	The cost of social policy interventions that fail BME communities is enormous, not only for public expenditure but also in terms of community confidence, cohesion and leadership. It is imperative therefore that policy development and implementation adequately meets the needs of BME communities.	G
BME 5.8.1	Where appropriate, Government departments to review with the BME voluntary and community sector how representatives from organisations and communities are selected to engage in Government processes.	G
BME 5.8.2	Government should set up appropriate departmental race equality advisory and consultation mechanisms.	G
BME 5.8.4	Government departments should aim to develop an equality protocol for the involvement of BME voluntary and community organisations in the policy process.	G
BME 5.8.5	Government should monitor the race equality practices of funded mainstream voluntary organisations with regards to employment, service delivery and composition of trustee boards, and consider setting equality targets where appropriate.	G
BME 6.1	To date, funding for the BME voluntary and community sector, whether from existing or new sources has been significantly below that of similar organisations in the mainstream voluntary and community sector. This is all the more detrimental given that the BME sector does not generally have the windfall legacies, income streams and leverage opportunities that the more established mainstream sector attracts. Funders should take this into account in determining the level of allocations against funding bids.	G
BME 6.5	In circumstances where strategic grants are withdrawn from BME organisations, consideration should be given to whether there is an alternative organisation within the BME sector that is well positioned to take receipt of such strategic funding. Prioritising the redistribution of funds within the BME sector will help to ensure that services to the community and resources to the sector are not lost.	G
BME 6.6	Organisational crisis happens within all sectors, but in the BME voluntary and community sector, such crises are often more visible and far reaching. It is therefore crucial that Government adopts a flexible and supportive approach to BME organisations experiencing organisational difficulties.	G
BME 6.7	It is important that Government and the sector undertake a joint review where withdrawal of funding has occurred. Identifying key causes, sharing lessons for organisational management practice and highlighting general support needs will help to prevent similar problems in the future. Actions that can be taken by Government and the sector at the outset of funding to reduce risk of failure include:	J
BME 6.7.1	ensuring that each funding allocation is adequate for purpose;	G
BME 6.7.2	providing accountable mechanisms at organisational and individual grants officer level;	G
BME 6.7.3	developing effective and supportive monitoring and evaluation systems.	G

BME 6.9	The funding needs of those organisations working with refugees and asylum seekers should also be taken into account. Public bodies with welfare responsibilities should consult with the BME voluntary and community sector about their role in helping to meet the needs of refugees and asylum seekers. It is also important that funders take note of good practice models within the BME sector.	G
BME 6.11.1	Government departments should aim to establish an accessible database of all funded BME organisations.	G
BME 6.11.2	Government departments should ensure that they have good quality internal policy advice on BME issues.	G
BME 6.11.3	Government should use its influence to work with other funding bodies on supporting the BME voluntary and community sector.	G
BME 6.11.4	Government should encourage other funders where appropriate, particularly local authorities and NHS bodies, to monitor and publish the proportion of funding that goes to the BME voluntary and community sector.	G
BME 6.11.5	Government should recognise that the BME sector includes faith groups and refugee and asylum seeker organisations and consult with them to resolve issues of their access to public funds.	G
BME 6.11.6	Government should consult BME organisations on the design and evaluation of funding programmes.	G
BME 7.2	The development of Local Compacts provides a framework for the BME voluntary and community sector to establish strong and supportive partnerships with local statutory bodies based on mutual respect. Some local authorities have developed exemplary models for engaging with the local BME communities. Organisations such as the Local Government Association, the Local Government Information Unit and the Improvement and Development Agency for Local Government should take a significant role in disseminating and ensuring integration of such best practice within standard service delivery.	G
BME 7.5	Local regeneration initiatives are most successful where communities are involved and empowered. The BME voluntary and community sector plays a vital role in ensuring that BME community involvement in regeneration is effective. Mutually advantageous local partnerships should be formed between BME and mainstream voluntary and community organisations.	VCS
BME 7.8.1	BME organisations must be involved in developing Local Compacts and, where appropriate, local BME codes or protocols should also be produced.	J
BME 7.8.2	Government should provide more vigorous structures to ensure that race equality and the involvement of BME communities is a prerequisite for accessing regional and local partnership funding.	G
BME 7.8.3	Partnership programmes (Health Action Zones, New Deal for Communities etc) should be required to set out clear race equality objectives, outcomes and outputs including targets for involving BME voluntary and community organisations.	J
BME 7.8.4	Local statutory authorities should aim to have a lead officer on race equality and BME voluntary and community sector relations, within their senior management structure.	G
BME 8.1	The capacity of the BME voluntary and community sector to be a full and equal partner with Government and the mainstream sector is limited. All parties should take proactive measures to further develop the sector's capacity. It is important that activities to develop the capacity of the sector are targeted at all levels, therefore sustainability should drive Government funding for the sector, provided that applicants have also been able to demonstrate that such funding represents value for money and contributes to policy aims.	J
BME 8.2	Capacity building activity should focus on the divergent needs of individuals, groups and partnerships. It should be robust and clear about the purpose of capacity building, who the activity is aimed at and what methods will be used to evaluate its impact.	J

BME 8.3	Capacity building should be a prerequisite for the effective implementation and sustainability of social and economic strategies and programmes. It is therefore imperative that capacity building plans are resourced adequately and built into planning at an early stage. Such plans should be long term and should reflect the development of BME organisation as the programme progresses, whilst allowing flexibility to adapt to pertinent changes.	J
BME 8.4	Whilst accepting that premises acquired through Government funding may not be used as collateral to obtain private sector loans, where the law permits, Government should aim to support the efforts of BME organisation to generate income and increase fundraising capacity. Policies that support capital acquisition, backed up with professional help to build organisational capacities through knowledge management and skills development, are most effective.	G
BME 8.5	Affordable office space of high quality construction, often with multi-functional use, is increasingly required by BME groups to deliver essential services. To guarantee self-sustaining growth, capital grant schemes should consider support for the acquisition of premises.	G
BME 8.6	Capacity building within BME organisations should also be directed towards policies and initiatives that enhance the skills of individuals within organisations. This can be achieved by developing initiatives, which provide various types of support and advice in addition to strategic and/or project funding. There are a number of ways to implement such support. These may include: structured schemes of training in monitoring and evaluation, financial reporting and budgeting; mentoring; and project support officers.	G
BME 8.7	An important strategy for developing capacity is shared training initiatives and secondment schemes between Government, the mainstream and the BME voluntary and community sectors, enabling all parties to gain an insight and develop understanding of the issues confronting respective organisations.	J
BME 8.8	The main strength and value of the BME sector lies in its support and delivery of services to BME communities. However, as the sector grows it will become increasingly important to view the sector as a potential provider of generalist services. It is important that funders recognise this potential.	G
BME 8.10.1	Support for the development of capacity and infrastructure for BME organisations should include strategic funding support at local, regional and national level where appropriate.	G
BME 8.10.2	Government should develop the concept of joined-up funding, in partnership with other funders, so that support to the BME voluntary and community sector focuses on developing capacity.	G
BME 8.10.3	Government should where possible support income generation and fundraising initiatives, which develop the capacity of the BME voluntary and community sector.	G
BME 9.3.1	taking a proactive approach to dealing with any existing under-representation of BME people among volunteers, paid staff and trustees;	J
BME 9.3.2	dismantling unnecessary bureaucratic procedures. Many BME people enjoy and prefer the informality they experience in BME organisations;	J
BME 9.3.3	offering a choice of ways to be involved;	VCS
BME 9.3.4	removing practical obstacles.	J
BME 9.4	Mentoring programmes between Government and the voluntary sector should be encouraged as a means of skills development and access for all involved.	J
BME 9.6.1	Government must recognise the contribution and the cost for BME volunteers in the development of initiatives to support and increase levels of volunteering.	G
BME 9.6.2	Mainstream volunteer bureaux should give particular focus to both placing volunteers from BME communities and supplying volunteers to BME groups.	VCS

BME 10.3	Government and the BME sector are mindful of the particular need to build confidence among BME voluntary and community groups that this Code will be adhered to. The development of action plans to implement the good practice guidance in this Code will be the responsibility of individual departments, agencies and bodies and the range of voluntary organisations in the voluntary sector. Where they do not follow this good practice, they must satisfy themselves that, if asked, they have good reasons for not doing so.	J
BME 10.4	As part of the process of making the Compact work, there will be an annual meeting between Government and the representatives of the sector to review the operation and development of the Compact, including this Code of Good Practice on relations between Government and BME voluntary and community organisations. The report of that meeting will be published. It will also be placed in the Library of the Houses of Parliament.	J
BME 10.5	The Active Community Unit will provide a report about the progress of the Code of Good Practice on relations between Government and the BME voluntary and community sector for inclusion in the Home Office's annual 'Race Equality In Public Services' report. This will be prepared with the Compact Working Group and its BME sub-group.	J
CG 3.1.1	Keep to the Compact, this and the four other codes of good practice as they apply to community groups, and expect government-funded national umbrella organisations for the community sector to show they are committed to promoting them.	J
CG 3.1.2	Make suitable mention of this code of good practice (along with the Compact and its other codes) as appropriate and legal, in government documents (including policy documents, press releases and answers to Parliamentary questions) and in voluntary and community sector publications.	J
CG 3.1.3	Develop a partnership approach to tackle the Government's strategies for communities, including promoting and sharing best practice and celebrating success.	J
CG 3.1.4	Promote community development based on the following definition. "Community development is about building active and sustainable communities based on social justice and mutual respect. It is about changing power structures to remove the barriers that prevent people from participating in the issues that affect their lives. It promotes the active involvement of people through sharing power, skills, knowledge and expertise." Strategic Framework for Community Development published by the Standing Conference for Community Development in May 2001	J
CG 3.2.2	Develop policies towards communities that recognise the importance of communities of people that share a common interest or concern, as well as communities of place.	G
CG 3.2.3	Help create and maintain the conditions and support that help community groups to succeed.	G
CG 3.2.6	Value the work, knowledge and expertise of the community sector, including its important role in helping the Government achieve its aims.	G
CG 3.2.7	Simplify the delivery of small-grants funding programmes for community groups, to increase access and to get as many local people as possible involved in administration and decision-making.	G
CG 3.2.8	Recognise the value of the contributions of volunteer time to projects, as equivalent to match funding.	G
CG 3.2.10	Be prepared to take risks to support new ideas and business within communities, but still use public money wisely.	G
CG 3.2.11	Recognise the importance of community ownership of assets, including land and property, as a basis for community enterprise and development at local level.	G
CG 3.2.13	Recognise and promote the need for accessible learning and development support for community groups and active community members.	G

CG 3.2.14	Encourage and promote local people to use suitable community buildings, such as village halls and other facilities, as much as possible.	G
CG 3.2.20	Allow community groups, wherever possible, to have access to statistics held by the Office of National Statistics (on a geographical level smaller than electoral wards) so local groups can benefit from information that is relevant to the particular needs of their community.	G
CG 3.2.21	Include in the Government's brief to the Learning and Skills Councils a requirement to involve and support the community sector (including disability groups) in their work, including through Local Compacts.	G
CG 3.2.22	Recognise the contribution community groups make to Community Strategies, Local Strategic Partnerships, and in Best Value reviews and Comprehensive Performance Assessments.	G
CG 3.2.23	Make sure that in developing 'toolkits' for assessing whether the voluntary and community sector can get involved, as recommended by 'the cross-cutting Review of The Role of the Voluntary and Community Sector in Service Delivery', they take account of the needs and the infrastructure of the community sector and of smaller community groups.	G
CG 3.3.1	Accept that, as they receive funding, there is a need for monitoring and evaluating their spending, in proportion to the size of the grant.	VCS
CG 3.3.2	Encourage quality partnership working and community involvement.	VCS
CG 3.3.3	Encourage the local community to get involved and take control wherever possible.	VCS
CG 3.3.5	Be clear and open as to the community or constituency a particular group speaks for.	VCS
CG 3.3.6	Where appropriate and where it is able, channel information and views to and from its members or constituency.	VCS
CG 3.3.7	Make sure that where there is a development agency specifically working with community groups, it co-operates with other appropriate voluntary sector organisations.	VCS
CG 3.4.1	The voluntary sector promises to do the following.	VCS
CG 3.4.2	Play an enabling role which supports the community sector in its diversity.	VCS
CG 3.4.3	Consult the community sector and consider its different interests alongside those of the voluntary sector before responding to invitations for representation on partnership organisations and other local structures.	VCS
CG 3.4.4	Challenge timescales that prevent community groups getting involved.	VCS
CG 3.4.5	Recognise that the interests of community and voluntary organisations are not always the same, and so make clear which part of the sector is being represented or discussed, when necessary.	VCS
CG 3.4.6	Respond to the information, involvement, practical support and training and conference sponsorship needs of community groups, and count this as a service priority.	VCS
CG 3.4.7	Ask for the views of community groups when reviewing organisational management and looking at forward planning, and include their views when being evaluated by funders.	VCS
CG 3.4.8	Make sure that voluntary sector organisations co-operate with agencies specifically working with the community sector, where these exist.	VCS
CG 3.4.11	Encourage active community members to carry out leadership roles in voluntary and community sector networks.	VCS
CG 3.4.12	Evaluate the difference made as a result of putting this code into practice, and draw on the results to revise the code as may be mutually agreed by everyone involved.	VCS
CG 4.6	Working in partnership with organisations and networks that have links with different target groups and organisations can allow them to take advantage of local communities' knowledge. The media can also be used to reach groups that are not in touch with the networks.	G

CG 4.7	It is also important to be aware of which groups may be relevant to a particular issue, and to find out what their constituency is and where they get their authority from. At the same time, talking with one group should not leave out others with legitimate interests.	G
CG 4.8	A range of techniques that are designed to involve people can be used by government and local statutory agencies to make consultation with community groups and community involvement more effective. These include Planning for Real, village appraisal, participatory appraisal, visioning workshops and so on. The table below summarises a number of questions to ask when planning to consult community groups.	G
CG 5.2	The funding code is for the whole voluntary and community sector. However, there are specific considerations that relate particularly to the community sector. Investment for community groups is needed to develop dedicated infrastructure and capacity building, training, access to networks, information, consultation, and to fund involvement with national and local statutory agencies and the voluntary sector.	G
CG 5.5	The Government is committed to introducing a streamlined process for delivering its small grants. It is developing a single application form and co-ordinated conditions and procedures as part of the Small Grants Action Plan. Small-grants programmes need to be promoted through active outreach work (to reach marginalised groups) and having appropriate development support available is essential to help groups to apply.	G
CG 5.6	Managing volunteers in community groups is very different from those voluntary organisations where paid members of staff are the managers. In community groups, the management committee (made up of volunteers) generally takes on this responsibility. For example, managing most community centres is the responsibility of committee members who may also be charity trustees. They supervise paid staff and volunteers and are responsible for them in the same way as a paid worker is in a more formal volunteering structure. This needs to be recognised in developing policy and programmes to support volunteering.	J
CG 5.8	Practical support for community groups is especially important. Funders should have policies which allow for other kinds of support to be offered as well as grants where regulations allow. The support would include equipment, office space, a meeting place or access to training and professional services; or perhaps loans on favourable terms, where this will promote income generation and enterprise. Organisations (including those within the voluntary sector) that make charges for their services and events should consider the effect on community groups. Funders can also work together to provide a package of support and should work effectively when approached by groups that cross authority boundaries. The rights of groups to choose the agencies (if any) they receive support from should be respected.	G
CG 5.9	Easy access to support is particularly important to community groups. This is shown by the situation of groups run by and for refugees and asylum seekers. They play an important role in supporting their own communities, and at the same time can make a significant contribution to social inclusion, cohesion and integration. To be able to access the necessary information and support, they need targeted outreach so they can be properly consulted, and funding so they can access interpretation and translation services where necessary. Example: The South London Tamil Welfare Group is a community organisation set up to improve the quality of life of Tamil refugees and asylum seekers in the area. They provide advisory and support services in a varied range of matters such as education, employment, health promotion, youth work, immigration and cultural activities. This group received £5000 of funding from the Home Office Refugee Community Development Fund and has used the money to develop the ability of the organisation to respond to the needs of the community.	G

CG 6.6	Involving community groups (including through networks such as local faith forums and community care alliances) in both the process and the content is vital if a Local Compact is to be successful. If this is not done, many of the interests of the sector will be overlooked and the Local Compact may not deliver community benefit. It has become established practice for the publication of Local Compacts to be followed by local codes of practice. The definition of continuing an effective Local Compact development includes producing a local community groups code (combined, if necessary, with a local BME Code).	J
CG 6.7	The local statutory, voluntary and community sectors share a joint responsibility to make sure that community groups understand why a Local Compact is relevant to them. The Local Compact Guidelines recommend developing a Local Compact communications strategy, and suggest that a test to use after publishing a Local Compact is whether small community groups say it benefits them.	J
CG 6.9.1	Local Compact steering groups should: include direct community group representation in their membership;	J
CG 6.9.2	target community groups in communication and consultation strategies;	J
CG 6.9.3	involve them in agreeing and reviewing the Local Compact;	J
CG 6.9.4	link their Local Compacts with the development of other protocols on involving community groups (for example, in Best Value reviews).	J
CG 6.10.1	recognise that community groups have funding, information and support needs that are different from larger voluntary organisations, and identify what these needs are and how they can be appropriately met;	J
CG 6.10.2	set out how local statutory agencies should consult, including adequate timescales, so that community groups have a real opportunity to influence local decisions;	J
CG 6.10.3	recognise that larger umbrella organisations do not always represent the interests of community groups, and set out how local statutory agencies will involve community groups;	J
CG 6.10.4	provide for open procedures and agreements in areas such as service planning, to make sure that information reaches all sections of the community;	J
CG 6.10.5	provide for monitoring funds managed by voluntary sector umbrella groups (for example, European funds), to make sure they reach into local communities; and	J
CG 6.10.6	identify appropriate systems and procedures for sorting out any conflict as quickly as possible.	J
CG 6.11	Local authorities should pay attention to developing the relationship with community groups and explain clearly to them why they are important to the council. Training and practice issues include understanding community groups and how elected members and staff at all levels should communicate with them and involve them.	J
CG 6.12	Some community of interest groups feel left out from one-to-one contact because their single policy issue is not on their council's agenda. It is important for some contact to be available, because the community group may be picking up an issue that the local authority itself may have to tackle some years later. This contact helps identify issues that communities are concerned about, and can identify unexpected ways of helping them.	J

CG 6.13	For some community groups, getting recognition from their local council is valued and can help them develop their work. This is further increased where local authorities already have an officer who is available to get involved with community groups struggling to find the right contact or to get a response, and to support them in building relations with the community sector. *The main questions for local authority members and officers:* Have you identified how working with local groups benefits the council? How well do you understand local groups and respect their independence? How does the council recognise the contribution of small unfunded groups? What would most help to build the relationship with them? Is there a publicly accessible local database of community groups across the authority area? *Action points for local authority Members and Officers:* Provide training jointly with the local community sector and other agencies on understanding and working with each other. Review the role of elected members and their relationships with community groups. When consulting, try to involve all communities in ways that lead to involvement and develop a greater sense of ownership (responsibility and pride). Before taking decisions or during the scrutiny process, ask how proposals will affect community groups. Specifically tackle funding, support needs and involve community groups in Best Value reviews of voluntary and community sector and in Local Compact development work. Consider using some of the Audit Commission's Quality of Life indicators for community involvement to measure the council's performance, or adapt them to reflect the needs of the local area.	J
CG 6.14	Neighbourhood renewal and similar programmes need to be lasting. Involving community groups is a way of achieving this. Community groups are a unique source of information about the communities they work in. Working with them allows local people to influence decisions and develop a greater sense of ownership of local services and programmes.	J
CG 6.15	Large voluntary sector umbrella organisations should encourage wider and adequate representation. Places for small community groups should be considered whenever a new partnership is being set up, with resources to support involvement. Local Strategic Partnerships should be a model for community groups' representation and review their involvement across the whole local partnership structure by: reviewing existing partnerships each year for community group membership; making sure there is adequate financial and administrative support for involvement; and checking that all partners are using systems to answer for their actions.	J
CG 6.16	Councils and other local statutory agencies should value working with community groups to boost outcomes on current projects and to build on local success in the future. Community groups should be made to feel fully included in partnerships, and attention needs to be given to openness, mutual respect and helping community groups take part from the start of a project.	G
CG 6.17	One way of closing the gap between knowing how to work in partnership and actually doing it is to make sure that community groups always have the chance to show what they can offer (expertise, contacts, know-how and so on). The Local Compact Guidelines contain pointers on partnership and joint working.	G

CG 6.18	Involving community groups in specialist forums is a good way of continuing to receive feedback on policy. There are examples across England of forums which allow community groups to get involved with each other and with local authorities. (These may be called a federation, association or a council of community organisations). They often work alongside, or as separate parts of, voluntary sector forums, as recommended by the Local Compact Guidelines. Other local statutory agencies (such as Primary Care Trusts, other local NHS organisations, Learning and Skills Councils and so on) should consider supporting these arrangements.	G
CG 6.19	Community sector involvement in designing and delivering government partnership programmes at a local level is a common aim for a range of new and existing work. This is often an effective way of involving people with first-hand experience of a problem or need in developing appropriate solutions. However, if it is to be achieved, care needs to be taken to: raise community groups' awareness so they are able to make sense of the many initiatives that exist; check that community groups have the resources for training, information and support (so they can take part in the partnership process) and, if appropriate, money up front for developing project proposals; and give all relevant community groups the opportunity to be involved, including Black and minority ethnic, faith and women's groups.	J
CG 6.20	Tough systems for making sure that community groups can get involved in particular programmes should be built into the procedures. This will help to avoid a gap between policy intentions and outcomes. The Government will give a clear lead on this and make sure that the Government Offices also reflect this.	G
CG 7.3	The Government and the voluntary and community sector should take account of the particular need to build confidence among community groups that this code will be followed. The development of action plans to put in place the good-practice guidance in this code will be the responsibility of individual departments and agencies, and the range of voluntary organisations and umbrella organisations in the community sector. If they do not follow this good practice, they must be satisfied that they have good reasons for not doing so.	J
CG 7.4	The Government will actively encourage the extension of this code to other public organisations (for example Non-Departmental Public Bodies and Agencies), including those within the National Health Service and local government. These organisations will be invited to use and follow the Compact and its associated codes of good practice, and to use the Local Compact Guidelines to help them develop their relationship with the community sector.	G
CG 7.5	The Compact Working Group will put the code into practice while working in partnership with strategically funded national community sector organisations and with the support of local umbrella organisations, especially federations of community organisations, councils for voluntary service, rural community councils and volunteer bureaus.	J
CPA 3.1.8	take account positively of the specific needs, interests and contributions of those parts of the sector which represent, women, minority groups and the socially excluded;	G
CPA 3.2.7	give their constituency feedback on the outcome of consultation;	VCS
CPA 3.2.8	have regard to the regulatory framework that governs their organisation when representing their constituents, for example, the Charity Commission issues guidance for charities on what they should and should not do in relation to their representational and campaigning work; and	VCS
CPA 3.2.9	promote good practice among their members (in the case of intermediary bodies) by issuing guidance on effective representation for voluntary and community organisations, and include consultation performance in quality systems and self-evaluation reports.	VCS

CPA 4.2	It is good practice to include the initial assessment in any consultation materials, to secure further input from the sector, and to provide feedback on any changes to that assessment at the end of the consultation process.	G
CPA 6.1.1	a summary (ideally no more than one page);	G
CPA 6.1.2	a description of the issue, proposal or problem being addressed;	G
CPA 6.1.3	the purpose of the consultation and, if appropriate, the objective which the proposal is intended to deliver;	G
CPA 6.1.4	the issues on which views are being sought; wherever possible they should take the form of clear questions and/or fairly argued options and avoid a simple 'Yes/No' format;	G
CPA 6.1.5	an explanation of what decisions, if any, have already been taken and an explanation of why a particular option is favoured;	G
CPA 6.1.6	if relevant, various sources of opinion and information, and factual statements that are properly referenced (for example, from academics or consumer groups);	G
CPA 6.1.7	where appropriate, an explanation of who is likely to be affected, and how, including an assessment or impact statement covering the likely effect of the proposals on voluntary and community organisations (for example, any implementation role or increased costs envisaged);	G
CPA 6.1.8	where appropriate, an invitation to respondents to submit their own ideas or assessment of how the proposals will impact on voluntary and community organisations;	G
CPA 6.1.9	the deadline for responses, and wherever possible an outline of the proposed timetable for the rest of the decision-making and implementation processes including a statement of how feedback will be given;	G
CPA 6.1.10	the name, address and, wherever possible the telephone number and e-mail address of a person whom respondents can contact if they have further queries;	G
CPA 6.1.11	a list of those being consulted; the document might also ask consultees to suggest any other organisations or individuals who should be consulted;	G
CPA 6.1.12	a request that those responding should explain who they are and, where relevant, who they represent and specifically who they have further consulted (to help ensure that responses from representative bodies are properly weighted); and	G
CPA 6.1.13	a statement that responses will normally be made available unless the respondent has requested that they remain confidential;	G
CPA 6.1.14	an explanation of any constraints that may have limited the full application of the guidance contained in this Code of Good Practice;	G
CPA 6.1.15	an invitation to provide feedback on the consultation exercise itself and make suggestions for improving consultation in the future.	G
CPA 9.3	Government departments should notify the Active Community Unit of forthcoming consultation exercises of relevance to the voluntary and community sector. These will be collated and placed on the Active Community Unit website.	G
CPA 11.4	Prior to the consultation beginning, consideration will also be given to how to deal with requests for the deadline for comments to be extended.	G
FP S.1	respect confidentiality and be clear about whom they represent and how they came to their views when consulted on programme design;	VCS
FP S.2	make sure that they are eligible when applying for grants;	VCS
FP S.3	have clear lines of accountability, especially with joint bids;	VCS
FP S.4	agree terms of delivery at the outset and be aware of risks which they are responsible for;	VCS
FP S.5	have good systems in place to manage finances and funded projects, and account for them;	VCS
FP S.6	be honest and transparent in reporting; and	VCS
FP S.7	plan in good time for different situations to reduce any potential negative impact on both beneficiaries and the organisation if funding ends.	VCS

FP S.8	provide whenever possible an opportunity for the voluntary and community sector to contribute to programme design;	G
FP S.9	ask for information on application forms which is relevant to deciding who will receive funding or be awarded the contract;	G
FP S.10	discuss risks up-front and place responsibility with the public sector body or voluntary and community organisation best able to manage them;	G
FP S.11	respect the independence of the sector;	G
FP S.12	recognise it is legitimate for voluntary and community organisations to include the relevant element of overhead costs in their estimates for providing a particular service;	G
FP S.13	with public procurement, avoid seeking information about management fees and overheads;	G
FP S.14	make payments in advance of expenditure (where appropriate and necessary) in order to achieve better value for money;	G
FP S.15	implement longer term funding arrangements where these represent good value for money;	G
FP S.16	be proportionate in monitoring requirements and focus on outcomes;	G
FP S.17	consider joining-up or standardising monitoring requirements; and	G
FP S.18	give enough notice of the end of grants or contracts.	G
FP 2.6	Voluntary and community organisations should also consider what would happen if or when the financial relationship ends and plan for this at an early stage (see chapter 7).	VCS
FP 2.7.1	Project funding – to pay for a particular project or service, usually through a contract or grant.	G
FP 2.7.2	Development funding – to invest in new capacity or new organisations to develop their ability to contribute to public policy objectives, usually through a grant or loan. Loans range from commercial rate loans to "patient capital" which may include reduced rate or interest free loans and flexible payments terms.	G
FP 2.7.3	Strategic funding – to organisations recognised to be of strategic importance and whose work is considered to be significant, usually through a grant.	G
FP 2.8	Longer term planning and financial arrangements often represent better value for money than one year agreements by providing greater financial stability and by reducing the amount of time and effort wasted on applying for new funds or renegotiating contracts. For grants, this includes roll-forward multi-year agreements.	G
FP 2.9.1	risks to delivery of programmes and how risks can be passed to the public sector body or voluntary and community organisation best able to deal with them;	G
FP 2.9.2	barriers to delivery (for example, unrealistic timeframes or slower development of delivery or demand in the early part of the programme);	G
FP 2.9.3	the optimum size of grants or contracts – by ensuring that sizes are small enough to help secure a diverse supply base and to allow smaller organisations to compete;	G
FP 2.9.4	which aspects of the programme would most benefit from voluntary and community sector involvement; and	G
FP 2.9.5	whether further guidance is needed to support distributors of Government funding and regional or local delivery agents, to ensure that they take on board the principles of this Code.	G
FP 3.2	A well-managed application and tender process means that organisations best able to achieve the aims of a programme will apply. Well-managed processes mean that resources are focussed on delivering outcomes rather than on the application or tender process itself.	G
FP 5.2	5.2 Payment terms that allow the service to be funded in the most effective way so that the best possible long-term outcomes are achieved.	G

FP 5.3	5.3 The sector benefits by being able to deliver the best possible service for beneficiaries. It also allows them to plan and develop for the future so they can improve the way they deliver services.	G
FP 5.4	5.4 Government benefits from payment terms that enable organisations to develop, which in turn helps ensure there is a continued wide range of potential suppliers and helps develop effective working relationships. Sensible payment terms help the stability of voluntary and community organisations and create positive incentives to perform.	G
FP 8.1	The voluntary and community sector's Compact Working Group will put this Code into practice in partnership with Government. The Code applies to voluntary and community organisations in England (Separate Compacts apply in Wales, Scotland and Northern Ireland) as recipients of Government funding and payments for the delivery of services. The Compact Working Group will promote the Code to voluntary and community organisations so that they know, use, understand and follow its undertakings and recommendations.	J
FP 8.2	The Code applies in England to all central Government Departments; 'Next Steps' Executive Agencies; Non Departmental Public Bodies; Government Offices for the Regions; Regional Development Agencies; National Lottery distributors; and agencies contracted to distribute Government funds to the voluntary and community sector. Departmental Compact champions and voluntary and community sector liaison officers will advance the Code in Government. Government will promote this Code as good practice for all funders and make suitable mention of it alongside the Compact and Local Compacts in relevant publications and communications.	J
FP 8.3	Local government and local public sector bodies are expected to take appropriate notice of the principles of this Code as recommended best practice in their work. This Code should inform the development and implementation of Local Compacts (through local codes of good practice on funding and procurement).	J
FP 8.4	The Compact Annual Review Meeting will review progress on use and implementation of the Code. This will draw on Departments' own reporting for the meeting and the survey of the voluntary and community sector carried out by the Compact Working Group. The Compact Annual Review Meeting agrees the Joint Action Plan for the Compact. This sets out targets to achieve full implementation of the Compact and Code in Government and the sector. Copies of the Annual Report and Action Plan are available from the Active Communities Directorate in the Home Office (www.activecommunities.homeoffice.gov.uk) or the Compact Working Group (www.thecompact.org.uk). A key implementation test for the voluntary and community sector will be awareness of the Compact and Code, reported through the Compact Working Group's Annual Sector Survey. The 2004/2005 Compact Action Plan calls on Departments to report on implementing good practice in funding and procurement. The Home Office's State of the Sector Panel will also report on evidence of improvements in funding and procurement practice.	J
V 0.1	Work together to expand the public perception of volunteering by improving the profile, status and range of volunteer activity;	J
V 0.2	Work to effectively tackle discrimination to ensure that volunteering is open to all;	J
V 0.3	Adopt clear policies regarding the payment of volunteer expenses;	J
V 0.4	Make visible the value of volunteers' contributions, for example in publications;	J
V 0.5	Ensure that arrangements made for volunteers do not unfairly exclude particular groups from volunteering;	J
V 0.6	Recognise that voluntary activity should not be seen as a substitute for paid work;	J
V 0.7	Work together to create and maintain a modern and dynamic volunteering infrastructure.	J
V 0.9	Work to actively reduce barriers to volunteering resulting from existing legislation, regulation and policies;	G

V 0.10	Recognise that it is legitimate for voluntary and community organisations to include the costs of enabling greater access to volunteering in relevant applications for funding;	G
V 0.11	Recognise that organisations that make up volunteering infrastructure are independent voluntary sector bodies;	G
V 0.12	Adopt policies to help ensure that specialist volunteering infrastructure can develop realistic sustainable long term funding.	G
V 0.13	Promote volunteering opportunities including looking at how volunteers are recruited to ensure equal opportunities to volunteer;	G
V 0.14	Include reasonable costs for reducing barriers to volunteering in relevant funding bids;	VCS
V 0.15	Ensure that they have both the time and resources to support and train volunteers;	VCS
V 0.16	Encourage the involvement of volunteers in ongoing decision-making and include them in internal communications;	VCS
V 0.17	Identify a named person within their organisations to be responsible for volunteer involvement, and for monitoring and reporting on it. Also identify a trustee board champion for volunteering.	VCS
V 3.4	The Government and voluntary and community sector agree that there should be a greater understanding about the scope of volunteering and for there to be increased publicity about the achievements of volunteers. They agree to work together to expand the public perception of volunteering by improving the profile, status and range of volunteer activity, enabling volunteering and community activity.	J
V 4.1	There can be significant barriers that stop people from volunteering. Government and the voluntary and community sector will challenge barriers to volunteering through their policy and practice.	J
V 4.3.1	Adopt clear policies regarding the payment of volunteer expenses. Volunteers should not be out-of-pocket because of their voluntary activity. Volunteers are entitled to reimbursement of all reasonable expenses and volunteers should be encouraged to claim;	J
V 4.3.2	Recognise that volunteering is freely given but not cost free. Resources, support, development and promotion for volunteers may incur costs;	J
V 4.3.3	Work to effectively tackle discrimination to ensure that volunteering is open to all;	J
V 4.3.4	Commit to free England wide access to criminal record bureau checks for volunteers.	J
V 4.5.1	Challenge volunteer-involving organisations to offer opportunities that match volunteers' motivation and abilities and that are diverse and inclusive;	VCS
V 4.5.2	Work to put in place equalities schemes or other means to effectively remove unfair discrimination;	VCS
V 4.5.3	Promote volunteering opportunities, including looking at how volunteers are recruited, to ensure equal opportunities to volunteer;	VCS
V 4.5.4	Include reasonable costs for reducing barriers to volunteering in relevant funding bids.	VCS
V 5.3.1	Develop, promote and celebrate volunteering as an expression of both active citizenship and the basic human rights of freedom to assemble and associate;	J
V 5.3.2	Keep good data on volunteering;	J
V 5.3.3	Assess how volunteering can contribute to achieving Government policy objectives;	J
V 5.3.4	Make visible the value of volunteers' contributions, for example in publications;	J
V 5.3.5	Tell volunteers how their volunteering has benefited the organisation or group they are volunteering for;	J
V 5.3.6	Demonstrate that the contribution of volunteers is recognised as having more than economic value;	J

V 5.3.7	Acknowledge that volunteering can help tackle social exclusion. Individuals can improve their skills and employability and can show that they have a contribution to make to society. It can also bring people together from different backgrounds and contribute towards more cohesive communities;	J
V 5.3.8	Recognise and be clear that volunteers need support, management and other resources to work effectively;	J
V 5.3.9	Involve volunteers when developing new policies and ideas;	J
V 5.3.10	Ensure that arrangements made for volunteers do not unfairly exclude particular groups from volunteering, for example the timing and accessibility of activities.	J
V 6.1	The relationship volunteers have with a volunteer-involving organisation is distinct from that of an employee. Government and the voluntary and community sector will ensure that they will work together to promote policies which recognise differences in volunteers' motivation and contribution, in the relationship they develop with a volunteer-involving organisation and in the need for this to be understood and reflected in the way they are managed.	J
V 6.2	Volunteers, while not paid staff, should have many of the same entitlements as employees – clarity about their roles and responsibilities, induction, managerial supervision and support, and relevant training and development opportunities. They are also subject to the same obligation to abide by, and be subject to, the organisation's agreements, policies and procedures. Quality of volunteering can enhance impact and add value broadly and should be supported to benefit volunteers and the place where they volunteer.	J
V 6.3	Government and the voluntary and community sector will work together to encourage clarity, consensus and consistency about the appropriate roles for volunteers. They will:	J
V 6.3.1	Acknowledge the distinctiveness of volunteering. Government and the voluntary and community sector recognise that voluntary activity should never be a substitute for paid work;	J
V 6.3.2	Challenge volunteer-involving organisations to examine their overall purpose, values and objectives, particularly focusing on how involving volunteers might relate to the purpose, values and objectives of the organisation.	J
V 6.4.1	Encourage volunteer-involving organisations to ensure that they have both the time and resources to support and train volunteers and can provide something that will make volunteering with that organisation a valuable experience for the volunteer – for example increasing skills and confidence as well as supporting finding ways back to work;	VCS
V 6.4.2	Encourage the involvement of volunteers in ongoing decision-making and include them in internal communications, so that volunteers are acknowledged as important partners and stakeholders in the organisation where they volunteer;	VCS
V 6.4.3	Identify a named person in organisations or groups to be responsible for volunteer involvement, and for monitoring and reporting on it. Also identify a trustee board champion for volunteering.	VCS
V 7.4.1	Recognise the volunteering infrastructure as independent voluntary sector bodies;	G
V 7.4.2	Adopt policies to help ensure that specialist volunteering infrastructure can develop realistic sustainable long term funding.	G
V 7.5	7.5 Government and the voluntary and community sector will work together to create and maintain a modern and dynamic volunteering infrastructure.	J
V 7.5.1	At national and regional level, a range of umbrella organisations deliver different aspects of the volunteer development function. At a local level there should be at least one specialist volunteer development agency delivering the volunteer development functions. That agency should work with other agencies locally to develop volunteering. The volunteer development functions will be delivered from different perspectives at a local, regional and national level but in complementary ways to include:	J

V 7.5.2	The volunteering infrastructure will hold information on volunteering opportunities. It will offer potential volunteers accessible support and advice in matching their motivations to volunteer with appropriate volunteering opportunities.	VCS
V 7.5.3	The volunteering infrastructure will aim to stimulate and encourage interest in voluntary and community activity. It will market and promote volunteering through local, regional and national events and campaigns.	VCS
V 7.5.4	The volunteering infrastructure will have a commitment to promoting good practice in working with volunteers to all volunteer-involving organisations, and will actively support and maintain this.	VCS
V 7.5.5	The volunteering infrastructure will work in close partnership with other statutory, voluntary and private sector agencies, as well as with community and faith groups, to develop imaginative opportunities (both formal and informal) for potential volunteers. It will work to ensure that volunteering opportunities are available for all.	VCS
V 7.5.6	The volunteering infrastructure will devise and lead on policy development which serves to influence a policy environment in England (and by extension the UK and Europe) which takes account of the ways this may affect volunteers and volunteering activities. It will challenge received wisdom about the capacity of existing service provision and about the ways in which people can or cannot get involved in volunteering and its development.	VCS
V 7.5.7	The national volunteering infrastructure will take strategic responsibility for the support and development of local and regional infrastructure, good practice development and networks, and support for the development of social policy that facilitates volunteering.	VCS
V 8.1	The sector's Compact Working Group will put this Code into practice in partnership with Government. The Code applies to voluntary and community organisations in England. The Compact Working Group will promote the Code to voluntary and community organisations so that they know, use, understand and follow its undertakings and recommendations.	VCS
V 8.2	The Code applies in England to all central Government Departments; 'Next Steps' Executive Agencies; Non-Departmental Public Bodies; Government Offices for the Regions; and Regional Development Agencies. Departmental Compact champions and voluntary and community sector liaison officers will advance the Code in Government. Government will promote this Code as good practice and make suitable mention of it alongside the Compact and Local Compacts in relevant publications and communications.	G
V 8.3	Local Government and local public bodies are expected to take appropriate notice of the principles of this Code as recommended best practice in their work. This Code should inform the development and implementation of Local Compacts and local codes of practice on volunteering.	G
V 8.4	The Compact Annual Review Meeting will review progress on use and implementation of the Code. This will draw on Departments' own reporting for the meeting and any surveys of the voluntary and community sector carried out by the Compact Working Group. The Compact Annual Review meeting agrees the Joint Action Plan for the Compact. This sets out steps to achieve full implementation of the Compact and Codes in Government and the sector. Copies of the annual report and action plan are available from the Compact Working Group (www.thecompact.org.uk) or Active Communities Directorate in the Home Office (www.activecommunities.homeoffice.gov.uk)	J
V 8.5	In particular, the Compact Annual Review Meeting will monitor the following headline undertaking: Where there are new initiatives Government and the voluntary and community sector will agree that the definitions of volunteering are consistent with this Code.	J

V 8.6	The Compact sets out a general framework for enhancing the relationship between Government and the voluntary and community sector. As far as possible, disagreements over the application of that framework should be resolved between the parties. To assist this process, where both parties agree, mediation may be a useful way to try to reach agreement in line with the Government's commitment to use alternative dispute resolution methods. The Compact Mediation Scheme is available to help in these situations. Where behaviour which contravenes this framework constitutes maladministration, a complaint may be brought to the Parliamentary Ombudsman in the usual way. Cases involving Local Government may be referred to the Local Government Ombudsman.	J

Notes: C = Compact; B = Black and Minority Ethnic Voluntary and Community Sector Code; CG = Community Groups Code; CPA = Consultation and Policy Appraisal Code; FP = Funding and Procurement Code; V = Volunteering Code; G = Government; VCS = Voluntary and Community Sector; J = Joint

Refreshed Compact

Ref	Subject	Under-taking
IPD 1.1	Involve the sector from the earliest stages of policy development, on all relevant issues likely to affect it. This can include empowering third sector organisations to start discussions within affected communities themselves.	G
IPD 1.2	Inform the sector of progress in developing policy.	G
IPD 1.3	Identify implications for the third sector when assessing all new policies, legislation and guidance.	G
IPD 2.1	Identify and remove barriers, such as language barriers, which may prevent third sector organisations from contributing to policy development.	G
IPD 2.2	Encourage and facilitate responses from the full range of third sector organisations that are likely to have a view.	G
IPD 2.3	Support the development of third sector infrastructure. Infrastructure bodies enable third sector organisations to help people and communities more effectively, through services such as capacity building, representation and other forms of support.	G
IPD 2.4	Identify where there are costs to third sector organisations as a result of partnership work and offer support on a clear and consistent basis. This can be especially important for infrastructure bodies that are helping to organise or run consultations.	G
IPD 3.1	Avoid compromising or undermining the independence of third sector organisations (whatever financial or other relationship may exist between them).	G
IPD 3.2	Give notice of forthcoming consultations so that organisations can plan ahead.	G
IPD 3.3	Publicise consultation exercises widely and make sure they are accessible to the people they are intended to reach.	G
IPD 3.4	Use a variety of different consultation methods and explain the reasons for selecting them.	G
IPD 3.5	Explain which matters are open to change as a result of the consultation and which are not. Provide feedback to explain how respondents have influenced policy decisions, including where respondents; views have not been acted upon.	G
IPD 3.6	Allow enough time for third sector organisations to involve their service users, members, beneficiaries, volunteers, and trustees in preparing responses.	G
IPD 3.7	Conduct 12-week formal written consultations, with an explanation given for shorter time-frames.	G
IPD 3.8	Make third sector organisations aware of the consulting organisation's obligations under the Freedom of Information Act 2000. Where appropriate, protect the confidentiality of information that has been supplied by a third sector body for the consultation.	G
IPD 4.1	Involve service users, beneficiaries, members, volunteers, and trustees, when preparing responses to consultations.	TS
IPD 4.2	Give feedback on what information is presented to government and what the outcome is to everyone involved in responding to the consultation.	TS
IPD 4.3	Be clear about whose views are being represented and what these views are. This includes explaining whether views have been gathered directly (and from what audience) or whether the response is on the basis of the organisation's knowledge and experience of the issues.	TS
IPD 4.4	Make sure all information and research that is presented to the Government is accurate and credible. Explain where the information comes from and if there is conflicting evidence.	TS

IPD 4.5	Be aware of the consulting organisation's obligations under the Freedom of Information Act 2000 and, where it is appropriate, respect the confidentiality of information which has been supplied by Government for the consultation.	TS
IPD 4.6	Promote government consultations across the third sector, where appropriate.	TS
IPD 4.7	Accept that, in rare cases, consultations may need to take part in shorter time-frames than 12 weeks.	TS
AR 5.1	Plan new programmes and services with a focus on outcomes, providing scope for innovation wherever possible.	G
AR 5.2	Work with third sector organisations to understand public service reform and support the sector in responding to changes.	G
AR 5.3	Begin planning programmes and services well in advance of the expected start date, based on consultation with the third sector.	G
AR 5.4	Ensure that those third sector organisations that are likely to have a view on the programme or service are involved from the beginning.	G
AR 6.1	Consider different ways of funding organisations working with government. These methods could include grants, procurement, loan finance, training, use of premises or other support. A clear rationale should be provided for the decision.	G
AR 6.2	Ensure that the size and scale of the funding arrangement reflects the project's objectives and attracts those organisations best placed to deliver the required outcomes.	G
AR 6.3	Advocate that prime and sub-contractors and all other public and private bodies distributing public money work within the Compact by making it a requirement of funding arrangements.	G
AR 6.4	Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and possible solutions with the third sector organisation.	G
AR 7.1	(Government undertakes to) ensure that application documents are: • Publicised widely • Proportionate to the nature of the risk and the amount of funding being allocated. • Contains enough information to allow organisations to make informed decisions.	G
AR 7.2	Require that application and bidding processes across funding bodies are consistent with overarching Office of Government Commerce (OGC) guidance on public procurement.	G
AR 7.3	Allow enough time for organisations of all sizes to apply, as well as for consortia and partnership working bids.	G
AR 7.4	Be clear about how bids will be assessed.	G
AR 7.5	Make decisions on the basis of value for money. This may include taking into account the wider community benefits at the award stage or when identifying procurement needs.	G
AR 8.1	Recognise that it is appropriate to include relevant overhead and administrative costs in applications.	G
AR 8.2	Accept the recovery of costs associated with volunteering, such as managing volunteers and reimbursing expenses.	G
AR 8.3	Be consistent across sectors when requesting cost breakdowns from organisations.	G
AR 9.1	Commit funding for three years or more. If this is not the best way to deliver the best value for money, government should explain clearly what alternative funding arrangements could deliver the same outcomes.	G

AR 9.2	Make funding decisions and inform organisations at least three months in advance of the expected start date. Any departure from that time-scale should be justified and explained.	G
AR 9.3	Provide constructive feedback to unsuccessful organisations	G
AR 10.1	Discuss the risks to the project and agree delivery terms before a financial agreement is signed.	G
AR 10.2	Allocate risks to the organisation(s) best equipped to manage them. Ensure that delivery terms and risks are proportionate to the nature and value of the opportunity.	G
AR 10.3	Agree a process for managing performance and responding to changing circumstances before signing a financial agreement.	G
AR 10.4	For grants, agree how underspend will be managed.	G
AR 11.1	Make payments in advance of expenditure where there is a clear need and where this represents value for money. This may be particularly relevant for grants.	G
AR 11.2	Make payments within 10 working days of invoices being received.	G
AR 12.1	Discuss and agree how outcomes will be monitored before a contract or funding agreement is signed.	G
AR 12.2	Be clear about what information is being requested, why, and how it will be used.	G
AR 12.3	Ensure that monitoring and reporting is proportionate to the nature and value of the opportunity. Focus on evidence that is meaningful to the beneficiaries of organisations, as well as to funders.	G
AR 12.4	Consider how service users can be involved by getting their perspective of performance.	G
AR 12.5	Aim to standardise monitoring and reporting arrangements.	G
AR 12.6	Ensure that monitoring is consistently applied to organisations in all sectors.	G
AR 12.7	If the project is encountering problems, discuss and agree a timetable of actions to improve performance before making a decision to end a financial relationship.	G
AR 13.1	Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding.	G
AR 13.2	Where there are restrictions on future resources, discuss the potential implications as early as possible with third sector organisations.	G
AR 13.3	Give a minimum of three months' notice in writing when ending a funding relationship or other support, and provide a clear rationale for why the decision has been taken.	G
AR 13.4	Give organisations an opportunity to respond to the ending of funding and consider the response before making a final decision.	G
AR 13.5	Review programmes and services with relevant third sector organisations to inform future practice.	G
AR 14.1	(Third sector organisations undertake to) Involve users, beneficiaries, members, volunteers and trustees when designing or reviewing programmes and services.	TS
AR 14.2	Provide feedback to contributors on information that is presented to government and on what the outcomes are.	TS
AR 14.3	Be clear about who they are representing, in what capacity, and on what basis they are making that representation.	TS
AR 15.1	Be clear on their reasons for bidding or applying to deliver programmes or services.	TS
AR 15.2	Show that they understand how new funding will impact on their organisation, relate to its mission, and contribute to its income mix.	TS

AR 15.3	Ensure they have a robust and clear understanding of the relevant overhead and associated costs to include when applying for resources	TS
AR 15.4	Be clear which organisation is the accountable body in partnership or consortia working arrangements.	TS
AR 15.5	Apply Compact principles when sub-contracting to other third sector organisations.	TS
AR 16.1	Be clear about the risks associated with delivering programmes and services, and agree delivery terms before a contract or funding agreement is signed.	TS
AR 16.2	Have appropriate governance arrangements in place and ensure that everyone involved understands and agrees to delivery terms.	TS
AR 16.3	Be clear about payment terms and, if appropriate, demonstrate why payment in advance is required.	TS
AR 16.4	Recognise that it is legitimate for funders to ask for public recognition of their funding.	TS
AR 16.5	Have appropriate systems in place to manage and account for finances.	TS
AR 17.1	Negotiate monitoring and reporting requirements before a financial agreement is made.	TS
AR 17.2	Recognise that monitoring, both internally and externally, is an element of good management practice.	TS
AR 17.3	Ensure that systems are in place to deliver the reporting required.	TS
AR 17.4	Give early notice to funders of significant changes in management, or financial or other risks.	TS
AR 17.5	Be open and transparent in reporting.	TS
AR 18.1	Plan for the end of funding to reduce any potential impact on beneficiaries and the organisation.	TS
AR 18.2	Contribute positively to reviews of programmes or services to inform future practice.	TS
AE 19.1	Work with the third sector towards eliminating unlawful discrimination and promoting equality of opportunity. Put strategies in place to help achieve these aims in line with existing public duties.	G
AE 19.2	Where appropriate, work with organisations in the third sector that represent people with protected characteristics, to understand their specific needs and design appropriate services.	G
AE 19.3	Ensure that all third sector organisations, including those that serve people with protected characteristics, have equal opportunities to access government funding programmes. This includes access to funds to build capacity, and to prepare and deliver projects.	G
AE 19.4	Be clear about any actions on equality that third sector organisations will be expected to undertake if they are funded to deliver programmes.	G
AE 19.5	If a strategic grant is withdrawn from an organisation serving people with a specific protected characteristic, assess the need to reallocate the grant to another organisation serving the same group.	G
AE 19.6	Work with the third sector to identify and remove any barriers that prevent volunteering by people with protected characteristics.	G
AE 19.7	Continue to ensure that it is free for volunteers to access Criminal Record Bureau (CRB) checks and commit to free registration of volunteers with the Independent Safeguarding Authority (ISA). Work towards a single check for volunteers who are volunteering for more than one cause.	G
AE 20.1	Acknowledge that funding for organisations that serve people with only one protected characteristic can promote cohesion.	G

AE 20.2	Enable infrastructure organisations representing people with protected characteristics to participate in policy development, consultation or other activities, by supporting them appropriately.	G
AE 20.3	Recognise that groups which involve people with protected characteristics at community level may be small or informal, and engage with these groups in a way that suits their working methods.	G
AE 21.1	Take practical action in partnership with government to eliminate discrimination, advance equality of opportunity and build community links.	TS
AE 21.2	Show committed leadership (especially at senior levels) to promote equality and, where necessary, put strategies in place to achieve it.	TS
AE 22.1	Be clear on who is being represented and how their views have been gathered.	TS
AE 22.2	When selecting representatives from organisations and communities, be clear who they represent and with what legitimacy.	TS
AE 22.3	Where appropriate, support infrastructure organisations that can promote the interests of people with protected characteristics.	TS
AE 22.4	Identify groups that are in danger of being marginalised, excluded, or are currently under- represented in voluntary activity, and put in place measures to promote their involvement.	TS

Notes: IPD = Involvement in Policy Development; AR = Allocating Resources; AE = Achieving Equality; G = Government; TS = Third Sector

Renewed Compact

Ref	Subject	Under-taking
SCS 1.1	Respect and uphold the independence of CSOs to deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise, which may exist.	G
SCS 1.2	Ensure CSOs are supported and resourced in a reasonable and fair manner where they are helping the Government fulfil its aims.	G
SCS 1.3	Ensure that the Government collectively (through the Cabinet Office) recognises the need to resource national and local support and development organisations in order to assist CSOs with their capacity and capability to deliver positive outcomes.	G
SCS 1.4	Ensure greater transparency by making data and information more accessible, helping CSOs to challenge existing provision of services, access new markets and hold government to account.	G
SCS 1.5	Consider a range of ways to support CSOs, such as enabling greater access to state owned premises and resources.	G
SCS 1.6	Ensure that it is free for volunteers to access Criminal Record Bureau (CRB) checks. Work towards streamlining processes for volunteers who are volunteering for more than one cause.	G
SCS 1.7	When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented.	CSOs
SCS 1.8	Ensure independence is upheld, focusing on the cause represented, regardless of any relationship they have with the Government, financial or otherwise.	CSOs
D&D 2.1	Ensure that social, environmental and economic value forms a standard part of designing, developing and delivering policies, programmes and services.	G
D&D 2.2	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.	G
D&D 2.3	Work with CSOs from the earliest possible stage to design policies, programmes and services. Ensure those likely to have a view are involved from the start and remove barriers that may prevent organisations contributing.	G
D&D 2.4	Give early notice of forthcoming consultations, where possible, allowing enough time for CSOs to involve their service users, beneficiaries, members, volunteers and trustees in preparing responses. Where it is appropriate, and enables meaningful engagement, conduct 12-week formal written consultations, with clear explanations and rationale for shorter time-frames or a more informal approach.	G
D&D 2.5	Consider providing feedback (for example through an overall government response) 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.	G
D&D 2.6	Assess the implications for the sector of new policies, legislation and guidance, aiming to reduce the bureaucratic burden, particularly on small organisations	G
D&D 2.7	Promote and respond to government consultations where appropriate.	TS
D&D 2.8	Seek the views of service users, clients, beneficiaries, members, volunteers, and trustees when making representation to government. Be clear on who is being represented, in what capacity, and on what basis that representation is being made.	TS
D&D 2.9	When putting forward ideas, focus on evidence-based solutions, with clear proposals for positive outcomes.	TS
RHQ 3.1	Ensure that CSOs have a greater role and more opportunities in delivering public services by opening up new markets in accordance with wider public service reform measures and reforming the commissioning environment in existing	G

		markets.	
RHQ 3.2	Consider a wide range of ways to fund or resource CSOs, including grants, contracts, loan finance, use of premises and so on. Work to remove barriers that may prevent CSOs accessing government funding, thereby enabling smaller organisations to become involved in delivering services where they are best placed to achieve the desired outcomes.		G
RHQ 3.3	Ensure transparency by providing a clear rationale for all funding decisions.		G
RHQ 3.4	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. If multi-year funding is not considered to be the best way of delivering the objective, explain the reasons for the decision.		G
RHQ 3.5	Ensure well managed and transparent application and tendering processes, which are proportionate to the desired objectives and outcomes of programmes.		G
RHQ 3.6	Agree with CSOs how outcomes, including the social, environmental or economic value, 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. Be clear about what information is being asked for, and why and how it will be used.		G
RHQ 3.7	Ensure equal treatment across sectors, including reporting and monitoring arrangements, when tendering for contracts.		G
RHQ 3.8	Recognise that when CSOs apply for a grant they can include appropriate and relevant overheads, including the costs associated with training and volunteer involvement.		G
RHQ 3.9	Discuss and allocate risks to the organisation(s) best equipped to manage them. Where prime contractors are used, ensure they adhere to the principles of this Compact in allocating risk. Ensure delivery terms and risks are proportionate to the nature and value of the opportunity.		G
RHQ 3.10	Ensure that the widest possible range of organisations can be involved in the provision of services through appropriate funding and financing models, for example outcome based payments and payment in advance of expenditure. Payment in advance of expenditure should be considered on a case by case basis where this represents value for money.		G
RHQ 3.11	Ensure all bodies distributing funds on the Government's behalf adhere to the commitments in this Compact. This includes the relationship between prime contractors and their supply chains. Demonstrate how funding arrangements and financial support can allow smaller and specialist providers to play a greater part.		G
RHQ 3.12	Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and agree solutions together.		G
RHQ 3.13	Encourage feedback from a range of sources on the effectiveness of the Government's partnership with CSOs and how successful it has been in delivering their objectives. Consider placing this feedback in the public domain.		G
RHQ 3.14	Ensure eligibility for funding before applying and be explicit about how outcomes will be achieved.		CSOs
RHQ 3.15	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.		CSOs
RHQ 3.16	Be open and transparent about reporting, recognising that monitoring, whether internal or external, is an aspect of good management practice.		CSOs
RHQ 3.17	Demonstrate the social, environmental or economic value of the programmes and services provided, where appropriate.		CSOs
RHQ 3.18	Help facilitate feedback from users and communities to the Government to help improve delivery of programmes and services.		CSOs

RHQ 3.19	Recognise that the Government can legitimately expect CSOs to give public recognition of its funding.	CSOs
MC 4.1	If a programme or service is encountering problems, agree with the CSO a timetable of actions to improve performance before making a decision to end a financial relationship.	G
MC 4.2	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.	G
MC 4.3	Where there are restrictions or changes to future resources, discuss with CSOs 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.	G
MC 4.4	Give a minimum of three months notice in writing when changing or ending a funding relationship or other support, apart from in exceptional circumstances, and provide a clear rationale for why the decision has been taken.	G
MC 4.5	Plan for the end of funding to reduce any potential negative impact on beneficiaries and the organisation.	CSOs
MC 4.6	Contribute positively to reviews of programmes and funding practice.	CSOs
MC 4.7	Advise the Government on the social, environmental or economic impact of funding changes, and on ways to minimise their effects on people in vulnerable situations.	CSOs
EFS 5.1	Work with CSOs 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.	G
EFS 5.2	Acknowledge that organisations representing specific disadvantaged or under-represented group(s) can help promote social and community cohesion and should have equal access to state funding.	G
EFS 5.3	Take practical action to eliminate unlawful discrimination, advance equality and to ensure a voice for under-represented and disadvantaged groups.	G
EFS 5.4	If receiving funding from a government body, show how the value of the work can help that body deliver its public sector duties on promoting equality and tackling discrimination.	CSOs
EFS 5.5	Take practical action, such as through funding bids, to eliminate unlawful discrimination, advance equality of opportunity and build stronger communities.	CSOs

Notes: SCS = A strong, diverse and independent civil society; D&D = Effective and transparent design and development of policies, programmes and public services; RHQ = Responsive and high-quality programmes and services; MC = Clear arrangements for managing changes to programmes and services; EFS = An equal and fair society; G = Government; CSOs = Civil Society Organisations.

Appendix 3: Summary of Compact Joint Action Plans

1st Compact Annual Review 9 May 2000 Action Plan 2000-01	2nd Compact Annual Review 29 October 2001; Joint Compact Action Plan 2001-02	3rd Compact Annual Review 29 April 2002 Draft Compact Action Plan 2002-2003	4th Compact Annual Review 28 April 2003. Joint Compact Action Plan 2003-04	5th Compact Annual Review 5 May 2004 Joint Compact Action Plan 2004-05	6th Annual Review 30 November 2005 Joint Compact Action Plan 2005-06	7th Annual Review 22 November 2006 Joint Compact Action Plan 2006-08	8th Annual Review 13 December 2007 Joint Compact Action Plan 2008-09	Joint Compact Action Plan 2009-10 May 2009
1. Paul Boateng to write to Ministers across Government to draw their attention to this Action Plan and invite them to develop their own departmental action plans for implementing the Codes of Good Practice when published. Target date: May 2000	1. Undertake project to consult and provide consistency across implementation of Compact Codes of Good Practice. Target date: March 2002	1. Implement agreed Compact-related recommendations of Government Reviews including Treasury Cross-Cutting Review of Role of Voluntary Sector in Public Services Delivery, RCU Review of Regeneration Funding and PIU Review on Modernising the Legal and Regulatory Framework for Charities and the Voluntary Sector. Target date: ongoing	1. To make a step change in the number of voluntary and community sector (VCS) organisations making effective use of the Compact and its codes in their relationship with all levels of government, including the development of local compacts in every area. Target date: ongoing	Local Compacts 1. Remaining local authority areas to be covered by a Local Compact. Target date: April 2005	Local Compacts 1. Increase the number of public sector bodies involved in Local Compacts	1. Local Compacts to form basis for partnership working, with better application of Compact principles to result in stronger partnerships, and greater engagement of communities in policy, programmes and service delivery, social regeneration and renewal	1. Stronger relationships and partnerships at national level, to deliver the national Compact	1. Raising the profile of the Compact [To continue to develop awareness and understanding of the Compact

1st Compact Annual Review 9 May 2000 Action Plan 2000-01	2nd Compact Annual Review 29 October 2001; Joint Compact Action Plan 2001-02	3rd Compact Annual Review 29 April 2002 Draft Compact Action Plan 2002-2003	4th Compact Annual Review 28 April 2003. Joint Compact Action Plan 2003-04	5th Compact Annual Review 5 May 2004 Joint Compact Action Plan 2004-05	6th Annual Review 30 November 2005 Joint Compact Action Plan 2005-06	7th Annual Review 22 November 2006 Joint Compact Action Plan 2006-08	8th Annual Review 13 December 2007 Joint Compact Action Plan 2008-09	Joint Compact Action Plan 2009-10 May 2009
2. Publish good practice guidance on developing Local Compacts (1) supported by a strategy for encouraging local public spending bodies to participate in the formation of Local Compacts (2) Target dates: (1) by July 2000 and (2) by October 2000	2. Develop systematic monitoring and review of Compact activities. Target date: March 2002	2. Implement key recommendations of ACU Compact Strategy project. Target date: ongoing	2. Encourage local VCS organisations to engage in local compact development in line with the agreed plan. To take account of advice from the National Forum on Local Compacts. Target date: ongoing	Local Compacts 2. Increase the number of public sector bodies involved in Local Compacts	Local Compacts 2. Increase the effectiveness of Local Compacts	2. Demonstrate best practice in delivery of high quality services and local decision-making through Compact to be recognised as providing evidence of good partnership working in performance monitoring	2. Stronger relationships and partnerships at local level, supported by Local and Regional Compacts and Compact Action Plans.	2. Building our knowledge of the Compact [Evidence of the impact of the Compact]
3. Issue joint letter from Home Office/DETR Ministers encouraging the Regional Development Agencies to adopt and adapt the Compact to suit their relationship with the Sector. Target date:	3. Make resources available to the voluntary and community sector for Compact and Code implementation. Target date: ongoing	3. Implement the Sector's Delivery Strategy. Target date: ongoing	3. Local Implementation and Advisory Group (LIAG) to produce plan based on expectation that all local public bodies will be working towards involvement in Local Compact by April 2004 (CCR31). Target date for	Local Compacts 3. Increase the effectiveness of Local Compacts	Involvement in local authorities' overview and scrutiny arrangements 3. Promote the involvement of VCS organisations in local authorities' overview and scrutiny arrangements	3. Demonstrate best practice in funding and procurement practices to be more accessible for VCS to level the playing field for the sector in dealing with public bodies and bidding for grants and contracts. To	3. Increased understanding of the role of the Compact in promoting equality and community cohesion	3. Embedding the Compact in structures, process and policy [To promote greater use of the Compact]

1st Compact Annual Review 9 May 2000 Action Plan 2000-01	2nd Compact Annual Review 29 October 2001; Joint Compact Action Plan 2001-02	3rd Compact Annual Review 29 April 2002 Draft Compact Action Plan 2002-2003	4th Compact Annual Review 28 April 2003. Joint Compact Action Plan 2003-04	5th Compact Annual Review 5 May 2004 Joint Compact Action Plan 2004-05	6th Annual Review 30 November 2005 Joint Compact Action Plan 2005-06	7th Annual Review 22 November 2006 Joint Compact Action Plan 2006-08	8th Annual Review 13 December 2007 Joint Compact Action Plan 2008-09	Joint Compact Action Plan 2009-10 May 2009
July 2000			plan: April 2003			be fit for purpose, to result in better public services and opportunities for communities, and better value for money		

1st Compact Annual Review 9 May 2000 Action Plan 2000-01	2nd Compact Annual Review 29 October 2001; Joint Compact Action Plan 2001-02	3rd Compact Annual Review 29 April 2002 Draft Compact Action Plan 2002-2003	4th Compact Annual Review 28 April 2003. Joint Compact Action Plan 2003-04	5th Compact Annual Review 5 May 2004 Joint Compact Action Plan 2004-05	6th Annual Review 30 November 2005 Joint Compact Action Plan 2005-06	7th Annual Review 22 November 2006 Joint Compact Action Plan 2006-08	8th Annual Review 13 December 2007 Joint Compact Action Plan 2008-09	Joint Compact Action Plan 2009-10 May 2009
4. Map within departments (including Executive Agencies and Non-Departmental Public Bodies) those staff which have most contact with the voluntary and community sector (1), in order to target the dissemination of Compact materials and arrange awareness-raising briefings carried out jointly by ACU/WGGR (2). Target dates: (1) September 2000 and (2) Ongoing	4. Produce summary document of Departmental complaints procedure for voluntary/community sector. Target date: April 2002	4. Work with Sector to produce 3-year implementation plan. Target date: March 2003	4. Incentivise best practice through Best Value, Local PSAs, Community Strategies and other available regulatory, inspection and support levers to achieve this (R35-38). Target date: ongoing	Involvement in Local Authorities' overview and scrutiny arrangements 4. Promote the involvement of VCS organisations in local authorities' overview and scrutiny arrangements	Regional engagement 4. Promote the Compact at regional level	4. Compact principles to be better applied by Government Departments, to improve working with the VCS, to enable them to contribute more to policy, programmes and service delivery	4. Strengthen the independence, voice and campaigning work of the third sector	4. Maintaining the relevance of the Compact [To ensure the continuing relevance of the Compact]

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5. Conduct a campaign to raise awareness within the voluntary and community sector about the sector's responsibilities under the Compact. Target date: ongoing	5. Set up Compact Mediation Working Group to report on Mediation Service; Target date: April 2002	5. Develop and pilot systematic monitoring and review of Compact activities. Target dates: (i) November 2002 and (ii) March 2003	5. Monitor and evaluate the effectiveness of Local Compacts in place, highlighting best practice (CCR31). Target date: ongoing for October 2004	Procurement by local public sector bodies 5. Local public sector bodies, particularly local authorities, to open their procurement processes and opportunities more widely to the VCS. including (iii) Disseminate lessons learnt from the 'lead funder' pilots into public sector (such as local authorities, PCTs, Local LSCs and other Government agencies operating locally) funding practice. Target date April 2005	Embedding the Compact in Government Departments 5. Central Government Departments - through G3 Champions and VCSLOs - to make further progress to deliver their VCS Strategies, and to work with NDPBs on Compact implementation	5. Compact principles to be better applied by NDPBs, to improve working with the VCS for better design and delivery of policy, programmes and services and better value for money	5. Ensure the continued relevance of the Compact in a changing legislative and policy environment	

1st Compact Annual Review 9 May 2000 Action Plan 2000-01	2nd Compact Annual Review 29 October 2001; Joint Compact Action Plan 2001-02	3rd Compact Annual Review 29 April 2002 Draft Compact Action Plan 2002-2003	4th Compact Annual Review 28 April 2003. Joint Compact Action Plan 2003-04	5th Compact Annual Review 5 May 2004 Joint Compact Action Plan 2004-05	6th Annual Review 30 November 2005 Joint Compact Action Plan 2005-06	7th Annual Review 22 November 2006 Joint Compact Action Plan 2006-08	8th Annual Review 13 December 2007 Joint Compact Action Plan 2008-09	Joint Compact Action Plan 2009-10 May 2009
6. Hold an annual Awayday for Senior Civil Servants and Chief Executives of Voluntary Organisations. This year's event to focus on Policy Development, Delivery and Appraisal. Target date: October 2000	6. (i) Draw up awareness raising/training implementation plans for Government and Sector. (ii) Implement raising awareness/training activities across Government and Sector; Target dates: (i) March 2002 and (ii) ongoing	6. Take forward Local Compacts Strategy, taking account of policy and initiatives at the local level including LSPs, and secure involvement of relevant local statutory agents. Target date: ongoing	6. Agree strategy for raising awareness with NDPBs and working with Government Departments to engage key NDPBs in implementing the Compact. Target date: September 2003	Regional engagement 6. Promote the Compact at regional level	Funding and procurement 6. Promote good practice in funding and procurement across Central Government	6. Compact principles to be better applied by regional bodies, to achieve closer relationships across regions between the VCS and public sector, with better understanding and improved working practices. This should result in stronger partnership working to improve social and economic well-being of the regions.		

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7. Publish Codes of Good Practice on the Black and Minority Ethnic Voluntary Sector (1), Volunteering (2) and Community Groups (3). Target dates: (1) October 2000, (2) November 2000 and (3) December 2000	7. Work with key Government Departments to imbue Compact principles into the implementation of Annual Plans. Target date: ongoing	7. Continue to facilitate Regional involvement in the Compact and Codes of Good Practice. Target date: ongoing	7. Further develop research framework, and monitor Compact activities nationally, regionally and locally March 2004 including RDS. Target date: March 2004	Embedding the Compact in Government Departments 7. Central Government Departments - through Compact Champions and VCSLOs - to achieve visible progress in implementing their VCS Strategies	Funding and procurement 7. Local public sector bodies, particularly local authorities, to open their procurement processes and opportunities more widely to the VCS	7. CWG to review their remit and structure to ensure effectively carries out role to represent VCS on Compact at strategic level		

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8. Convene a meeting between the WGGR and Departmental VSLOs to share information about the development of the Compact, including examples of good practice, in advance of the next annual review meeting. Target date: February 2001	8. Continue to facilitate development of Regional compacts. Target date: ongoing	8. Pilot, evaluate and report on Compact Mediation Scheme. Target dates: May 2002-March 2003	8. Initiate drive to raise awareness and understanding of the Compact within the VCS and Government. To include briefing, guidance, answers to Parliamentary Questions, press releases and protocol for linking Local Compacts with other initiatives (CCR26). Target date: October 2003	Embedding the Compact in Government Departments 8. Central Government Departments to make visible progress on incorporating NDPBs into their VCS Strategies	Supporting VCS Compact implementation 8. Engage the VCS so that organisations know, use and understand the Compact	8. CWG/Compact Voice to engage the national VCS		

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9. Undertake further work, arising from the Code of Good Practice on Funding, in respect of: good practice in contracting for partnership-based initiatives; cross-departmental funding; and the development of a model grant application form. Target date: April 2001	9. Review the role, composition, and funding of the Compact Working Group; with particular reference to community, BME and local activity. Target date: March 2002	9. Make resources available to the voluntary and community sector to support Compact and Code implementation, and include promotion of Compact principles as a requirement in grant conditions to funded bodies/organisations. Target: ongoing	9. Develop learning programme for public sector officials to provide greater understanding of the VCS, including partnership working. Target date: April 2004	Breaking down barriers 9. Publish revised Compact Code of Good Practice on Funding and undertake work to raise awareness across Central Government	Supporting VCS Compact implementation 9. Raise awareness with public sector bodies on need to implement the Compact and Codes	9. Compact Commissioner to be established, to oversee Compact, promoting effective ways of working and brokering on the operation of the relationship, to strengthen the partnership between government and the VCS to achieve common goals.		

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10. Review the need for mediation in applying the Compact and its codes, and the practicalities of how this might work. Target date: April 2001	10. (i) Complete and make available mapping of Government Units which have significant engagement with Voluntary and Community Sector. (ii) Set up Cross-Departmental Officials' Compact Implementation Group. Target dates: (i) April 2002 and (ii) ongoing	11. Work with national and local umbrella organisations to educate members and local organisations (especially BME and community groups) in knowing and using the Compact and Codes. Target date: ongoing	10. Raise Government Office awareness of the Compact and Codes, and promote engagement in Compacts at local level (CCR29). Target date: ongoing	Supporting VCS Compact implementation 10. Engage the VCS so that organisations know, use and understand the Compact. (1) CWG Secretariat to be funded to provide information to VCS relevant to their work, guides to using the Compact and establish partnership working with key organisations. (ii) CWG Secretariat to identify and work with key VCS organisations who will provide training to their staff and trustees and appoint Compact Champions.	Strengthening Partnerships: Next Steps to Compact proposals 10. Implement outcomes from consultation	10. Work of the Commissioner to promote and oversee Compact to make a visible difference in implementation and stronger partnership working.		

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				(iii) CWG Secretariat to encourage VCS organisations to engage in Local Compact development, for example through LSPs' (iv) Increase awareness of role of Compact as tool for engaging the community in setting local priorities for Local PSAs				
	11. Publish Summary of Annual Report, lodge in Parliament Library and disseminate widely. Target date: December 2001		11. Monitor and evaluate operation of Compact Mediation Scheme. Target date: April 2004	Raising awareness 11. Implement Compact Communications Strategy		11. Compact Plus to be developed to ensure the Compact principles are better implemented. It should provide strong incentives for following best practice.		

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	12. (i) Continue to facilitate the development of Local Compacts. Ii) Focus activity to involve NHS/Police Authorities/LSCs and Probation in Local Compacts. Target dates: ongoing	12. Increase level of Departmental resources directed at implementing the Compact and Codes of Good Practice including VSLO/Champion roles. Target date: ongoing	12. To continue to resource Compact Secretariat to support Compact and Code implementation. To include promotion of Compact principles as a requirement in ACU grant conditions to funded bodies. To include this in a broader programme to review grant and contract procedure between Government Departments and the VCS. Target date: ongoing	Resolving disagreements 12. Publicise the extension of the Compact Mediation Scheme to cover disputes related to Local Compacts				

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	13. Increase level of resources within Government directed at implementing the Compact and Codes of Good Practice including VSLO role. Target date: ongoing	13. Work with key Government Departments to imbue Compact principles into the implementation of Annual Plans paying attention to partnership, service delivery and regeneration initiatives. Target date: March 2003	13. To review the Funding Code of Good Practice, to simplify messages and build on new guidance being developed on funding and procurement (CCR14). Target date: December 2003	Codes of Good Practice 13. Ensure implementation of the Codes of Good Practice on volunteering, community groups and BME VCS organisations				
	14. Publish Compact and Codes implementation guide for Government and the Sector. Target date: May 2002	14. (i) Draw up awareness-raising/training implementation plans for Government and Sector. (ii) Implement awareness-raising/training activities across Government and Sector. Target date: (i) August 2002 and (ii) ongoing	14. Identify key partner national VCS organisations to ensure that trustees, staff and volunteers are aware of and working towards the sector's key undertakings. Target date: ongoing					

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	15. Ensure Government SR2002 Review of the Role [of the] Sector in Public Service Delivery and PIU Review on Modernising the Legal and Regulatory Framework for Charities and the Voluntary Sector take account of the Compact and Codes of Good Practice. Target date: ongoing	15. Disseminate, maintain and make use of Government contracts data, including integration into the VCS Grant Portal. Target date: ongoing	15. Work with Government at central, regional and local levels and VCS umbrella organisations to educate members and local organisations (especially BME and community groups) in understanding and using the Compact and Codes, including maximising opportunities through Government funding criteria and programme implementation (eg. Capacity Building and Infrastructure Strategy) (CCR26). Target date: ongoing					

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	16. Establish quarterly VSLO/Sector meetings to share information about implementation of Compact and Codes. Target date: ongoing	16. Facilitate quarterly VSLO/Sector meetings to share information about implementation of Compact and Codes. Target date: ongoing	16. Review role of VCSLOs in implementation of Compact and Codes. Agree plans with VCSLOS to evaluate and improve relationships with VCS, and raise awareness in Departments (CCR28). Target date: June 2003 and ongoing					

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	17. Compact information to be integrated into the Induction processes of Government and the Sector. Target date: ongoing	17. Compact information to be integrated into the Induction processes of Government. Target date: ongoing	17. Work with key Government departments to embed Compact principles into Departmental business, paying attention to partnership, service delivery, regeneration and funding initiatives. To continue to meet quarterly with Champions across Central Government to agree and take forward implementation plans (CCR27 & 29). Target date: ongoing					

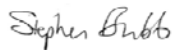| 1st Compact Annual Review 9 May 2000 Action Plan 2000-01	2nd Compact Annual Review 29 October 2001; Joint Compact Action Plan 2001-02	3rd Compact Annual Review 29 April 2002 Draft Compact Action Plan 2002-2003	4th Compact Annual Review 28 April 2003. Joint Compact Action Plan 2003-04	5th Compact Annual Review 5 May 2004 Joint Compact Action Plan 2004-05	6th Annual Review 30 November 2005 Joint Compact Action Plan 2005-06	7th Annual Review 22 November 2006 Joint Compact Action Plan 2006-08	8th Annual Review 13 December 2007 Joint Compact Action Plan 2008-09	Joint Compact Action Plan 2009-10 May 2009
	18. Work with Sector to produce longer-term plan. Target: July 2002	18. Lodge Summary of 3rd Compact Review Meeting Report in Parliament Library and post on ACU/CWG websites. Target: June 2002	18. Develop VCS Government Grants Portal (CCR17). Target date: April 2004					
			19. Compact information to be integrated into the recruitment and induction processes of Government, providing a template for use within key units across Departments. Target date: October 2003					
			20. Publish 4th Compact Annual report, lodge in Parliament Library and post on ACU/CWG web sites.					

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			Target date: June 2003					

Appendix 4: Statement of support for the renewed Compact
December 2010

Compact voice
Making the Compact work for you

Statement of Support for the Renewed Compact
December 2010

'We welcome this renewed Compact, and the new accountability measures announced alongside, as a significant step forward in the sector's relationship with Government. The current economic difficulties, and pace of reform, have put heavy pressures on our sector. We look forward to the Government fully implementing this renewed Compact immediately to ensure changes are undertaken in a Compact compliant way, which will minimise disruption while ensuring the best outcomes for citizens and communities are achieved.'
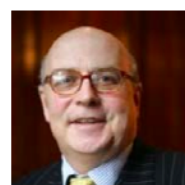
Stephen Bubb
Chief Executive
ACEVO

Sylvia Brown
Chief Executive
ACRE
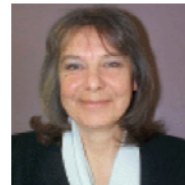
Kevin Curley
Chief Executive,
NAVCA

Stuart Etherington
Chief Executive
NCVO

Vandna Gohil
Chief Executive,
Voice 4 Change England

Dr Justin Davis Smith
Chief Executive
Volunteering England

Find out more
Web: www.compactvoice.org.uk
Enquiries and monthly e-newsletter signup: compact@compactvoice.org.uk
Telephone: 0207 520 2451

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